

APPENDIX B

FISCAL NOTES AND COST ESTIMATES FOR STATE MANDATES 123rd Legislature

Mandate Identification on individual bills - OFPR attempts to distribute fiscal notes on all printed bills describing the fiscal impact on state government prior to the scheduled public hearing on the bill. These notes also identify state mandates and may include a very rough estimate of the costs and the number of local units affected. No detailed cost estimate will be provided initially (unless sufficient information is provided at the same time as other fiscal information, i.e. if departments or state agencies have reliable data available which will allow an accurate estimate of the municipal or county costs). The Maine Municipal Association or other interested parties with data available to generate a reliable estimate of the local costs should forward that information directly to OFPR. Pursuant to 3 M.R.S.A., §163-A, sub-§12, this information will be considered with other fiscal note information.

Committee Reports for Bills with State Mandates - If a bill that contains a mandate is going to be reported out favorably from a committee, a committee has several options. OFPR's level of analysis will depend on which of the following options a committee chooses:

- **Exempt the Bill by including a Mandate Preamble** - The committee may decide to exempt the mandate from the funding requirement by including a Mandate Preamble and requiring a two-thirds favorable vote in both Houses. OFPR will normally provide a very rough estimate of the cost and scope of the mandate, similar to OFPR's treatment of original printed bills.
- **Reconsider Committee Report to remove the Mandate** - The committee may decide that it will eliminate the mandate by amending the committee report to remove the requirement that created the mandate. OFPR will work with the committee and staff to review the changes and to determine if the mandate has been removed by the proposed changes.
- **Fund the Mandate** - The committee may decide to recommend funding the mandate by including a General Fund appropriation or other financing method. For these committee reports, OFPR will provide a more detailed assessment of the total cost of the mandate in order to include an appropriation section or other funding mechanism for the bill.
- **Defer Decision on Funding the Mandate** - The committee may also decide to report the bill out without funding and without a Mandate Preamble. OFPR will include a rough estimate of the cost in the fiscal note, similar to OFPR's treatment of original printed bills.

In the last two cases, the bills will normally be placed on the Special Appropriations Table and decisions regarding the funding will be deferred until the end of the session when the Joint Standing Committee on Appropriations and Financial Affairs makes decisions on bills placed on this table. If a bill with a state mandate is passed without funding or a mandate preamble, the local units of government affected may refuse to implement the mandate.

Floor Amendments that include State Mandates - Given the limited amount of time available to assess the fiscal impact of floor amendments, OFPR will, at a minimum, identify mandates. If

time permits, an estimate of the cost will be provided. If a mandate is identified on a floor amendment, the sponsor has the same options as a committee.

Other Requests for Municipal Cost Estimates - OFPR will attempt to provide estimates of the local fiscal impact of other non-mandate legislation as requested, resources permitting.