

1 *Senate* BILL NO. *282*
 2 INTRODUCED BY *Lee, Pappas, Lockrem, Healy,*
 3 *P. Smith, Thurson, Cook, McCallen, E. Smith*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR AN
 5 ECONOMIC IMPACT STATEMENT FOR CERTAIN PROPOSED LEGISLATION
 6 AND OTHER STATE ACTIONS."
 7 *Allyn*

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 9 Section 1. Short title. This act may be cited as "The
 10 Montana Economic Impact Disclosure Act of 1977".

11 Section 2. Purpose. The legislature recognizes that
 12 state laws, rules, and other interventions of the state
 13 affect the economy of the state and the employment of its
 14 people and that a healthy economy with concomitant high
 15 employment improves the general welfare. The legislature
 16 declares to be a continuing policy of the state, the
 17 coordination, with their assistance and cooperation, of
 18 state agencies and political subdivisions, labor,
 19 agriculture, forestry, and other renewable resource related
 20 industries, manufacturers, businesses, and private
 21 organizations in an effort to most efficiently and
 22 effectively utilize state resources to create conditions
 23 which will promote the economy of the state and the economic
 24 opportunities and useful employment of its people. The
 25 purpose of this act is to ensure that economic as well as

1 environmental and technical considerations are given
 2 appropriate consideration in the decision-making process.

3 Section 3. Agencies to prepare economic impact
 4 statement. (1) A proposal for legislation or rule or
 5 undertaking or intervention having a significant effect on
 6 employment, personal or corporate income, or costs of goods
 7 or services shall contain or have attached thereto an
 8 economic impact statement prepared by the agency making the
 9 proposal and setting forth the following:

10 (a) a brief description of the purpose of the proposed
 11 action and the assumptions underlying and manner of its
 12 operation in achieving that purpose;

13 (b) if a rule, intervention, or undertaking is
 14 proposed, citation to legal authority pursuant to which the
 15 action is taken;

16 (c) if the action will result in a loss of 1% or more
 17 of primary employment opportunities or a loss of 1% or more
 18 of personal income to primary industry employees during the
 19 24-month period following its implementation, the manner and
 20 extent to which it may:

21 (i) curtail, prevent, or delay any existing or
 22 potential employment of people in the state during the
 23 24-month period first following its effective date,
 24 separately described for each 12-month period thereof;

25 (ii) curtail or prevent any likely construction,

1 expansion, installation, modification, or alteration of any
2 structure, equipment, facility, process, or other asset in
3 the state;

4 (iii) curtail or prevent a use or uses being made or
5 likely to be made of any structure, equipment, facility,
6 process, or other asset in its existing form in the state;

7 (iv) require any existing structure, equipment,
8 facility, process, or other asset in the state to be
9 modified or altered before being put to further use or
10 different use in the state;

11 (v) result in increased costs of goods or services in
12 the state;

13 (vi) result in increased costs to state and local
14 governments, including taxes lost and foregone costs;

15 (vii) result in any adverse economic impacts within the
16 state other than those specifically referred to in this
17 section;

18 (viii) result in savings of natural resources for a
19 more beneficial future economic use;

20 (d) the manner and extent to which the proposal may
21 during the 24-month period first following its effective
22 date result directly or indirectly in economic activity,
23 other than unemployment compensation and like activity,
24 which may compensate economically in whole or in part for
25 any significant adverse economic effects that may result

1 directly or indirectly from its implementation during that
2 period.

3 (2) The following additional information is to be
4 supplied where appropriate in responding to subsections
5 (1)(c) and (1)(d):

6 (a) the estimated dollar measure of the curtailment,
7 modification, or increase; and

8 (b) the geographic area or areas of the curtailment,
9 modification, or increase.

10 (3) Information required by this section shall, to the
11 extent known by an agency, be included, if relevant, in the
12 agency economic impact statement. An impact statement that
13 omits any information required by this section shall
14 specifically note its omission, the reason for its omission,
15 the importance of any information so omitted to a realistic
16 assessment of the economic impact of the proposal during the
17 24-month period first following its effective date,
18 separately described for each 12-month period, and the
19 additional time and effort required to obtain information
20 needed for such assessment.

21 (4) (a) No agency economic impact statement may be
22 released or otherwise made available to a member of the
23 legislature or to the public without a separate statement
24 affixed to it by the department of community affairs setting
25 forth such comment or comments as it may consider

1 appropriate concerning the adequacy and accuracy of the
2 information contained in such economic impact statement and
3 concerning the economic impact of the proposal.

4 (b) Upon the written request of an agency that
5 prepared an economic impact statement, the department of
6 community affairs shall prepare and furnish a separate
7 statement containing the information prescribed by
8 subsection (3)(a) of this section to that agency within 45
9 working days.

10 (c) Before being released, an agency economic impact
11 statement may be revised by that agency after it receives
12 such separate statement furnished by the department of
13 community affairs. No agency-revised economic impact
14 statement may be released or otherwise made available
15 without a further revised separate statement affixed to it
16 containing the information prescribed in subsection (3)(a)
17 of this section.

18 (d) In the event of failure by the department of
19 community affairs to furnish the separate statement within
20 the time required by this act, any agency economic impact
21 statement shall note the date such statement was furnished
22 by the department and the 45 working days' time period
23 during which it failed to furnish the separate statement.

24 Section 4. General directions to state agencies. (1)
25 The legislature authorizes and directs that the policies,

1 regulations, public acts, and practices of this state and
2 its agencies be interpreted and administered in accordance
3 with the policies set forth in this act. Nothing in this
4 act affects a specific statutory obligation of a state
5 agency to comply with criteria or standards prescribed by
6 other law. The policies set forth in this act are
7 supplementary to those set forth in existing authorizations
8 of state agencies.

9 (2) This act is not intended to preclude long-range
10 consideration of the economic impact of government actions.
11 Such consideration is in addition to that prescribed by this
12 act.

-End-

STATE OF MONTANA

REQUEST NO. 257-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 27, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 282 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide for an economic impact statement for certain proposed legislation and other state actions.

FISCAL IMPACT:

The Department of Community Affairs estimates that approximately \$20,000 per year would be needed to fund 1.00 FTE and related support to review economic impact statements. No estimate can be given on the increase cost agencies will realize due to the increased requirements of the proposed legislation.

Richard J. Langford
BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 2-2-77