

# FISCAL NOTES

## LEGAL AUTHORITY

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Section 2-2-322,<sup>1</sup> C.R.S., requires the General Assembly to provide by rule for legislative service agency review of the fiscal impact of legislative measures. Pursuant to that law, HJR 89-1003 was adopted to require the Legislative Council staff to review each printed bill and concurrent resolution for probable fiscal impact. Appropriations bills carrying specific dollar amounts are excepted from this requirement. The pertinent rules are noted below, along with other relevant statutes:

### Joint Rule 22. Fiscal Notes

- (a) The Office of Legislative Legal Services shall furnish preliminary copies of each bill and concurrent resolution to the Legislative Council staff in order that it may commence its review of the fiscal impact of such measures in accordance with this rule, but the Legislative Council staff shall not reveal the contents or nature of such measures to any other person without the consent of the sponsor of the measure.
- (b)
  - (1) The Legislative Council staff shall review each printed bill and concurrent resolution, except bills limited to appropriations measures carrying specific dollar amounts, for its fiscal impact. Except as otherwise provided in paragraph (2) of this subsection (b), the Legislative Council staff shall provide the chairman of the committee of reference to which the measure was assigned and the prime sponsor of the measure in each house a fiscal note, according to the form or forms approved by the President of the Senate and the Speaker of the House, or a statement that the measure has no fiscal impact. A fiscal note shall indicate whether the measure will have a fiscal impact on state government, local government, or the state's economy. The committee chairman shall provide copies of the fiscal note or the statement of no fiscal impact for all members of the committee of reference.
  - (2) In the case of a printed bill that has not yet been considered by the first committee of reference to which the bill has been assigned, the prime sponsor of the printed bill may request the Legislative Council staff to prepare a fiscal note for a proposed amendment to the bill that strikes everything below the enacting clause or a statement that the proposed amendment has no fiscal impact. Such fiscal note or statement of no fiscal impact shall be prepared in lieu of the fiscal note on the printed bill that is otherwise required in accordance with paragraph (1) of this subsection (b). In order to make such a request, the prime sponsor shall:
    - (A) Provide to the Legislative Council staff a copy of the proposed amendment to the bill that strikes everything below the enacting clause and, if the printed bill was introduced in the Senate, written permission for the request granted by

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<sup>1</sup> enacted by HB88-1329

two of the following three individuals: The President of the Senate, the majority leader of the Senate, and the minority leader of the Senate or, if the printed bill was introduced in the House of Representatives, written permission for the request granted by two of the following three individuals: The Speaker of the House of Representatives, the majority leader of the House of Representatives, and the minority leader of the House of Representatives; and

- (B) Authorize the Legislative Council staff to publicly release the proposed amendment to the bill that strikes everything below the enacting clause immediately after the prime sponsor has provided to the Legislative Council staff the documents required pursuant to subparagraph (A) of this paragraph (2).
- (3) Any fiscal note or statement of no fiscal impact prepared in accordance with paragraph (2) of this subsection (b) shall be distributed in the same manner as provided in paragraph (1) of this subsection (b).
- (c) Fiscal notes shall be updated to conform to changes made in the measure in accordance with the rules of the Senate and rules of the House of Representatives.
- (d) The Joint Budget Committee staff may be requested by the chairman of the committee of reference, with the approval of the committee on delayed bills of the house having possession of the measure, to review any fiscal note or statement of no fiscal impact prepared by the Legislative Council staff and to prepare comments. Such comments shall be delivered to the chairman of the committee of reference of the house having possession of the measure and be duplicated for use of all members of both houses.
- (e) A fiscal note shall cite the statutes affected, any estimated increases or decreases in revenue or expenditures of the state or of local governments, any impact on the state's economy, any costs which may be absorbed without additional funding, and to the extent possible, the long range fiscal implications of the measure. No comment or opinion relative to the merits of any measure shall be included in any fiscal note.
- (f) In the case of a resolution, other than a resolution relating to the legislative department, which has any fiscal implication, the sponsor thereof may request a fiscal note or a statement of no fiscal impact from the Legislative Council staff prior to its introduction, or if such resolution, upon introduction, be referred to a committee of reference, such committee may request a fiscal note or statement of no fiscal impact, identifying the resolution by reference to the pages of the journal wherein it appears.

### **House Rule 32A. Fiscal Notes**

- (a) No House bill or House concurrent resolution shall be passed from a House committee of reference unless accompanied by a fiscal note on the printed measure or a statement that the printed measure has no fiscal impact in accordance with Rule No. 22 of the Joint Rules of the Senate and the House of Representatives; except that a fiscal note shall not be required for a bill not reviewed for its fiscal impact pursuant to Rule No. 22 (b) of said Joint Rules. The requirement of this subsection (a) may be waived by the Speaker, and such waiver shall be noted in the journal.

- (b) When a measure for which a fiscal note has been prepared is amended by a committee of reference and referred for further action, the Legislative Council staff shall, if practicable, review the measure as amended for its fiscal impact and prepare an updated fiscal note or a statement that the measure has no fiscal impact.
- (c) The Legislative Council staff shall update or prepare a fiscal note on a bill prior to consideration of the bill on second reading, if so requested by at least ten members of the House.
- (d) The Legislative Council staff shall update or prepare fiscal notes, when appropriate, after second and third readings and after a report has been submitted by a conference committee.
- (e) Copies of any updated fiscal note or statement that a measure has no fiscal impact shall be reproduced for use by all members of both houses.

### **Senate Rule 25. Bills**

- (e) No measure having a significant effect on the revenues, expenditures, or fiscal liability of the state or any political subdivision thereof, for which a pertinent fiscal note has not been prepared or updated, shall be passed on second reading until an appropriate fiscal note is prepared or updated if so requested by at least five members of the Senate.

### **Other Relevant Statutes**

Section 2-2-322 (2), C.R.S., requires a specific review of fee bills.

Section 2-2-322 (3), C.R.S., requires state agencies to cooperate with and provide information on the fiscal impact of legislation in the manner requested by the staff of the Legislative Council.

Section 2-2-701 (3), C.R.S., requires review of any bill which affects criminal sentencing and which may result in a net increase or decrease in periods of imprisonment in state correctional facilities.

Section 29-1-304.9, C.R.S., requires that information on county fiscal impacts be requested from a statewide association of county commissioners. In addition, information on school district fiscal impacts must be requested from the Colorado Department of Education.

### **Contact Information**

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