Frequently Asked Questions FISCAL NOTES

What is a fiscal note?

A fiscal note provides an estimate of the financial impact of proposed legislation on the state budget. Fiscal notes are covered in <u>Minnesota Statute 3.98</u>.

Unofficial fiscal notes are completed based on draft language not yet introduced to the legislature. These notes are made public.

Classified unofficial fiscal notes are completed based on draft language not yet introduced to the legislature. Classified unofficial fiscal notes remain nonpublic.

Who can request a fiscal note?

Fiscal notes for introduced legislation can be requested by the:

- chair of the House Ways and Means Committee
- chair of the Senate Committee on Finance
- chair of the standing committee to which a bill has been referred

Unofficial and classified unofficial fiscal notes may be requested by any member.

Typically, a non-partisan fiscal analyst submits the fiscal note request on behalf of the requesting chair or legislator.

All fiscal note requests are formally made through the Fiscal Note Tracking System (FNTS), a web-based application. Only authorized individuals have access to the system.

What version of a bill does the fiscal note use?

Requesters indicate which version of the bill language to use for the fiscal note by noting the bill number and version or attaching the particular bill language to the fiscal note request.

Who prepares the fiscal note estimate?

The Legislative Budget Office (LBO) assigns agencies directly impacted by the legislation or with unique knowledge to prepare a fiscal note. One agency or multiple agencies may be assigned to respond, depending on the legislation. A consolidated fiscal note is created when multiple agencies are assigned. This is done by compiling the individual fiscal notes of each agency into one consolidated note.

The Legislative Budget Office reviews each fiscal note for reasonableness, accuracy, and objectivity according to the established Fiscal Note Uniform Standards and Procedures. When approved, the fiscal note is emailed to the requester and published to the LBO website.

Is the fiscal note estimate binding?

No. Fiscal note estimates are advisory. The legislature has the authority to determine what level of funding will be appropriated, particularly for non-forecasted programs.



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How do agencies develop the fiscal note estimate?

Agency subject matter experts build assumptions based on the most likely implementation scenario. A narrative section explains the assumptions and basis for the estimate, the source of the assumptions, and changes related to expenditures or revenues.

The estimate must be <u>objective</u>, and address the question of what the legislation would cost the state to implement. The fiscal note should not include the agency's position on proposed legislation.

How long does it take to prepare a fiscal note?

The default request deadline is eight business days in the FNTS. The requester may adjust this deadline accordingly. It is important to note that timeliness can be impacted by the number of fiscal note requests an agency receives, the number of agencies assigned, if the bill language is unclear, or the complexity of the bill.

Does every piece of legislation need a fiscal note?

Fiscal notes are not required in all cases, though some committee chairs may require a fiscal note be completed before scheduling a hearing on the proposed legislation. Check with the Committee Administrator for more information.

How do I see a completed fiscal note?

Once approved, the completed fiscal note is emailed to the:

- requester
- bill author and companion author
- requesting committee chair
- committee email notification list
- agency coordinators assigned to the fiscal note
- agency email notification list
- MMB executive budget officer

Completed fiscal notes are published to the LBO website within 24 hours of approval, and available through the <u>public search tool</u>.

If the fiscal note is classified, it is not published on the LBO website and is emailed only to the requester and assigned agency coordinators.

Who should I contact for more information?

Contact LBO, <u>lbo@lbo.mn.gov</u>, or your LBO Analyst, for more information about fiscal notes or the fiscal note tracking system.

