

Fiscal Estimate Narratives

DOA 1/17/2018

LRB Number	17-4443/1	Introduction Number	SB-450	Estimate Type	Original
Description eligibility for state procurement contracts and certain actions taken by state and local governmental bodies involving a boycott of Israel					

Assumptions Used in Arriving at Fiscal Estimate

2017 SB 450 would prohibit any state agency or other body in state government and any local government unit from engaging in a refusal to deal or the termination of business relations with Israel or a person doing business in Israel or a territory under Israeli jurisdiction if the intent of the action is to inflict economic harm or limit commercial relations. 2017 SB 450 defines these actions as a prohibited boycott, and would require that contracts for services, materials and supplies between the State and nongovernmental entities include provisions prohibiting the participation in a prohibited boycott.

The Department, which administers the State's procurement functions, estimates that workload associated with the contracting-related provision of 2017 SB 450 would include the updating of standard contracts; developing and administering policy and procedures for maintaining a non-compliance list; and re-contracting in situations where a contractor engages in a prohibited boycott during the contract period. The Department does not have information as to the number of persons who engage in the prohibited boycott, the number of contracts impacted by the provisions, and what types of contracts would be involved. The fiscal impact resulting from 2017 SB 450 (rebidding, notification of termination, if a prohibited contractor would have provided for a lower cost contract) is therefore not determinable.

The provisions of 2017 SB 450 are similar to 2017 Executive Order 261 (EO), signed by Governor Walker on October 27, 2017. The Department has been implementing and anticipates on-going administration of the provisions of this EO utilizing existing resources, and anticipates no additional resources would be necessary for the implementation/administration of 2017 SB 450.

The fiscal impact on local units of government would include a one-time cost of updating existing local laws and other regulations. The Department does not have information as to the number of local units of government that participate in what would now be defined as a prohibited boycott nor the method by which those local units of government have implemented such a boycott, and therefore cannot determine the impact on these local units of government.

Long-Range Fiscal Implications