
HOUSE BILL 2593

State of Washington 52nd Legislature 1992 Regular Session

By Representatives Pruitt, Ferguson, Leonard and Franklin

Read first time 01/22/92. Referred to Committee on Appropriations.

1 AN ACT Relating to the fiscal impact of proposed legislation;
2 amending RCW 43.88A.010, 43.88A.020, 43.88A.030, 43.88A.040,
3 43.132.010, 43.132.020, 43.132.030, 43.132.040, and 43.132.050; and
4 adding a new section to chapter 43.88A RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 43.88A.010 and 1977 ex.s. c 25 s 1 are each amended to
7 read as follows:

8 The legislature hereby recognizes the necessity of developing an
9 accurate uniform, independent, and coordinated procedure for
10 determining the expected fiscal impact of bills and resolutions on
11 state government. The legislature also recognizes that developing such
12 statements of fiscal impact, which shall be known as fiscal notes,
13 requires the ~~((designation of a state))~~ establishment of an independent
14 agency to be principally responsible therefor.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.88A RCW
2 to read as follows:

3 (1) The council on fiscal legislation is established. The council
4 shall consist of the director of financial management and the director
5 of community development, or their designees, and four individuals, one
6 of whom shall be appointed by each chairperson of the two largest
7 political caucuses in the senate and house of representatives. The
8 chair of the council shall be selected from among the four caucus
9 appointees. The council may select such other officers as the members
10 deem necessary.

11 (2) The council shall employ a fiscal note supervisor to supervise
12 the preparation of all fiscal notes. As used in this chapter,
13 "supervisor" means the fiscal note supervisor. The council may fix the
14 compensation of the supervisor. The supervisor shall employ staff
15 sufficient to accomplish the purposes of this chapter and shall, to the
16 extent possible, use existing resources available from legislative
17 committees and state agencies.

18 (3) The council shall oversee the preparation of fiscal notes
19 prepared under this chapter and chapter 43.132 RCW.

20 (4) A council member who does not agree with a fiscal note approved
21 by the supervisor may request, and the supervisor shall provide, an
22 alternative fiscal note based on assumptions specified by the member.

23 (5) Legislative members of the council shall serve without
24 additional compensation but shall be reimbursed for travel expenses in
25 accordance with RCW 44.04.120 while attending sessions of the council
26 or on official business authorized by the council. Nonlegislative
27 members of the council shall be reimbursed for travel expenses in
28 accordance with RCW 43.03.050 and 43.03.060.

1 **Sec. 3.** RCW 43.88A.020 and 1979 c 151 s 146 are each amended to
2 read as follows:

3 (1) The ((office of financial management)) council on fiscal
4 legislation shall, in cooperation with appropriate legislative
5 committees and ((legislative staff)) state agencies, establish a
6 procedure for the provision of fiscal notes on the expected impact of
7 bills and resolutions which increase or decrease or tend to increase or
8 decrease state government revenues or expenditures. Such fiscal notes
9 shall indicate by fiscal year the impact for the remainder of the
10 biennium in which the bill or resolution will first take effect as well
11 as a cumulative forecast of the fiscal impact for the succeeding four
12 fiscal years. Where necessary to adequately reflect the full costs and
13 benefits of the bill or resolution, the council shall provide for a
14 long-term fiscal analysis that projects the impact of the legislation
15 for at least ten succeeding fiscal years. The fiscal note may include,
16 in appropriate instances, an analysis of the bill's or resolution's
17 impact on those sectors of the state's economy that are the most
18 directly affected.

19 (2) The council shall prepare model fiscal note forms that apply,
20 to the extent possible, to each of the six functional areas of the
21 state biennial appropriations act. The council shall prepare a
22 procedure for incorporating relevant elements of cost-benefit analysis
23 into fiscal note preparation.

24 (3) The council on fiscal legislation shall periodically review and
25 make recommendations to improve the process by which fiscal notes are
26 requested, prepared, and distributed.

27 (4) In establishing the fiscal impact called for pursuant to this
28 chapter, the ((office of financial management)) council shall
29 coordinate the development of fiscal notes with all state agencies
30 affected.

1 **Sec. 4.** RCW 43.88A.030 and 1986 c 158 s 16 are each amended to
2 read as follows:

3 When a fiscal note is prepared and approved as to form, accuracy,
4 and completeness (~~by the office of financial management~~) pursuant to
5 the procedures established by the council on fiscal legislation, which
6 depicts the expected fiscal impact of a bill or resolution, copies
7 shall be filed immediately with:

8 (1) The chairperson of the committee to which the bill or
9 resolution was referred upon introduction in the house of origin;

10 (2) The senate committee on ways and means, or its successor; and

11 (3) The house committees on revenue and appropriations, or their
12 successors.

13 Whenever possible, such fiscal note shall be provided prior to or
14 at the time the bill or resolution is first heard by the committee of
15 reference in the house of origin. The council shall establish
16 priorities for the completion of requested fiscal notes, with the
17 highest priority given to legislation that has been scheduled for a
18 hearing before a committee of the legislature.

19 When a fiscal note has been prepared for a bill or resolution, a
20 copy of the fiscal note shall be placed in the bill books or otherwise
21 attached to the bill or resolution and shall remain with the bill or
22 resolution throughout the legislative process insofar as possible.

23 **Sec. 5.** RCW 43.88A.040 and 1979 c 151 s 148 are each amended to
24 read as follows:

25 The (~~office of financial management~~) council on fiscal
26 legislation shall also provide a fiscal note on any legislative
27 proposal at the request of any legislator. Such fiscal note shall be
28 returned to the requesting legislator, and copies shall be filed with

1 the appropriate legislative committees pursuant to RCW 43.88A.030 at
2 the time such proposed legislation is introduced in either house.

3 **Sec. 6.** RCW 43.132.010 and 1977 ex.s. c 19 s 1 are each amended to
4 read as follows:

5 It is the intent of this chapter to create ((a)) an accurate
6 uniform, independent, and coordinated procedure to determine the fiscal
7 impact of proposed legislation on units of local government.

8 **Sec. 7.** RCW 43.132.020 and 1984 c 125 s 16 are each amended to
9 read as follows:

10 The ((~~director of financial management or the director's designee~~))
11 council on fiscal legislation established under chapter 43.88A RCW
12 shall, in cooperation with appropriate legislative committees and
13 ((~~legislative staff~~)) state agencies, establish a mechanism for the
14 determination of the fiscal impact of proposed legislation which if
15 enacted into law would directly or indirectly increase or decrease
16 revenues received or expenditures incurred by counties, cities, towns,
17 or any other political subdivisions of the state. The ((~~office of~~
18 ~~financial management~~)) council on fiscal legislation shall, when
19 requested by a member of the state legislature, report in writing as to
20 such fiscal impact and said report shall be known as a "local
21 government fiscal note".

22 Such fiscal notes shall indicate by fiscal year the total impact on
23 the subdivisions involved for the first two years the legislation would
24 be in effect and also a cumulative six year forecast of the fiscal
25 impact. Where feasible and applicable, the fiscal note also shall
26 indicate the fiscal impact on each individual county or on a
27 representative sampling of cities, towns, or other political
28 subdivisions. Where necessary to adequately reflect the full costs and

1 benefits of the bill or resolution, the council shall provide for a
2 long-term fiscal analysis that projects the impact of the legislation
3 for at least the ten succeeding fiscal years.

4 A local government fiscal note as defined in this section shall be
5 provided only upon request of any member of the state legislature. A
6 legislator also may request that such a fiscal note be revised to
7 reflect the impact of proposed amendments or substitute bills. Fiscal
8 notes shall be completed within seventy-two hours of the request unless
9 a longer time period is allowed by the requesting legislator. In the
10 event a fiscal note has not been completed within seventy-two hours of
11 a request, a daily report shall be prepared for the requesting
12 legislator by the ~~((director of financial management))~~ council on
13 fiscal legislation which report summarizes the progress in preparing
14 the fiscal note. ~~((If the request is referred to the director of~~
15 ~~community development, the daily report shall also include the date and~~
16 ~~time such referral was made.))~~ The council shall establish priorities
17 for the completion of requested fiscal notes, with the highest priority
18 given to legislation that has been scheduled for a hearing before a
19 committee of the legislature.

20 **Sec. 8.** RCW 43.132.030 and 1985 c 6 s 10 are each amended to read
21 as follows:

22 ~~((The director of financial management is hereby empowered to~~
23 ~~designate the director of community development as the official~~
24 ~~responsible for the preparation of fiscal notes authorized and required~~
25 ~~by this chapter.))~~ It is the intent of the legislature that, when
26 necessary, the resources of other state agencies, appropriate
27 legislative staffs, and the various associations of local government
28 may be employed in the development of ~~((such))~~ local government fiscal
29 notes.

1 **Sec. 9.** RCW 43.132.040 and 1986 c 158 s 18 are each amended to
2 read as follows:

3 When a local government fiscal note is prepared and approved as to
4 form and completeness (~~((by the director of financial management))~~)
5 pursuant to the procedures established by the council on fiscal
6 legislation, the (~~((director))~~) council shall transmit copies immediately
7 to:

8 (1) The requesting legislator;

9 (2) With respect to proposed legislation held by the senate, the
10 chairperson of the committee which holds or has acted upon the proposed
11 legislation, the chairperson of the ways and means committee, the
12 chairperson of the (~~((local government))~~) governmental operations
13 committee, and the secretary of the senate; and

14 (3) With respect to proposed legislation held by the house of
15 representatives, the chairperson of the committee which holds or has
16 acted upon the proposed legislation, the chairpersons of the revenue
17 and taxation and appropriations committees, the chairperson of the
18 local government committee, and the chief clerk of the house of
19 representatives.

20 **Sec. 10.** RCW 43.132.050 and 1986 c 158 s 19 are each amended to
21 read as follows:

22 The (~~((office of financial management))~~) council on fiscal
23 legislation may make additional copies of the local government fiscal
24 note available to members of the legislature and others on request.

25 At the request of any member of the senate or house of
26 representatives, whichever is considering the proposed legislation, and
27 unless it is prohibited by the rules of the body, copies of the fiscal
28 note or a synopsis thereof shall be placed on the members' desks at the

1 time the proposed legislation takes its place on the second reading
2 calendar.

3 Whenever proposed legislation accompanied by such a local
4 government fiscal note is passed by either the senate or the house of
5 representatives, the fiscal note shall be transmitted with the bill to
6 the other house.