

# Legislative Analysis

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## FISCAL NOTE PROCESS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

### House Bill 4679 proposed committee substitute (H-1)

**Sponsor: Rep. Jim Lilly**

**Committee: Government Operations**

**Complete to 12-12-17**

Analysis available at  
<http://www.legislature.mi.gov>

## SUMMARY:

House Bill 4679 would amend the Legislative Council Act to create a statutory fiscal note process for both the House and Senate Fiscal Agencies.

The bill would require that for each bill scheduled for a hearing in a house or senate standing committee, the respective fiscal agency prepare a fiscal note that contains both a description and an accounting of how the legislation would affect costs or revenues for both the state and local units of government.

The bill would require that in preparing a fiscal note, the respective fiscal agencies may not indicate that a bill has an indeterminate impact unless the fiscal note also contains the following:

- A discussion of the fiscal impact along with an estimate and an explanation of how the estimate was reached.
- A detailed explanation of the efforts undertaken to determine the fiscal impact.
- A list of the local units of government or other entities the agency contacted to determine the fiscal impact.

The bill also would require the fiscal agencies to work together to establish a common list of representatives for each type of local unit of government that could be contacted to assist the agencies in preparing the fiscal note. In doing so, the bill provides that the agencies should choose local units that represent various population sizes, various geographical locations and to the extent possible, the unique needs of different local governments.

The bill would require that the fiscal agencies distribute the fiscal note to the members of a standing committee before a vote of the committee and to the full house or senate before a vote of the full house or senate. The bill also prohibits the house and senate from considering a bill on Third Reading unless the fiscal note has been distributed to each member of the respective body.

The bill would take effect 90 days after its enactment date.

Proposed MCL 4.1502 and 4.1602

## **FISCAL IMPACT:**

House Bill 4679 would have no fiscal impact on state or local government.

The bill would create additional required activities for the fiscal agencies, but they would likely be absorbed by existing staff. It is the current practice of both fiscal agencies to try to provide a summary and fiscal analysis on every bill that is taken up in a legislative committee or on the floor, and it is rare that they fail to do so; however, the agencies' ability to do so is subject to the availability of data and the amount of advance notice that a bill is scheduled for a committee meeting or action on the floor.

The requirement that the House or Senate could not vote on a bill on Third Reading without a fiscal note could lead to delay in cases when bills are being substituted or amended on the floor without much notice.

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