

# Fiscal Notes in the Committee Process

## What is a fiscal note?

A fiscal note is a brief description of the effect of a bill or amendment on the finances of Maine State Government (costs, savings and/or revenue increases or decreases) and any costs incurred by local units of government if the bill constitutes a potential state mandate. All fiscal notes are prepared by the nonpartisan Office of Fiscal and Program Review (OFPR) and are intended to describe accurately and objectively the fiscal impact of bills and amendments.

## Committee process

Although not required, OFPR may produce preliminary fiscal impact statements, which are distributed to the bill's sponsor and the committee of reference. Given time constraints, these are generally produced only for bills with readily available information and requiring less complex reviews. These are not final fiscal notes but provide a preliminary assessment of the bill's fiscal impact, if any. The preliminary fiscal impact statement indicates whether the bill, if it proceeds unchanged, will require a fiscal note.

Under Joint Rule 312, OFPR prepares a fiscal note if the office determines that a bill or amendment receiving a favorable vote from a committee, or from a majority or minority of a committee, has an impact affecting state revenues, appropriations and allocations or that requires a local unit of government to expand or modify that unit's activities. OFPR will produce the fiscal note and that fiscal note must accompany the bill or amendment when it is reported out of committee. If OFPR's analysis indicates an original bill or amendment without an appropriation or allocation will require positions or other expenditures to accomplish the intended outcome, the fiscal note drafted by OFPR will contain an appropriations and allocations section that identifies what funding is required.

The analyst for the committee will process all bills and amendments through the OFPR fiscal review procedure, ensure that preliminary impact statements and fiscal notes are brought to the attention of the committee and ensure that any required fiscal note and appropriations or allocations section is included with a committee report. The committee may ask the fiscal analyst from OFPR to come to the committee to discuss the fiscal note or the appropriations or allocations section intended to be included as part of committee amendment. After reviewing a fiscal note and any draft appropriations or allocations section, or notes or sections in the case of multiple reports, a committee may report the bill out with the fiscal note or notes or it may reconsider its action and change or eliminate the fiscal impact by making changes to the bill or amendment. Any change will require a new review and revised fiscal note from OFPR.

## Floor process

Legislation with an impact on the General Fund or Highway Fund, as identified in the fiscal note, that has been reported out of committee and received initial approval in both houses will be tabled before final enactment on the Senate's Special Appropriations Table or Special Highway Table. The Joint Standing Committee on Appropriations and Financial Affairs (or Joint Standing Committee on Transportation for the Special Highway Table), with input from the committees of jurisdiction, makes final recommendations to the Senate on which, if any, such legislation should be enacted, not enacted or amended given budgetary considerations.

**For more information** visit <http://legislature.maine.gov/ofpr/> and click on **Publications**.