



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 230

PRINTERS NO. 385

PRIME SPONSOR: Ryan

### COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	See Fiscal Impact	See Fiscal Impact

**SUMMARY:** House Bill 230, Printer's Number 385, amends the Administrative Code further providing for revenue estimates of proposed legislation.

**ANALYSIS:** This legislation increases the threshold from \$10 million to \$50 million for which the Independent Fiscal Office (IFO) shall prepare a revenue estimate of changes proposed or considered as part of the annual State budget. Furthermore, the bill adds a section providing that the IFO shall prepare a revenue estimate of any proposed change in law affecting revenues, receipts and regulatory fees, considered as part of a bill or amendment in either house of the General Assembly, that may be expected to carry a fiscal impact in excess of \$50 million in any fiscal year if requested by an officer listed in Section 615-B. The IFO shall prepare the estimates on the basis of assumptions that consider the probable behavioral responses of taxpayers, businesses and other persons and any potential dynamic or macroeconomic impacts in response to the proposed changes, including a statement identifying those assumptions.

The following are the listed officers in Section 615-B:

1. President pro tempore of the Senate and Speaker of the House of Representatives.
2. Majority Leader and Minority Leader of the Senate and the House of Representatives.
3. Chairperson and minority chairperson of the Appropriations Committee of the Senate and the House of Representatives.
4. Chairperson and minority chairperson of the standing committee to which the bill is referred to in the Senate and the House of Representatives.

An officer may request a revenue estimate in accordance with this legislation no sooner than 120 days after the effective date of this legislation.

The act shall take effect in 60 days.

**FISCAL IMPACT:** This legislation adds another tool to further assist policymakers in understanding the economic impacts of proposed legislation by providing that the IFO do a dynamic analysis of proposed changes in law considered as part of a bill or an amendment in either house of the General Assembly if an officer requests such an analysis.

Currently, a similar process is utilized for proposed amendments to pension legislation before the proposals can be given second consideration. According to the IFO, a significant amount of the time required to complete the letters and notes is to obtain data or analyses that they need from others, and the IFO has no control over the pace that other organizations respond. Adding dynamic modeling to this process will increase the amount of time and costs needed for the IFO to complete the type of analysis required under this legislation.

Extending this process to any bill or amendment that is introduced in the General Assembly which carries a fiscal impact in excess of \$50 million has the potential to significantly increase the workload of the IFO. In the 2019-20 legislative session, there were 2,868 bills introduced in the House of Representatives and 1,331 bills introduced in the Senate. These numbers do not include any proposed amendments that are considered to the bills. It is not known how many of these bills or amendments have a revenue impact in excess of \$50 million or if an officer would make a request of the IFO to do a dynamic analysis as required by this legislation.

Enactment of this legislation will result in an increased workload for the IFO and an indeterminable increase in costs.

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House Appropriations Committee (R)

**DATE:** March 16, 2021

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*