

EXHIBIT 3
DATE 3-31-09
SB 245

SB245 – Revise Fiscal Notes (Sen. Joe Balyeat)

This is a pretty simple bill, especially after Senate finance amended out the biggest part of it. All that's left is one new requirement regarding fiscal notes:

SB 245 proposes that fiscal notes must include an estimate of costs to the private sector that will occur as a result of the policy changes in the bill. I argue that we aren't getting the whole picture with fiscal notes that merely reflect the costs to government; without also estimating the costs of new legislation to the private sector.

Last session we passed Sen. Cocchiarella's SB466 – a paired down version of the Small Business Regulatory Flexibility Act. In fact, we passed it with 150 votes for and 0 votes against. SB466 amended 2-4-405 to read: "*an agency shall prepare a statement of the economic impact of the adoption, amendment, or repeal of a rule as proposed. The agency shall also prepare a statement upon receipt by the agency or the committee of a written request for a statement made by at least 15 legislators. [To include] the probable economic impact of the proposed rule upon affected classes of persons, including but not limited to ... affected small businesses, and quantifying, to the extent practicable, that impact.*" This statute already says 15 legislators can request an analysis quantifying the 'probable economic impact of proposed rule changes upon affected classes of persons and affected small businesses.'

Now, if 15 legislators can request that impact analysis resulting from mere proposed rule changes, then surely 51 representatives can request the same analysis be done for proposed statutory changes. And that's exactly what this bill asks for.

You might anticipate there'd be reluctance from the budget office saying these things aren't readily do-able; or will cost too much. Meaning no disrespect, it's the tendency of bureaucracies to avoid change. And the natural, typical approach is to overestimate the cost and consequence of bureaucratic changes. With current technology this suggested change is well within reach. Computer technology and data availability have advanced to the point where these things are easily do-able; and I've provided an example showing the change proposed in this bill is already being done on occasion. But, as we represent the people of the State of Montana, with the billions of dollars they've entrusted to our care, shouldn't we have consistency rather than merely occasional accuracy; and we should have as much data as possible, certainly including an estimate of how much proposed legislation will cost the private sector. We need the most complete and accurate fiscal notes possible for each piece of legislation we consider.

Mr. Chairman, I'll sit and listen to proponents and opponents, if any, and reserve the right to answer questions and close.