

## PROPOSED AMENDMENTS ARE MAKING DRAFT LAWS EASIER TO UNDERSTAND

The Parliament of Georgia is holding the first hearing on a new draft of its [Rules of Procedure](#) and amendments to the [Law on Normative Acts](#).

The new draft of the Rules of Procedure concerns the legislative process as well as parliamentary oversight, openness, transparency and accountability of the legislative body.

Legislative amendments are aimed at improving the content of draft law explanatory notes by making them comprehensive and more accessible.

### The Draft Law

**Legislative proposal:** [Rules of Procedure of the Parliament of Georgia](#)

**Initiators:** Members of Parliament: Irakli Kobakhidze, Tamar Chugoshvili, Irine Pruidze, Giorgi Kakhiani, Anri Okhanashvili, Eka Beselia, Mamuka Mdinaradze, Archil Talakvadze, Irakli Sesiashvili, Irakli Beraia, Guram Macharashvili

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### Essence of the draft law

Amendments to the Law on Normative Acts change the components of draft law explanatory notes.

The initiator must explain each proposed provision in the explanatory note in a way that is understandable even to non-lawyers.

The content of explanatory notes will be expanded from the current 3 components (reason, purpose, essence) to 7, which also includes expected results and the draft law's connection with existing government programs and relevant action plans.

According to the proposal's own [explanatory note](#), initiators prepare their explanatory notes in a hasty and superficial manner, which often makes it impossible to understand the essence of the legislative amendment. There are even cases when the wordings of the proposed provision and the initiator's explanation do not line up, causing problems during parliamentary hearings.

### Current Edition

### Proposed amendments

#### 1. General information about the draft law

##### General information about the draft law

Paragraph 1. - General Information of the explanatory note must include the following 3 components:

1. Reason
2. Purpose
3. Essence

The number of obligatory components is increasing from 3 (reason, purpose, essence) to 7:

1. Reason for adopting the draft law;
2. Expected results of the draft law;
3. Main essence of the draft law;
4. Connection of the draft law with relevant government programs and action plans (if the draft law is initiated by the Government of Georgia);
5. Principle behind selecting the date of entry into force of the draft law, and justification for retroactive enforcement, if any;
6. Reasons and relevant justification for expedited review of the draft law (if the initiator has requested expedited review);
7. Information about amendments to other laws (if the initiative is a legislative package).

### Current Edition

### Proposed amendments

#### 2. Content of new provisions

##### Explanation of new provisions

No provision

The initiator must explain each proposed provision in the main essence part of the explanatory note in a way that is understandable even to non-lawyers.

### Current Edition

### Proposed amendments

#### 3. Connection with government programs

##### The draft law's connection with government programs

No provision

The explanatory note must contain information about the draft law's connection with relevant government programs and action plans. This component of the explanatory note is filled out only when the initiator of the draft law is the Government of Georgia.

### Current Edition

### Proposed amendments

#### 4. Expedited review

##### Expedited review

No provision

If the initiator wishes for the draft law to be reviewed in an expedited manner, he/she must provide a justification in the explanatory note.

### Current Edition

### Proposed amendments

#### 5. Financial justification

##### Financial justification of the draft law

Financial justification of a draft law must contain:

- Source of funding necessary for covering the expenses related to the adoption of the draft law;
- Impact of the draft law on budget revenue;
- Impact of the draft law on budget expenditures;
- New financial liabilities of the state;
- Expected financial results for persons directly affected by the draft law;
- The amounts of taxes or any kind of fees set by the draft law and the principle behind determining these amounts.

Financial justification remains the same. However, components related to the **budget and taxes** are being changed to be more specific.

The financial impact of the draft law must be assessed for the year when the draft law enters into force as well as for the following 3 years. Impact on the budget is being specified to mean impact on the state and/or municipal budget, while taxes or any kind of fees introduced by the draft law are specific to mean monetary income of the respective budget.

According to the proposed amendment, the Parliament will develop a methodology for evaluating the financial impact of draft laws, in order to assist the initiators.

### Assessment / Recommendations

There is no denying that draft law explanatory notes require improvement, since filling out explanatory notes has become a simple formality.

TI Georgia believes that adopting the above initiative will be a step forward in implementing a higher standard of explanatory notes. The obligation to include predictions on financial and economic indicators in explanatory notes is to be welcomed. Improvement of the legislative process is also an obligation under the [Open Parliament 2017 Action Plan](#).

However, it is unfortunate that the proposed amendments do not include the obligation to conduct Regulatory Impact Assessments during the lawmaking process. RIA reveals all possible costs and benefits and determines all possible outcomes of a new regulation. The Government of Georgia committed to implementing RIAs through the [Policy Planning System Reform Strategy](#) (May 2015).

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