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FISCAL IMPACT REPORT

SPONSOR:	Mohorovic	DATE TYPED:	02/24/00	HB	422
SHORT TITLE:	Cost-Benefit Analyses on Pending Legislation			SB	
				ANALYST:	Burch

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Fiscal/Administrative Implications			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files

Taxation and Revenue Department (TRD)

Department of Environment (DOE)

Agencies Not Responding to Request for Agency Analyses

Department of Finance and Administration (DFA)

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

The bill requires the LFC, in cooperation with the Department of Finance and Administration, the Taxation and Revenue Department, and Economic Development Department, to prepare cost-benefit analyses on pending legislation that affects businesses or business activities.

FISCAL/ADMINISTRATIVE IMPLICATIONS

There are no direct fiscal implications for the bill as it does not provide an appropriation. However, to actually accomplish the type of analysis that is requested would require the acquisition of a computer model of the state's economy beyond what is currently available plus skills training for analysts at all three agencies.

Both TRD and DOE noted additional resources would be needed. TRD believes the legislation would more than double the workload of legislative and executive analysts and suggests that such analyses be limited to requests from legislative leadership and governor and/or limited to bills whose spending or revenue impact exceeds \$20 million.

OTHER SUBSTANTIVE ISSUES

DOE believes that it is inappropriate to undertake cost-benefit analyses for environmental protection and enhancement laws because impact of such laws is difficult to quantify.

DKB/gm