

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## An Act Relating to Fiscal Notes on Proposed Legislation

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 36 MRSA §200, sub-§3** is enacted to read:

**3. Dynamic fiscal notes.** This subsection applies to a fiscal note that assesses the impact of legislation involving a tax expenditure or an increase or decrease in tax revenue resulting in a projected direct annual revenue impact of more than \$1,000,000.

A. The bureau and the Office of Fiscal and Program Review shall prepare a dynamic fiscal note in addition to any fiscal note prepared by the Office of Fiscal and Program Review pursuant to the rules of the Legislature, referred to in this subsection as a "standard fiscal note."

B. For purposes of this subsection, "dynamic fiscal note" means a fiscal note that provides an analysis of the anticipated effects of any significant behavioral changes expected as a result of the legislation, excluding those reflected in the standard fiscal note, and must analyze any significant secondary and indirect economic effects of the legislation. These effects include, without limitation, the effects on jobs, incomes, capital investment and spending on goods and services by businesses and consumers as well as the related overall impact of those effects on the State's economy and tax revenues.

A dynamic fiscal note prepared pursuant to this subsection is for informational purposes only and is not required to be used to analyze the direct fiscal impact of legislation for the affected biennium.

### SUMMARY

This bill requires the Department of Administrative and Financial Services, Bureau of Revenue Services and the Office of Fiscal and Program Review to prepare a dynamic fiscal note for any legislation that involves a tax expenditure or an increase or decrease in tax revenue resulting in a projected direct annual revenue impact of more than \$1,000,000. The dynamic fiscal note must include an analysis of the anticipated effects of any significant behavioral changes expected as a result of the legislation, excluding those reflected in the standard fiscal note, and must analyze any significant secondary and indirect economic effects of the legislation, including the effects on jobs, incomes and capital investment as well as the overall effect on the State's economy. Dynamic fiscal notes are for informational purposes only.