

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>17-0361/2</b>	<b>Introduction Number</b> <b>SB-460</b>
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**Description**  
 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

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs      3.  Increase Revenue
  - Permissive  Mandatory     Permissive  Mandatory
  - 2.  Decrease Costs      4.  Decrease Revenue
  - Permissive  Mandatory     Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties     Others
  - School Districts     WTCS Districts

<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	<b>Affected Ch. 20 Appropriations</b>
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## Fiscal Estimate Narratives

WEDC 10/19/2017

LRB Number	17-0361/2	Introduction Number	SB-460	Estimate Type	Original
<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

SB-460 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.

SB-460 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. It may require staff resources to administer the program, which could be absorbed into the existing budget.

### Long-Range Fiscal Implications