



Senate

General Assembly

File No. 507

January Session, 2015

Senate Bill No. 1019

Senate, April 7, 2015

The Committee on Commerce reported through SEN. HARTLEY, J. of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE FISCAL IMPACT OF PROPOSED LEGISLATION ON BUSINESSES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 2-24 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 The words "State of Connecticut" shall be printed at the head of each
4 bill and document printed by order of the General Assembly, or either
5 house thereof, and on its title page or cover, if any. Before printed,
6 electronic or photographic copies of an original bill are made, the bill
7 shall be endorsed with (1) the date of its introduction; (2) its number;
8 (3) the name of the member or committee introducing it; and (4) the
9 name of the committee to which it was referred. Copies of bills or
10 resolutions printed or produced electronically after favorable report by
11 a committee or reprinted or produced electronically after amendment
12 on the third reading, i.e., files, shall bear the file number of such bill or
13 resolution, placed conspicuously at the head of the same, which file
14 number shall be assigned by the Legislative Commissioners' Office in

15 the order printed or produced, the number and title of the bill, the
16 name of the committee to which it was referred, the date and nature of
17 the committee's report, and, in any case where the bill, if passed,
18 would require the expenditure of state or municipal funds, [or] affect
19 state or municipal revenue or require the expenditure of funds by or
20 affect the revenue to any business in the state, a fiscal note, including
21 (1) an estimate of the cost or of the revenue impact to the state and
22 municipalities, and (2) an estimate of the number of businesses that
23 would be subject to the provisions of the bill and the projected costs,
24 including, but not limited to, reporting, recordkeeping and
25 administrative, associated with compliance with such bill, shall be
26 appended thereto. When a bill or resolution is accompanied with a
27 report of a committee, other than a recommendation that it ought or
28 ought not to pass, it shall then have an additional endorsement, as
29 follows: "Accompanied by special report, No.-". Bills shall be
30 designated in the calendar of each house by their file numbers, as well
31 as by the titles and numbers of the bills.

32 Sec. 2. Subsection (c) of section 2-71c of the general statutes is
33 repealed and the following is substituted in lieu thereof (*Effective*
34 *October 1, 2015*):

35 (c) The legislative Office of Fiscal Analysis shall assist the General
36 Assembly and the Legislative Department, legislative commissions
37 and legislative committees in a research and advisory capacity as
38 follows: (1) Reviewing department and program operating budget
39 requests; (2) analyzing and helping to establish priorities with regard
40 to capital programs; (3) checking executive revenue estimates for
41 accuracy; (4) recommending potential untapped sources of revenue; (5)
42 assisting in legislative hearings and helping to schedule and prepare
43 the agenda of such hearings; (6) assisting in the development of means
44 by which budgeted programs can be periodically reviewed; (7)
45 preparing short analyses of the costs and long-range projections of
46 executive programs and proposed agency regulations; (8) keeping
47 track of federal aid programs to make sure that Connecticut is taking
48 full advantage of opportunities for assistance; (9) reviewing, on a

49 continuous basis, departmental budgets and programs; (10) analyzing
 50 and preparing critiques of the Governor's proposed budget; (11)
 51 studying, in depth, selected executive programs during the interim;
 52 (12) performing such other services in the field of finance as may be
 53 requested by the Joint Committee on Legislative Management; (13)
 54 preparing the fiscal notes, required under section 2-24, as amended by
 55 this act, upon favorably reported bills which require expenditure of
 56 state or municipal funds, [or] affect state or municipal revenue or
 57 require the expenditure of funds by or affect the revenue to any
 58 business in the state; and (14) preparing at the end of each fiscal year a
 59 compilation of all fiscal notes on legislation and agency regulations
 60 taking effect in the next fiscal year, including the total costs, savings
 61 and revenue effects estimated in such notes. The governing body of
 62 any municipality, if requested, shall provide the Office of Fiscal
 63 Analysis, within two working days, with any information that may be
 64 necessary for analysis in preparation of such fiscal notes. Each officer,
 65 board, commission or department of the state government shall assist
 66 the Office of Fiscal Analysis in carrying out its duties and, if requested,
 67 shall make its records and accounts available to the office in a timely
 68 manner, except that where there are statutory requirements of
 69 confidentiality with regard to such records and accounts, the identity
 70 of any person to whom such records or accounts relate shall not be
 71 disclosed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	2-24
Sec. 2	October 1, 2015	2-71c(c)

CE *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Legislative Mgmt.	GF - Cost	See Below	See Below
Comptroller Misc. Accounts (Fringe Benefits) ¹	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Fiscal Analysis (OFA) to include on each fiscal note for bills (approximately 1,000) the number of businesses affected by the proposed legislation and the projected fiscal impact, both expenditure and revenue, on any business in the state.

The cost of establishing this function is unclear at this time. Since OFA's functions are determined by the legislature, the parameters of how the bill's requirements would be implemented would be subject to legislative guidelines. However, first year costs could include the establishment of a unit consisting of up to three additional staff, including a mixture of analysts and economists, to develop these impact statements. The estimated cost of these individuals in FY 16 is \$240,000 (\$135,000 in Personal Services for 9 months), including fringe benefits and incidental expenses for associated equipment, training and the possible need to hire outside experts to identify and develop evaluation criteria. The annualized cost in FY 17 would be \$300,000

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 38.65% of payroll in FY 16 and FY 17.

(\$189,000 in Personal Services). The cost in the future cannot be determined at this time as this function would be subject to legislative review.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 1019*****AN ACT CONCERNING THE FISCAL IMPACT OF PROPOSED LEGISLATION ON BUSINESSES.*****SUMMARY:**

This bill requires each fiscal note for bills that would have a cost or revenue impact on businesses in the state to include (1) an estimated number of businesses that would be subject to the bill's provisions and (2) the projected cost to businesses of complying with the bill, including reporting, recordkeeping, and administrative costs. By law, fiscal notes are prepared by the Office of Fiscal Analysis and included in files of favorably reported bills. Under current law, fiscal notes only estimate the cost or revenue impact to the state and municipalities.

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 21 Nay 0 (03/19/2015)