



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 110

PRINTERS NO. 3792

PRIME SPONSOR: Ryan

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: House Bill 110, Printer's Number 3792, amends the Administrative Code further providing for revenue estimates of proposed legislation.

ANALYSIS: This legislation provides that the Independent Fiscal Office (IFO) shall prepare a revenue estimate of any proposed change in law affecting revenues and receipts, including increases in regulatory fees, that may be expected to carry a fiscal impact in excess of \$10 million in any fiscal year if requested by an officer listed in Section 615-B. If requested, no bill or amendment may be given second consideration in either House of the General Assembly until the IFO has attached a revenue estimate in compliance with this legislation. If the IFO fails to attach a revenue estimate within 20 legislative days after a request has been made, the bill may be further considered in the same manner as if the revenue estimate had been attached.

The IFO shall prepare the estimates on the basis of assumptions that estimate the probable behavioral responses of taxpayers, businesses and other persons to the proposed changes and shall include 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.

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 requiring the IFO to do a dynamic analysis of the proposed legislation if an officer requests such an analysis. To the extent that an officer makes such a request, the second consideration of the proposed legislation may be delayed until the IFO completes the analysis required within the 20-day legislative window.

Currently, this same 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 \$10 million has the potential to significantly increase the workload of the IFO. In the 2017-18 legislative session, there were 2,691 bills introduced in the House of Representatives and 1,263 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 have a revenue impact in excess of \$10 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.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: May 27, 2020

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