

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 459

HOUSE BILL NUMBER 422

TITLE AN ACT relating to fiscal matters and declaring an emergency.

SPONSOR Representative Jason Petrie

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Legislative Research Commission

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		\$425,000	\$425,000	\$425,000
NET EFFECT		(\$425,000)	(\$425,000)	(\$425,000)

() indicates a decrease/negative

PURPOSE OF MEASURE: The measure requires a fiscal note to be prepared for each introduced bill or amendment that contains a tax expenditure and to update the fiscal note as the bill is amended through the legislative process. The measure also requires the fiscal notes to be made available to the public on the Legislative Research Commission's (LRC) website.

FISCAL EXPLANATION: There are currently four full-time employees and one part-time employee that prepare fiscal notes on bills or amendments that contain a tax expenditure, as well as drafting proposed legislation. The staff works closely with the LRC Office of Economic Analysis to research and report on the fiscal impacts of legislation. Using the 2020 Regular Session as an example, to date, over 100 bills relating to tax expenditures have been drafted for introduction. Assuming that each bill will have at least one committee substitute or amendment, the number of proposals reaches well over 200. On average, fiscal notes are currently prepared on approximately 35% of the measures that contain tax expenditures. It is anticipated that three additional staff would be needed to fulfill the requirements of this measure. Using an average annual salary of \$60,000, the estimated cost for the positions and associated operating costs would be approximately \$425,000.

DATA SOURCE(S): LRC Staff

PREPARER: Jenny Bannister **NOTE NUMBER:** 148 **REVIEW:** JAB **DATE:** 2/20/2020