

# Frequently Asked Questions

## LOCAL IMPACT NOTES

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### **What are local impact notes?**

Local impact notes estimate the fiscal impact of proposed legislation seeking to impose a program or financial mandate on political subdivisions. Local fiscal impact means increased or decreased costs or revenues that a political subdivision would incur as a result of a law enacted after June 30, 1997, or rule proposed after December 31, 1999. Local impact notes are governed by Minnesota Statutes 3.986 through 3.989.

### **What groups are considered “political subdivisions”?**

School districts, counties, and cities are considered political subdivisions for the purposes of a local impact note.

### **Who provides local impact notes?**

The Legislative Budget Office (LBO) coordinates and prepares local impact notes. The LBO often partners with local government associations that provide expertise, identify data, or help distribute surveys.

### **How are local impact notes used?**

Local impact notes are advisory documents. Legislators may use local impact notes to determine the final form of bill language, to inform funding decisions, or to make decisions about whether to pursue additional legislation.

### **Who can request a local impact note?**

The chair or the ranking minority member of either House or Senate Tax, Finance, or Ways and Means Committee may request a local impact note by sending a request to the LBO ([lbo@lbo.mn.gov](mailto:lbo@lbo.mn.gov)).

### **When are local impact notes requested?**

Local Impact Notes are typically requested during the Minnesota legislative session, January – May. Like fiscal notes, local impact notes may also be requested outside of the legislative session.

### **How long does it take to prepare a local impact note?**

Local impact notes can take several weeks to several months depending on the timing and complexity of the proposed legislation.

### **How are local impact notes developed?**

Local impact notes may be developed from a variety of data sources such as local government surveys, state databases, or similar programs in other states. The LBO uses collected data to create an estimate or range of potential fiscal impacts. However, it is not always feasible to estimate exact costs or the timing of fiscal impacts.

## **What is the difference between local impact in a fiscal note and a local impact note?**

Fiscal notes discuss the local fiscal impact of proposed legislation, but their main focus is the fiscal impact to state agencies. Local impact notes provide comparatively greater detail and depth of analysis specific to local government entities than fiscal notes. Both fiscal notes and local impact notes must be objective and limited to the financial impact of proposed legislation on state or local government entities.

## **Does every piece of legislation need a local impact note?**

Historically, only a few local impact note requests are made each session. When a request for a local impact note is made, the LBO confirms that the request meets the requirements of a local impact note and is not covered in the list of exceptions included in [Minnesota Statute 3.988](#).

## **Who should I contact for more information?**

Contact Joel Enders, Legislative Budget Office Lead Budget Analyst (651) 284-6542, [joel.enders@lbo.mn.gov](mailto:joel.enders@lbo.mn.gov), for more information about local impact notes.