

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 437 (Delegates Kach and Olszewski)
Rules and Executive Nominations

State Government - General Assembly - Posting of Bill and Revised Fiscal Note on Website

This bill requires that, if a bill has an impact on State or local finances and a revised fiscal and policy note has been prepared for the bill, both the third reading version of the bill and the revised fiscal and policy note must be posted on the General Assembly web site for 72 hours prior to the vote for final passage of the bill in the house of origin. Sunday may not be included in the calculation of the 72-hour period.

This requirement does not apply if the vote for final passage in either house will be taken on or after the fourth calendar day before the end of the regular or special session of the General Assembly.

Fiscal Summary

State Effect: The Department of Legislative Services (DLS) can handle the bill's requirements with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Bill Readings

The Maryland Constitution requires that a bill be read on three different days in each House before it becomes law, unless two-thirds of the members determine by yeas and nays that a bill can be read twice on the same day. It also prohibits a bill from being read a third time until it has been “engrossed or printed” for a third reading.

By constitutional amendment adopted in 1972, each house by rule may adopt a “consent calendar” procedure allowing bills and resolutions to be voted on as a single group on both second and third reading. Legislators must receive reasonable notice of the bills to be placed on the consent calendar. Any bill or resolution placed on a consent calendar can be removed by the request of any member. In 1988, the use of consent calendars was extended to the first reading of bills and the consideration of vetoed bills.

For the first reading requirement, bills are not read in full. The reading clerk merely reads the first part of the title to conform with the constitutional mandate. Consideration of a favorable or unfavorable report by a standing or select committee on a bill or resolution constitutes the second reading. As a matter of “legislative courtesy,” committee reports and amendments are available to legislators one session in advance of floor action. This allows members time to consider the bill, amendments, and committee report prior to voting. Some members request printed copies of these materials, while others access electronic copies of them on their laptops. The “24-hour rule” is discontinued in the final days of the legislative session.

A bill or resolution that passes second reading is printed and placed on the third reading calendar. One of the printings – which are called third reading file copies – becomes the official copy of the bill. The presiding officer determines the date on which the bill will appear on the third reading calendar, usually a day or two following the second reading. House and Senate rules require bills that originate in the respective houses to be printed for third reading after they pass on second reading. However, bills from the opposite house that pass on second reading are ordered passed to third reading without being printed. Similarly, when a conference committee report is accepted by both houses, third reading versions of the bill as accepted by the conference committee are not printed before the vote for final passage.

Fiscal and Policy Notes

DLS must prepare a fiscal and policy note for each bill considered by the General Assembly. In general, a standing committee of the General Assembly may not vote on a bill unless it is accompanied by a fiscal and policy note. A fiscal and policy note prepared by DLS must contain:

- an estimate of the fiscal impact of the bill on the revenues and expenditures of the State government and of local governments for five years, beginning with the year the bill takes effect. If the bill's full fiscal impact is not expected to occur during that time, the analysis must include each year until, and the first year during which, the impact occurs;
- for bills that require a mandated appropriation in the State budget, a statement to that effect and an estimate of the fiscal impact of the mandated appropriation;
- for bills that impose a mandate on a unit of local government, a statement to that effect and an estimate of the fiscal impact of the local mandate, including the effect on local property tax rates;
- an analysis of the bill's economic impact on small businesses; and
- a list of sources of information used in preparing the fiscal impact estimates.

DLS must prepare a revised fiscal and policy note as soon as possible after the adoption of an amendment that changes the fiscal impact of a bill. A revised fiscal and policy note is typically prepared when a bill passes third reading in the house of origin and crosses over for consideration by the opposite house.

Background: **Exhibit 1** shows the number of first and third reader fiscal and policy notes prepared by DLS for the last four years. The number of first reader notes with a fiscal impact applies only to the impact on State government.

Exhibit 1
Fiscal and Policy Notes Prepared
2006-2009 Legislative Sessions

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
First Reader	2,785	2,414	2,550	2,557
<i>With Fiscal Impact</i>	1,219	1,010	1,077	1,121
Third Reader	582	503	548	599

Source: Department of Legislative Services

State Fiscal Effect: In most cases, a revised fiscal and policy note is not prepared prior to the vote for final passage on third reading in the house of origin. Instead, a fiscal and policy note is revised only *after* passage on third reading in the house of origin to inform the opposite house's consideration of the bill, as amended. This bill requires the posting of a third reading bill and a revised fiscal note prior to the vote for final passage only if a revised fiscal and policy note has been prepared. To the extent that revised fiscal notes are not prepared at that time, neither the bill nor the revised fiscal and policy note need to be posted, and thus DLS expenditures are not affected.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2010
ncs/lgc

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