

HOUSE BILL NO. 442  
INTRODUCED BY M. PHILLIPS

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE LEGISLATIVE FISCAL ANALYST TO CONDUCT SYSTEMATIC REVIEWS OF FISCAL NOTES, MAKE REGULAR REPORTS OF THE REVIEW FINDINGS, AND MAKE APPROPRIATE RECOMMENDATIONS TO IMPROVE THE DEVELOPMENT OF FISCAL NOTES; AMENDING SECTION 5-12-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Review of fiscal notes.** (1) The legislative fiscal analyst shall conduct systematic reviews of fiscal notes prepared pursuant to Title 5, chapter 4, part 2, to determine the accuracy of fiscal notes over time.

(2) To ensure the systematic nature of the reviews, the legislative fiscal analyst shall:

(a) randomly select for review a sample of 25 bills enacted during each of the 2001, 2003, and 2005 regular legislative sessions for which fiscal notes were prepared and, immediately following adjournment of each regular legislative session beginning with the adjournment of the 2007 regular session, randomly select for review a sample of 25 bills enacted during the session for which fiscal notes were prepared;

(b) for each bill in each sample, determine the actual fiscal impact of the bill at the close of the first 5 fiscal years after the bill is enacted; and

(c) compare the actual fiscal impact of each bill with the estimated fiscal impact indicated in the fiscal note prepared for the bill.

(3) The legislative fiscal analyst shall:

(a) report the review findings to the legislative finance committee and the legislative council before November 1 in each even-numbered year; and

(b) in the reports:

(i) note and explain any changes in law after the fiscal note was prepared that significantly affect the assumptions upon which the fiscal note was based and estimate the fiscal effects of the changes in law; and

(ii) make recommendations, as appropriate, for improving the development, including the accuracy, of fiscal notes.

**Section 2.** Section 5-12-302, MCA, is amended to read:

**"5-12-302. Fiscal analyst's duties.** The legislative fiscal analyst shall:

(1) provide for fiscal analysis of state government and accumulate, compile, analyze, and furnish information bearing upon the financial matters of the state that is relevant to issues of policy and questions of statewide importance, including but not limited to investigation and study of the possibilities of effecting economy and efficiency in state government;

(2) estimate revenue from existing and proposed taxes;

(3) analyze the executive budget and budget requests of selected state agencies and institutions, including proposals for the construction of capital improvements;

(4) make the reports and recommendations that the legislative fiscal analyst considers desirable to the legislature and make reports and recommendations as requested by the legislative finance committee and the legislature;

(5) assist committees of the legislature and individual legislators in compiling and analyzing financial information; ~~and~~

(6) assist the revenue and transportation interim committee in performing its revenue estimating duties; and

(7) systematically conduct the reviews of fiscal notes as required in [section 1]."

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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