

## SENATE BILL NO. 198

INTRODUCED BY J. BALLYEAT, TUTVEDT, ARTHUN, ZINKE, HENDRICK, SHOCKLEY, WITTICH,  
 DE. BARRETT, MOORE, JACKSON, VUCKOVICH, SONJU, HINKLE, STEINBEISSER, BUTTREY,  
 BROWN, RIPLEY, BRENDEN, WALKER, LEWIS, YATES, PRIEST, VINCENT, JONES, VANCE, KARY,  
 HANSEN, BURNETT

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE CONTENT OF FISCAL NOTES; AND AMENDING  
 SECTIONS 5-4-201, 5-4-203, AND 5-4-205, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 5-4-201, MCA, is amended to read:

**"5-4-201. Requirement of fiscal notes with committee reports.** All bills reported out of a committee of the legislature having an effect on the ~~revenues~~ revenue, expenditures, or fiscal liability of the state or of a county or municipality, except appropriation measures carrying specific dollar amounts, ~~shall~~ must include a fiscal note incorporating an estimate of ~~such~~ the effect and the content required in 5-4-205. Fiscal notes ~~shall~~ must be requested by the presiding officer of either house, who shall determine the need for the note at the time of introduction."

**SECTION 2. SECTION 5-4-203, MCA, IS AMENDED TO READ:**

**"5-4-203. Budget director to prepare note.** (1) The budget director, in cooperation with the state or local agencies or officials or organizations representing local agencies or officials affected by the bill, is responsible for the preparation of the fiscal note ~~and~~.

(2) The budget director shall ~~return same~~ complete the fiscal note within 6 days, except as provided in subsection (3).

(3) (a) The budget director may request additional time to complete a note, which. The extension must be submitted to the presiding officer or committee requesting the note for approval.

(b) The budget director shall complete a fiscal note subject to 5-4-205(1)(b) within 10 days."

**Section 3.** Section 5-4-205, MCA, is amended to read:

1           **"5-4-205. Contents of notes.** (1) (A) Fiscal notes must, when possible, show in dollar amounts the  
2 estimated increase or decrease in revenue or expenditures, costs that may be absorbed without additional funds,  
3 and long-range financial implications. A

4           (B) IF A FISCAL NOTE HAS AN ESTIMATED FISCAL IMPACT OF GREATER THAN \$10 MILLION IN GENERAL FUND MONEY  
5 OVER THE BIENNIUM, IT MUST INCLUDE AN ESTIMATE OF THE A SUMMARY OF THE ESTIMATED CHANGES IN BEHAVIOR THAT WILL  
6 MAY OCCUR BECAUSE OF THE POLICY CHANGES IN THE BILL AND AN ESTIMATE OF THE RESULTING FISCAL IMPACT. A THE FISCAL  
7 NOTE MUST INCLUDE ESTIMATED COSTS THAT WILL POTENTIAL FISCAL IMPACTS THAT MAY OCCUR TO THE PRIVATE SECTOR AS A  
8 RESULT OF THE POLICY CHANGES IN THE BILL.

9           (C) A comment or opinion relative to the merits of the bill may not be included in the fiscal note. However,  
10 technical or mechanical defects may be noted.

11           (2) It is the legislature's intent that a fiscal note be prepared as an objective analysis of the fiscal impact  
12 of legislation. The fiscal note should represent only the estimate of the revenue and expenditures that would result  
13 from the implementation of the legislation, if enacted, and may not in any way reflect the views or opinions of the  
14 preparing agencies, the sponsor, or other interested parties. Changes in revenue must be estimated for each  
15 reported year based upon appropriate revenue estimating methodologies for the source of revenue described  
16 and should reflect a change from the official revenue estimate provided for in 5-5-227. Expenditures must be  
17 estimated as the amount required for implementing the legislation, if enacted, in excess of or as a reduction to  
18 the present law base level of expenditures in each reported year regardless of whether or not the preparing  
19 agency determines that it can absorb the costs in its proposed budget.

20           (3) The fiscal note must clearly differentiate between facts and assumptions made in the preparation of  
21 the fiscal note while maintaining a logical flow of both fact and assumption in presenting how the fiscal impact  
22 is determined."

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