



Addressing Fiscal Impacts On Municipalities

A recent review by the Office of the State Auditor's Division of Local Mandates found that from 2011 through 2015, 97 statutory provisions became law that had a significant fiscal impact on local communities; however, most of these laws did not meet the explicit definition of an unfunded mandate. DLM identifies when communities have been subjected to an unfunded mandate by the state; however, the Division is only allowed to issue determinations on state actions that meet the limited definition set by the Local Mandate Law.

The Five-Year Statutory Fiscal Impact Report includes legislative recommendations that will enhance DLM's ability to evaluate costs imposed on cities and towns of the Commonwealth by legislation, and allow them to provide their expertise to lawmakers on ways to mitigate the obligations towns and school districts must assume. In addition, they will provide the Division with increased ability to assess the financial impacts of laws and regulations.

RELATIVE TO MUNICIPAL LEGISLATIVE IMPACT STATEMENTS—AMENDMENT 290

Sponsors: Sen. Kathleen O'Connor Ives, Sen. Bruce Tarr

This proposal would grant the Division of Local Mandates (DLM) the authority to provide information to the Legislature on the fiscal impact of proposed legislation on cities and towns.

Currently, DLM does not have the statutory authority to review proposed legislation for significant fiscal impact; DLM only has the authority to review whether proposed legislation imposes an unfunded mandate as defined by the Local Mandate Law. **Through this amendment, DLM hopes to assist the General Court in recommending alternatives to proposed legislation to limit the fiscal impact of that legislation on municipalities.**

RELATIVE TO MUNICIPAL IMPACT STATEMENTS—AMENDMENT 289

Sponsors: Sen. Kathleen O'Connor Ives, Sen. Bruce Tarr

This proposal would require state agencies to file municipal impact statements with the Secretary of State's Office, the Division of Local Mandates (DLM), and the Local Government Advisory Committee when adopting, amending, or repealing regulations. Currently, state agencies are required under Executive Order 145 to file a local impact statement on proposed regulations with the Local Government Advisory Committee and the Department of Housing and Community Development. **DLM believes that requiring state agencies to also file municipal impact statements with the Secretary of State's Office would allow for a more robust discussion of the impact of regulatory amendments on municipalities by making municipal impact statements more readily accessible.** Additionally, providing DLM with access to municipal impact statements would enable DLM to be more responsive with feedback on proposed regulatory changes.