



## Fiscal Estimate Narratives

WEDC 3/12/2018

LRB Number	<b>17-5356/1</b>	Introduction Number	<b>AB-1010</b>	Estimate Type	<b>Original</b>
<b>Description</b> Providing loans, loan guarantees, tax benefits, and procurement preferences to employee-owned companies, establishing a center for employee ownership in the University of Wisconsin System, and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

AB-1010 directs the Wisconsin Economic Development Corporation (WEDC) to establish and administer an economic development program to make loans or loan guarantees to employee-owned companies to finance the transfer of shares of a corporation or member interests of an LLC to an employee stock ownership plan, an employee ownership trust, or a direct share ownership plan.

Per § 238.303(1), WEDC has the authority to implement economic development programs, with approval from its Board of Directors, to provide business support and financial assistance to companies that are investing and creating jobs in Wisconsin. The 2017-19 Biennial Budget (2017 Wisconsin Act 59) re-authorized WEDC to implement new lending programs and directed the corporation to adopt policies and procedures for such programs.

AB-1010 directs WEDC to inform applicants of its decision no later than 30 days after the corporation receives an application for an employee ownership loan or loan guarantee. This may cause a delay in the application process for businesses seeking assistance from other WEDC economic development programs.

This proposal would have a net neutral fiscal effect on the State; however, as the bill does not provide new allocation, implementing this program would require WEDC to divert funding from existing programs and activities to support the statutory requirements, and may require additional staff resources to administer.

### Long-Range Fiscal Implications