

Louisiana State Legislature

Joint Rule No. 4. Fiscal Notes

A.(1)(a) The legislative auditor shall be responsible for fiscal notes affecting either:

(i) The expenditures of any political subdivision of the state whose boundaries are not coterminous with the state.

(ii) The receipt, expenditure, allocation, or dedication of the funds of any state board, commission, or other entity which is not appropriated any funds in any appropriation bill.

(b) The legislative fiscal office shall be responsible for other fiscal notes under this Rule.

(2) Every bill and joint resolution which:

(a) Will affect the receipt, expenditure, allocation, or dedication, in an estimated amount, as determined by the legislative fiscal officer, of one hundred thousand dollars or more in any one fiscal year of either state funds or of the funds of any statewide political subdivision of the state whose boundaries are coterminous with the state;

(b) Will authorize the issuance of general obligation bonds or other general obligations of the state or such political subdivision;

(c) Concerns any program wholly or partially funded by federal monies and involves an expenditure in an amount of one hundred thousand dollars or more in any one fiscal year of state funds or funds of any such political subdivision;

(d) Provides a minimum or maximum mandatory prison sentence; or

(e) Will affect the receipt, allocation, or dedication of the funds of any political subdivision of the state whose boundaries are not coterminous with the state, shall have attached to it prior to its consideration by any committee of either house, unless the committee otherwise decides, and prior to its consideration on final passage in either house, if requested pursuant to Paragraph B, a fiscal note prepared by the Legislative Fiscal Office which shall include a reliable estimate of the fiscal effect of such measure. When the fiscal note is prepared on a measure covered by Item (A)(2)(c), it shall reflect the immediate and long-range fiscal effect on the state or the political subdivision of any such program and include the length of time federal funds are to be provided and the probable amount of state funds or funds of such political subdivision required to continue the program.

(3) Every bill and joint resolution which:

(a) Will affect the receipt, expenditure, allocation, or dedication of the funds of any state board, commission, or other entity which is not appropriated any funds in any appropriation bill;

(b) Will affect the expenditure of the funds of any political subdivision of the state whose boundaries are included in and are not coterminous with the state; or

(c) Concerns any program wholly or partially funded by federal monies and which involves an expenditure or allocation of funds of any such political subdivision, shall have attached to it prior to its consideration by any committee of either house, unless the committee otherwise decides, and prior to its consideration on final passage in either house, if requested pursuant to Paragraph B, a fiscal note prepared by the legislative auditor's office which shall include a reliable estimate of the fiscal effect of such measure. When the fiscal note is prepared on a measure covered by Item (A)(3)(c), it shall also reflect the immediate and long-range fiscal effect on the political subdivision of any such program and include the length of time federal funds are to be provided and the probable amount of funds of a political subdivision required

to continue the program.

(4) A fiscal note shall not constitute a part of the law proposed by the measure to which it is attached.

(5) The chief clerical officer of either house, the author of the bill, joint resolution, or amendment, or the chairman of the respective committee may request a fiscal note from the appropriate legislative officer on a bill, joint resolution, or amendment with an expenditure, allocation, or dedication in an estimated amount, as determined by the legislative fiscal officer, of less than one hundred thousand dollars.

B.(1) Subject to Subparagraphs (B)(3) and (4), the author of a measure which has a fiscal effect shall be responsible for obtaining a fiscal note either directly or through the staff of the house in which the author serves.

(2) Within seven days after the transmittal to the author of a measure along with a memorandum indicating the measure may have a fiscal effect, the author may instruct, in writing addressed to the chief clerical officer of the house in which the member serves, that a fiscal note be obtained or that no fiscal note be obtained. If the author instructs that no fiscal note be obtained, no request for a fiscal note will be made prior to the prefiling or introduction of the measure, except as provided in Subparagraph (B)(3). Each written instruction received shall be recorded and preserved in the file maintained for the measure.

(3) If no written instruction is received within the time period set forth in Subparagraph (B)(2), the chief clerical officer of the house in which the author is a member may request a fiscal note for the measure at any time prior to prefiling or introduction. In determining whether a fiscal note should be requested, due consideration shall be given to the recommendation of the staff of the house in which the author is a member.

(4) In addition, at prefiling or introduction, the chief clerical officer may

request a fiscal note and the chairman of the committee to which such measure is referred may request a fiscal note immediately upon referral of the measure.

(5) On the third business day following the receipt of a request for a fiscal note the appropriate legislative officer shall notify, in writing, the author, the member who made the request pursuant to this Rule, and the chief clerical officer of the appropriate house whether the measure has a fiscal effect as specified in either Subparagraph (A)(2) or (3). At prefiling or introduction of the measure or thereafter when notification is received by the chief clerical officer of the appropriate house, a copy of such notification shall be attached to the measure and a listing of all such determinations shall be distributed to the membership of the legislature.

(6) When a fiscal note is requested, the legislative officer to whom the request is made shall be responsible for obtaining, directly or through another agency or through a political subdivision or agency thereof, the information necessary to complete the fiscal note from the agency or political subdivision or agency thereof best suited to furnish the information in the judgment of the legislative officer. Such entity furnishing the information shall do so within forty-eight hours after the request is made, and within twenty-four hours thereafter the legislative officer shall prepare the fiscal note and transmit it to the author, the member who made the request pursuant to this Rule, and to the secretary or clerk. The member or chief clerical officer requesting the fiscal note may approve an extension of time within which the information is to be furnished to the legislative officer or within which the legislative officer is to furnish the fiscal note.

C.(1) Fiscal note forms, which shall consist of two parts, a work sheet and a fiscal effect form, shall be prepared and distributed by the appropriate legislative officer to the appropriate agencies and political subdivisions and agencies thereof.

(2) The fiscal effect form shall be factual, brief, and concise, and shall provide

an estimate in dollars of the immediate and long-range fiscal effect of the measure. If no dollar estimate is possible, the fiscal note shall set forth the reasons therefor. The fiscal note shall not contain reference to the merits of the measure. If the measure imposes a fee or changes or removes an existing fee, the fiscal note shall include the actual cost in dollars of the service provided pursuant to the fee, as well as the estimate in dollars of the revenue that the measure would raise or for which it would remove authorization and an estimate as to the amount, if any, by which the revenue raised by the fee materially exceeds the cost of the service.

(3) The **work sheet** shall include a breakdown of the costs that the measure is expected to cause, such as personnel, materials, supplies, and capital outlay, the effect on expenditure or allocation or receipt of funds and such other pertinent information as may be appropriate.

(4) Where a bill authorizes the issuance of **general obligation bonds** or other general obligations of the state, the work sheet shall include, where applicable, the following information with respect to each facility or project in said bill for which funds realized from the sale of said bonds or other general obligations are expended:

(a) **Total cost of the facility** or project, including interest and bond fees.

(b) The **length of time** the facility or project has been included in the capital budget.

(c) The agency, board, commission, or department **recommending** the project, if any.

(d) The **size of the staff**, if any, that will be required to operate the project or facility.

(e) If a staff is required, how many members thereof will be **new employees**.

(f) Estimated **total personnel cost** for the first full year of operation of the

project or facility, which estimate shall include salaries, retirement contributions, overtime pay estimates, and fringe benefits.

(g) Whether or not the plans and specifications therefor are prepared.

(h) Projected maintenance budget for said project or facility for the next five years.

(i) Size of the estimated client or user population.

(j) Whether or not client or user fees will be charged; and, if so, the amount of such fees, the estimate of the avails thereof, and what percentage of the proposed operating budget such avails amount to.

(k) Whether or not federal or other non-state funds are available for operating expenses of the project or facility, and, if so, (the percentage of) what matching funds are required, if any, and the number of years for which said federal or other non-state funds are available.

(l) If said funds are to be used for repairs to an existing project or facility, the estimated life of the repair, the time of the last major repair to said project or facility, and the present client or user population thereof.

(m) Whether or not the project or facility proposed is complete in itself or if the same is part of another project or facility.

(n) Who made the estimate of the cost of said project or facility, and on what basis.

(o) The anticipated date of commencement of construction, and the completion thereof.

(5) The fiscal note shall be prepared in quintuplicate, and the name of the agency or political subdivision or agency thereof furnishing the information required shall appear at the end of the fiscal note and the original of both the

work sheet and the fiscal effect form shall be signed by the appropriate legislative officer or his designee. If a discrepancy exists between the fiscal note and the information provided by the agency pertaining to the fiscal note, then the information as submitted by the agency shall be included with the fiscal note.

D. Whenever any committee of either house reports any measure with any amendment which alters the fiscal effect of the measure, there shall be attached to the reported measure a fiscal note delineating the fiscal effect of the change proposed by the amendment. The committee chairman shall request such note from the appropriate legislative officer. In like manner, whenever a floor amendment which would alter the fiscal effect of the measure is proposed without a fiscal note of the fiscal effect of such amendment attached thereto, any member of the house in question may offer a motion that the amendment be withdrawn. The amendment may be proposed again at any time it would otherwise be in order, provided that the required fiscal note is attached. It shall be the responsibility of the member proposing such a floor amendment to secure any required fiscal note from the appropriate legislative officer either directly or through the staff of the house in which the member serves.

E. Whenever a measure requiring a fiscal note has been reported by any committee of either house of the legislature without a fiscal note, any member may, on third reading of such measure, offer a motion that the measure be returned to the calendar.

F.(1) Prior to the prefiling or introduction of a measure for which a request for a fiscal note has been made, all communications and documents concerning the measure shall be confidential and may not be divulged to anyone other than the author, the chief clerical officer and the staff of the house in which the author serves, the legislative fiscal officer and his staff, and the legislative auditor and his staff.

(2) Agencies or political subdivisions and agencies thereof involved in the

preparation of the required information for a fiscal note shall keep in strict confidence the subject matter of the proposed measure and the information contained in the fiscal note prior to the filing or prefiling of such measure with the chief clerical officer of the respective house.

G. A fiscal note shall not be required for the General Appropriation Bill, the Capital Outlay Bill, any bill which appropriates funds and which will not require funding beyond the amount appropriated, nor for any measure affecting funds for retirement purposes. In lieu of a fiscal note, an actuarial note shall be attached to any retirement measure pursuant to R.S. 24:521.

SCR 2, 1st Ex. Sess., 1975; HCR 21, 1976; HCR 10, 1977; HCR 50, 1977; HCR 145, 1988; HCR 116, 1989; HCR 121, 1998; SCR 102, 2001.