

1 SENATE BILL NO. 198

2 INTRODUCED BY J. BALYEAT

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

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

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9 **Section 1.** Section 5-4-201, MCA, is amended to read:10 **"5-4-201. Requirement of fiscal notes with committee reports.** All bills reported out of a committee
11 of the legislature having an effect on the ~~revenues~~ revenue, expenditures, or fiscal liability of the state or of a
12 county or municipality, except appropriation measures carrying specific dollar amounts, ~~shall~~ must include a fiscal
13 note incorporating an estimate of ~~such~~ the effect and the content required in 5-4-205. Fiscal notes ~~shall~~ must be
14 requested by the presiding officer of either house, who shall determine the need for the note at the time of
15 introduction."

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17 **Section 2.** Section 5-4-205, MCA, is amended to read:18 **"5-4-205. Contents of notes.** (1) Fiscal notes must, when possible, show in dollar amounts the
19 estimated increase or decrease in revenue or expenditures, costs that may be absorbed without additional funds,
20 and long-range financial implications. A fiscal note must include an estimate of the changes in behavior that will
21 occur because of the policy changes in the bill and the resulting fiscal impact. A fiscal note must include estimated
22 costs that will occur to the private sector as a result of the policy changes in the bill. A comment or opinion relative
23 to the merits of the bill may not be included in the fiscal note. However, technical or mechanical defects may be
24 noted.25 (2) It is the legislature's intent that a fiscal note be prepared as an objective analysis of the fiscal impact
26 of legislation. The fiscal note should represent only the estimate of the revenue and expenditures that would result
27 from the implementation of the legislation, if enacted, and may not in any way reflect the views or opinions of the
28 preparing agencies, the sponsor, or other interested parties. Changes in revenue must be estimated for each
29 reported year based upon appropriate revenue estimating methodologies for the source of revenue described
30 and should reflect a change from the official revenue estimate provided for in 5-5-227. Expenditures must be

1 estimated as the amount required for implementing the legislation, if enacted, in excess of or as a reduction to
2 the present law base level of expenditures in each reported year regardless of whether or not the preparing
3 agency determines that it can absorb the costs in its proposed budget.

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

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