

**SENATE BILL REPORT**

**SB 6188**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 5, 1992**

**Brief Description:** Establishing a council on fiscal legislation.

**SPONSORS:** Senators Bluechel, Sutherland, Nelson and Skratek; by request of Jnt Sel Committee on WASHINGTON 2000

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** That Substitute Senate Bill No. 6188 be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bluechel, Cantu, Hayner, Metcalf, Newhouse, Owen, L. Smith, West, and Williams.

**Staff:** Steve Jones (786-7440)

**Hearing Dates:** February 4, 1992; February 5, 1992

**BACKGROUND:**

Fiscal notes, which estimate the impact on the state budget of proposed legislation, are prepared by the affected state agencies under the coordination and approval of the Office of Financial Management. The fiscal note estimates the fiscal impact of the legislation for the remainder of the current biennium and for the next succeeding four fiscal years.

Local government fiscal notes, which estimate the impact on the budgets of local governments, are prepared by the Department of Community Development under a delegation from the Office of Financial Management. Local government fiscal notes include a two-year and a six-year forecast of the bill's fiscal cost.

**SUMMARY:**

The Council on Fiscal Legislation is established as an independent entity to oversee the preparation of all fiscal notes, including local government fiscal notes.

The council consists of the following six persons: the directors of the Department of Community Development and the Office of Financial Management (or their designees) and four members of the Legislature (one from each of the four caucuses). The council employs a supervisor who is charged with the preparation of fiscal notes. The supervisor shall employ a staff and may also request the assistance of legislative staff and state agencies.

If necessary to reflect the full costs and benefits of a bill, the fiscal note may include a long-term fiscal analysis and may also include an analysis of the bill's impact on the private sector.

The council is directed to establish priorities for the completion of fiscal notes, with the highest priority given to bills that have been scheduled for a hearing. The council may also review the fiscal note process and make recommendations for improvement.

**EFFECT OF PROPOSED SUBSTITUTE:**

The council is renamed the Fiscal Note Council and existing files, records, equipment, and appropriations are transferred to the council.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

Experience in other states shows that the fiscal note process is significantly improved by the establishment of an independent entity to oversee the preparation of the notes. The council can also take a long-term look at fiscal impact, costs and benefits, and impacts on the private sector.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Senator Alan Bluechel, prime sponsor