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JOB IMPACT STATEMENTS

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You asked how many legislatures require job or economic impact statements for proposed bills.

SUMMARY

As Table 1 shows, at least seven legislatures require job or economic analyses for proposed bills. Colorado, Delaware, and Florida require the fiscal notes that accompany most bills to examine economic factors. California, Maryland, New Jersey, and Texas require separate job or economic impact statements or analyses for certain bills in addition to fiscal notes.

The seven states also differ in other respects. Some require the analyses by law while others require them by legislative rule. Most require a legislative branch agency to prepare the analyses; others require an executive branch agency to do so. Most require an analysis for all bills that reach a specified stage in the legislative process; others, when legislators, committee members, or legislative leaders request one.

The states also differ in the scope of their statements and analyses. Maryland focuses on small businesses while New Jersey and Texas focus on jobs and other specified economic factors. California's and Delaware's fiscal notes examine a bill's effects on people and businesses. Colorado's and Florida's fiscal notes examine a bill's broad economic impact. The states are similar in that their laws or rules do not prescribe a method or formula for determining impact or performing analyses.

Table 1: Legislatures Requiring Economic Impact Statements or Analyses

State	Type	Scope	Preparer	Trigger
California	Citizen Cost Impact Analysis (Joint Rule 37.1)	Economic effects Legislative Analyst's Office deems relevant, including: <ul style="list-style-type: none"> • General effect on public • For regulatory related bills, effect on persons and businesses 	California Legislative Analyst's Office	Member or committee can request analysis, but request must be approved by their chamber's rules committee
Colorado	Fiscal Note (Joint Rule 22)	Fiscal note must indicate if bill affects state or local government or the state's economy	Colorado Legislative Council	Upon assignment to committee
Delaware	Fiscal Note (House Rule 21)	Fiscal notes must include analysis of: <ul style="list-style-type: none"> • People, businesses, or organizations the bill affects and • Impact of proposed fees on the above 	Office of Comptroller General (legislative agency)	Bills and resolutions affecting Transportation Fund or reducing revenue
Florida	Fiscal Note (Senate Rule 3.13)	Fiscal notes must estimate economic impact and increase or decrease in revenue or expenditures	Legislative Services Department	Favorably reported bills
Maryland	Economic Impact Analysis (2-1505.1)	<ul style="list-style-type: none"> • Costs and benefits to small businesses that are: <ul style="list-style-type: none"> ○ Independently owned and operated ○ Not dominant in their fields ○ 50 or fewer employees • Economic factors: <ul style="list-style-type: none"> ○ Costs of providing goods and services ○ Effect on workforce and housing ○ Marketing and production efficiency ○ Capital investments, taxes, competition, economic development, and consumer choice 	<ul style="list-style-type: none"> • Executive branch agency for each bill introduced at its request • Legislative Services Department for each bill a member introduces 	Automatic May be included in fiscal note
New Jersey	Job Impact Statement (52:13F-3)	<ul style="list-style-type: none"> • Jobs created and lost • Impact on entrepreneurial activity, interstate commerce, international trade, and developing new markets • Cost/benefit 	Commerce and economic development commissioner	Upon request by a majority of committee considering the bill
Texas	Economic Impact Statement (315.004)	<ul style="list-style-type: none"> • Job levels, by region • State infrastructure • Cost of goods and services • Local revenue and expenditures • Other impact 	State agency a bill directly affects Agency must coordinate with Legislative Budget Board director	Upon request by lieutenant governor or house speaker

AUTHORIZATION

The law or legislative rules specify if a bill needs an economic impact statement or analysis. The law requires impact statements in Maryland, New Jersey, and Texas while rules require them in California. The rules require fiscal notes with economic analyses in Colorado, Delaware, and Florida.

PREPARER

The law or rules specify who must prepare the economic impact statement or analysis. They require legislative branch agencies to do so in California, Colorado, Delaware, Florida, and Maryland, and executive branch agencies to do so in New Jersey and Texas.

TRIGGER MECHANISM

The law or rules specify when the agencies must prepare an economic impact statement or analysis on a bill.

- California's Legislative Analyst's Office must prepare an impact statement when a legislator or committee asks it to do so.
- Maryland's legislative and executive branch agencies prepare impact statements. The former prepares them for bills members introduce and the latter for bills introduced at their behest.
- New Jersey's commerce and economic development commissioner must prepare a statement on a bill when a majority of the committee considering it asks him to do so.
- Each Texas executive branch agency must prepare a statement on any bill that directly affects it if the lieutenant governor or House speaker asks it to.
- Legislative agencies that prepare fiscal notes in Colorado, Delaware, and Florida must include an economic analysis in each note.

SCOPE OF STATEMENTS AND ANALYSES

The scope for preparing the statements and analyses differ across the seven states. Maryland's "Economic Impact Analysis," which is not part of a fiscal note, focuses on a bill's cost and benefits to small businesses. The factors it must examine include the costs of providing goods and services and the impact on the workforce and housing. New Jersey's and Texas's impact statements focus on jobs and other economic factors, such as entrepreneurial activity (New Jersey) and state infrastructure (Texas).

The scope of California's and Delaware's analyses is broader. California's "Citizen Cost Impact Analysis," which is not part of the fiscal notes, must examine how a bill affects the public. If the bill involves regulations, it must also examine how it affects people and businesses. Delaware's fiscal notes must examine how a bill affects people, businesses, and organizations. If the bill proposes a new fee, it must specifically examine how that fee could affect these groups.

Lastly, Colorado's and Florida's fiscal notes must examine how a bill affects the state's economy.

JR:ts