

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1535

H.P. 1127

House of Representatives, May 3, 2011

An Act Relating to Fiscal Notes on Proposed Legislation

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative KNIGHT of Livermore Falls.
Cosponsored by Senator TRAHAN of Lincoln and
Representatives: BENNETT of Kennebunk, BERRY of Bowdoinham, CHASE of Wells,
FLEMINGS of Bar Harbor, HARMON of Palermo, MALABY of Hancock, NEWENDYKE of
Litchfield, PILON of Saco.

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

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

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

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

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

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

21 **SUMMARY**

22 This bill requires the Department of Administrative and Financial Services, Bureau of
23 Revenue Services and the Office of Fiscal and Program Review to prepare a dynamic
24 fiscal note for any legislation that involves a tax expenditure or an increase or decrease in
25 tax revenue resulting in a projected direct annual revenue impact of more than
26 \$1,000,000. The dynamic fiscal note must include an analysis of the anticipated effects
27 of any significant behavioral changes expected as a result of the legislation, excluding
28 those reflected in the standard fiscal note, and must analyze any significant secondary and
29 indirect economic effects of the legislation, including the effects on jobs, incomes and
30 capital investment as well as the overall effect on the State's economy. Dynamic fiscal
31 notes are for informational purposes only.