



Demystifying the System: Legislative Process for Payroll Professionals

Overview

In the 1976 movie, *Schoolhouse Rock*, remade in 2003, a skit, "I'm Just a Bill," explains the entire legislative process in three minutes. Yet, the process is trickier than portrayed in *Schoolhouse Rock* because it is designed to ensure government decisions reflect collective values, which are not easily identified. Ideally, the process works best when all opinions are considered. This requires public participation.



Part 1. The Legislative Process

Stages of the Federal and State Legislative Process

The following are the general steps in chronological order of the legislative process to enact laws in the United States. These procedures can vary depending on the type of bill or subject matter, such as budget and spending measures. There also are some variations at the state and local levels described below.

Step 1. Ideas and Drafting. Members of the legislature (representatives, senators, or delegates), interest groups, and government agencies can draft a bill. Often subject matter experts and stakeholders are asked to provide input. However, it is up to the legislative body to decide whether a bill is introduced.

Step 2. Introduction of a Bill. A bill is introduced by a member of the legislature. At the federal level, spending and budget bills must originate in the House of Representatives; other bills may originate in either the House or the Senate. Once introduced, a bill is assigned a unique number and referred to a committee for further review.

Step 3. Committee Review. Committees play a critical role in the legislative process because committee members are responsible for reviewing, amending, and refining bills. Some legislative committees include subcommittees that study specific issues. Public hearings are held to gather opinions from invited experts and interest groups. Committee members vote on whether to advance a bill to the full legislative body. The process of debating, amending, and rewriting proposed legislation is called a “markup.”

Step 4. Debate and Voting. Once a bill is reported back to the originating chamber (House or Senate) it is placed on the calendar for full debate and vote. This is called “floor action” in which a bill is debated, and members are allowed to discuss its merits and propose further amendments. A vote determines whether the bill progresses to the other chamber. Usually, public involvement here consists of contacting legislators. Only a few states allow public testimony on the floor.

Step 5. Referred to Other Chamber. The second chamber (House or Senate) repeats the process of committee review, markup, floor action, and voting.

Step 6. Reconciliation and Final Approval. Both chambers must agree on an identical version of a bill before it can become law. Conference committees made up of representatives from both chambers are convened to resolve differences. Consensus bills are sent back to each chamber for a final vote. If the consensus bill passes, the final version is sent to the president or state governor for executive decision.

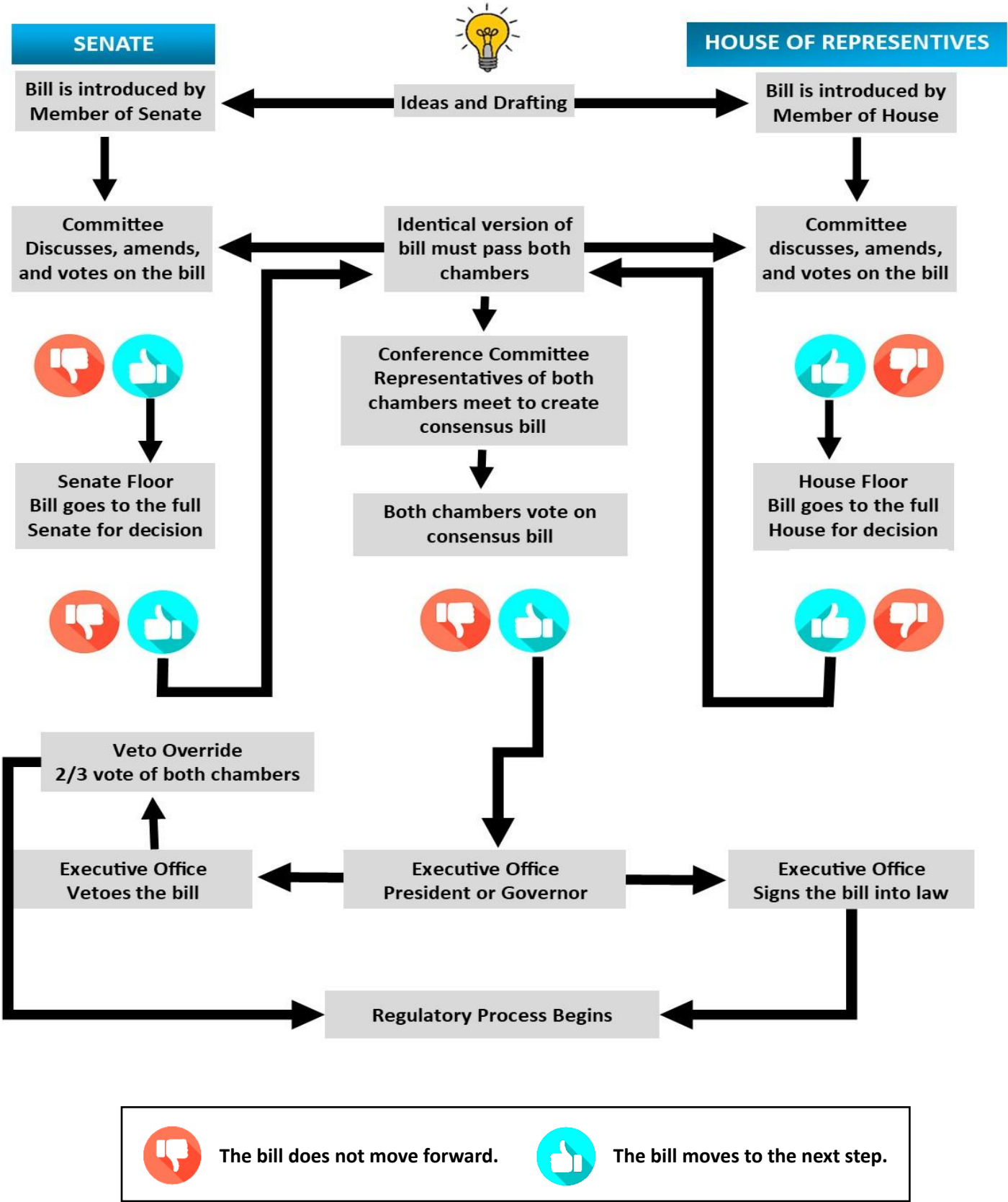
Step 7. Executive Decision. The president or governor reviews a bill, usually after executive staff perform an analysis. The president or governor may sign the bill into law, allow the bill to become law by inaction within a specified number of days, or veto the bill. Some states allow a “pocket veto” in which executive inaction after the end of a legislative session effectively prevents a bill from becoming law. Individuals and organizations can contact executive offices with opinions on whether to veto a bill.

Step 8. Veto. If the president or governor vetoes a bill, it returns to the legislative body for further decision. Typically, a bill requires a two-thirds majority in both chambers to override a veto before the measure can become law. A few states vary on the number of votes required to override a veto, such as a majority or three-fifths vote.

Step 9. Implementation and Review. The regulatory process occurs after enactment. Government agencies implement the new law by creating regulations and guidance that includes a public comment period, followed by enforcing the regulations. Once a regulation is final, the legislature has a short period of time to disagree with the agency and block the

regulations from taking effect. Requests for judicial review can delay or block laws and regulations.

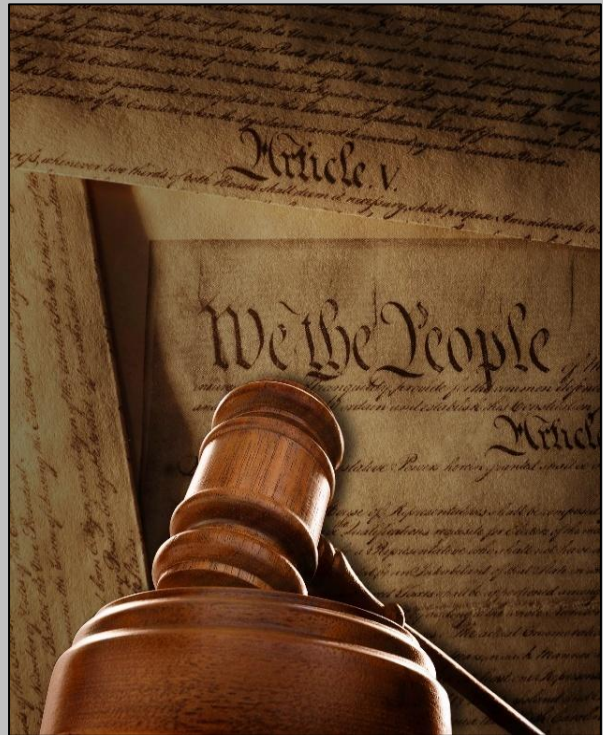
FEDERAL AND STATE LEGISLATIVE PROCESS



Balance of Power

The U.S. Constitution includes provisions for the core functions of government – legislative, executive, and judiciary. Called the “separation of powers,” each branch has some independence, but power is also shared among the branches. For example, the president can veto legislation, Congress can override that veto, and the judiciary can block laws and regulations.

The U.S. Supreme Court monitors branch powers, sometimes finding that a president’s decision (executive order) encroaches on Congress and is invalid. Thus, a president’s power is limited.



Separation of power at the state level is similar but involves a governor, state legislature, and state court systems. Some decision-making authority is shared between federal and state governments. States also have independent powers. The U.S. Constitution clarifies that powers not explicitly given to the federal government belong to the states.

State Legislative Process

The state legislative process operates as a critical mechanism for addressing statewide needs and implementing policies tailored to the unique challenges and priorities of individual states.

While state processes share similarities with the federal legislative process, as shown above, the state system often allows for greater flexibility and responsiveness due to the closer proximity to constituents.

In each state, the legislature works to draft, debate, and enact laws, ensuring that state governance remains aligned with public interests and constitutional principles or rights. Understanding the process can empower payroll professionals to engage effectively with state lawmakers and advocate for policies that reflect payroll values and priorities.

Differences of the State Legislative Process

There are two important differences in the legislative process at the state level.

- 1. Legislative Structure.** Most state structures, like the federal government, were established as a bicameral legislative system, meaning two houses or chambers (House of Representatives, House of Delegates, Senate, Assembly, or General Assembly). The notable exception is Nebraska's unicameral system that operates without a second chamber, streamlining its legislative process. Once a bill goes through a committee, Nebraska requires three rounds of floor debate and voting before a bill can become law. In addition, Nebraska's legislature is nonpartisan, meaning that legislative leadership is not based on party affiliation.



- 2. Part-Time Legislatures.** Another difference is the length of time that a state legislature meets. Most state legislatures only operate for part of the year, such as January to May. Some states operate based on number of days. For example, 45 or 90 days. These days may be distinguished by calendar or legislative days, excluding weekends, holidays, and other recess times. In several states, legislative sessions only operate part of the year, which impacts the pace and focus of decision-making.

Four states — California, Michigan, New York, and Pennsylvania — are the only true full-time legislatures in that they require the most time of legislators, have large personal staff, and pay legislators sufficiently to make a living without outside income.

Six states — Arkansas, Montana, Nevada, North Dakota, Oregon, and Texas — convene in regular session only every other year in odd-number years for a set number of days.

Thirteen states allow only the governor to call a special session. Thirty-seven states allow either the governor or the legislature to call a special session. Special sessions may be restricted to certain types of bills, such as on a state's economy or to address a natural disaster. A special session also is limited by the number of days a legislature can meet.

Local Legislative Process

The local legislative process in most U.S. cities and counties is unicameral and typically involves an elected body, such as a city council or county board, which is responsible for passing ordinances and resolutions that govern the community. These bodies are often composed of representatives elected by districts or at-large, depending on the jurisdiction.



Proposed legislation is usually introduced in the form of a resolution as opposed to a bill, which undergoes several stages, including public hearings, committee review, and deliberation. Community input is a key component with residents given opportunities to voice their opinions during public meetings. Once a proposal has been debated and potentially amended, it is voted on by the legislative body. If approved, the measure is sent to the mayor or county executive for final approval or veto.

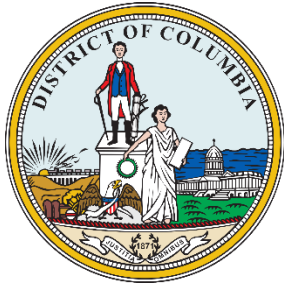
In addition to formal legislative bodies, many cities and counties rely on advisory boards, commissions, or neighborhood associations to provide recommendations on specific issues. Some of these advisory groups are formally designated, identifying who can participate. Other groups are established on a temporary basis to consider a specific issue. These groups play an important role in shaping legislation by offering expertise and representing community interests. The process emphasizes transparency and public engagement, often requiring an open and public meeting to ensure accountability.

The following describes the two main differences between federal and state legislative processes and local processes.

- 1. Citizen Involvement.** At the federal and most state levels, individuals must be invited to testify before legislative bodies. However, local decision-making bodies and some states allow individuals, usually U.S. citizens, to testify simply by registering in advance.
- 2. Ordinances.** At the federal and state levels, signed bills are called laws or acts. For local jurisdictions, signed resolutions are called ordinances. Ordinances by city and county governments address specific community needs and only apply within the local territorial limits (city and county boundaries).

Legislative Process Oddities — District of Columbia and U.S. Territories

The two oddities in the U.S. legislative system are the processes in the District of Columbia (Washington, D.C.) and U.S. territories, which operate in a hybrid manner comprising aspects of federal, state, and local processes with some key differences.



District of Columbia. In essence, the District is like two jurisdictions in one because it is the nation’s capital and a local area. The District is unique because it is a federal district, not a state or a city, and is subject to specific limitations and oversight by the U.S. Congress.

The U.S. Constitution grants Congress the sole authority over the District. However, that authority was shifted from Congress to District residents in 1975 when then President Richard Nixon signed, “The District of Columbia Home Rule Act.” That act allows residents to elect a 13-member legislative council and a mayor. It also grants authority to District residents to elect one advisory neighborhood commissioner per 2,000 residents. A commissioner’s sole job is to advise the mayor and council members on neighborhood issues.

Because of the manner to which the District was established, after the mayor signs a resolution, it is sent to the U.S. Congress for a 30 or 60-day review period, during which Congress can disapprove or make changes to it. If Congress does not act within the allotted number of days, the resolution becomes final. This process is called “home rule” and is unique to the District of Columbia.

U.S. Territories. Puerto Rico and other U.S. territories (Guam and the U.S. Virgin Islands) maintain a similar legislative set up as states, but like Washington, D.C., bills passed by the territorial legislatures are subject to review by the U.S. Congress. However, congressional review of territorial laws is limited to certain topics, such as foreign relations, civil rights, and taxation. Puerto Rico is unique as an independent territory rather than a federal district. The U.S. Constitution does not grant Congress sole authority over Puerto Rico or other U.S. territories as it does Washington, D.C.





Government Relations Task Force

PayrollOrg (PAYO) is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. PAYO's Government Relations Task Force partners with government agencies to help payroll professionals with compliance, while minimizing the administrative burden on government, employers, and individual workers. PAYO members are directly responsible for calculating wages and withholding for their employers across all industries and employer types.