

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2397

Chapter 182, Laws of 2000

56th Legislature
2000 Regular Session

LOCAL GOVERNMENT FISCAL NOTES

EFFECTIVE DATE: 6/8/00

Passed by the House February 8, 2000
Yeas 97 Nays 0

CLYDE BALLARD
Speaker of the House of Representatives

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate February 28, 2000
Yeas 45 Nays 0

BRAD OWEN
President of the Senate

Approved March 27, 2000

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2397** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

CYNTHIA ZEHNDER
Chief Clerk

FILED

March 27, 2000 - 5:00 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 2397

Passed Legislature - 2000 Regular Session

State of Washington 56th Legislature 2000 Regular Session

By Representatives Scott, Mulliken, Doumit, Mielke, Fisher, Reardon,
Edwards, Fortunato, Haigh, Wolfe and Ogden

Read first time 01/12/2000. Referred to Committee on Local Government.

1 AN ACT Relating to the process of preparing local government fiscal
2 notes and the review of fiscal impacts of legislation; amending RCW
3 43.132.020, 43.132.040, and 43.132.060; adding new sections to chapter
4 43.132 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
7 enhance the local government fiscal note process by providing for
8 updated fiscal information on pending legislation and to establish a
9 process for a more comprehensive report on the fiscal impacts to local
10 governments arising from laws that have been enacted. Further, it is
11 the intent of the legislature that the varying effects of legislation
12 on different local governments be recognized. This act is enacted in
13 recognition of the responsibilities imposed by RCW 43.135.060.

14 **Sec. 2.** RCW 43.132.020 and 1995 c 399 s 79 are each amended to
15 read as follows:

16 The director of financial management or the director's designee
17 shall, in cooperation with appropriate legislative committees and
18 legislative staff, establish a mechanism for the determination of the

1 fiscal impact of proposed legislation which if enacted into law would
2 directly or indirectly increase or decrease revenues received or
3 expenditures incurred by counties, cities, towns, or any other
4 (~~political subdivisions of the state~~) units of local government. The
5 office of financial management shall, when requested by a member of the
6 state legislature, report in writing as to such fiscal impact and said
7 report shall be known as a "fiscal note".

8 Such fiscal notes shall indicate by fiscal year the total impact on
9 the (~~subdivisions~~) local governments involved for the first two years
10 the legislation would be in effect and also a cumulative six year
11 forecast of the fiscal impact. Where feasible and applicable, the
12 fiscal note also shall indicate the fiscal impact on each individual
13 county or on a representative sampling of cities, towns, or other
14 (~~political subdivisions~~) units of local government.

15 A fiscal note as defined in this section shall be provided only
16 upon request of any member of the state legislature. A (~~legislator~~
17 ~~also may~~) request (~~that such~~) for a fiscal note (~~be revised to~~
18 ~~reflect the impact of proposed amendments or substitute bills~~) on
19 legislation shall be considered to be a continuing request for a fiscal
20 note on any formal alteration of the legislation in the form of
21 amendments to the legislation that are adopted by a committee or a
22 house of the legislature or a substitute version of such legislation
23 that is adopted by a committee and preparation of the fiscal note on
24 the prior version of the legislation shall stop, unless the legislator
25 requesting the fiscal note specifies otherwise or the altered version
26 is first adopted or enacted in the last week of a legislative session.

27 Fiscal notes shall be completed within (~~seventy-two hours~~) one
28 week of the request unless a longer time period is allowed by the
29 requesting legislator. In the event a fiscal note has not been
30 completed within (~~seventy-two hours~~) one week of a request, a daily
31 report shall be prepared for the requesting legislator by the director
32 of financial management which report summarizes the progress in
33 preparing the fiscal note. If the request is referred to the director
34 of community, trade, and economic development, the daily report shall
35 also include the date and time such referral was made.

36 **Sec. 3.** RCW 43.132.040 and 1986 c 158 s 18 are each amended to
37 read as follows:

1 When a fiscal note is prepared and approved as to form and
2 completeness by the director of financial management, the director
3 shall transmit copies immediately to:

4 (1) The requesting legislator;

5 (2) With respect to proposed legislation held by the senate, the
6 chairperson of the committee which holds or has acted upon the proposed
7 legislation, the chairperson of the ways and means committee or
8 equivalent committees with jurisdiction over matters normally
9 considered by a ways and means committee, the chairperson of the local
10 government committee or equivalent committee that considers local
11 government matters, and the secretary of the senate; and

12 (3) With respect to proposed legislation held by the house of
13 representatives, the chairperson of the committee which holds or has
14 acted upon the proposed legislation, the chairpersons of the (~~revenue~~
15 ~~and taxation and appropriations committees~~) ways and means committee
16 or equivalent committees with jurisdiction over matters normally
17 considered by a ways and means committee, the chairperson of the local
18 government committee or equivalent committee that considers local
19 government matters, and the chief clerk of the house of
20 representatives.

21 **Sec. 4.** RCW 43.132.060 and 1977 ex.s. c 19 s 6 are each amended to
22 read as follows:

23 (1) Nothing in this chapter shall prevent either house of the
24 legislature from acting on any bill or resolution before it as
25 otherwise provided by the state Constitution, by law, and by the rules
26 of the senate and house of representatives, nor shall the lack of any
27 fiscal note as provided in this chapter or any error in the accuracy
28 thereof affect the validity of any measure otherwise duly passed by the
29 legislature.

30 (2) Subsection (1) of this section shall not alter the
31 responsibilities of RCW 43.135.060.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.132 RCW
33 to read as follows:

34 (1) The office of financial management, in consultation with the
35 department of community, trade, and economic development, shall
36 annually prepare a report on the fiscal impacts to counties, cities,
37 towns, and other units of local governments, arising from selected laws

1 enacted in the preceding five-year period. The office of financial
2 management, in consultation with the department of community, trade,
3 and economic development, shall annually select up to five laws to
4 include within this report from a recommended list of laws approved by
5 the legislature. The office of financial management, in consultation
6 with the department of community, trade, and economic development, may
7 select up to five laws to include within this report if the legislature
8 does not approve a recommended list.

9 (2) The preparation of the reports required in subsection (1) of
10 this section is subject to available funding.

11 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.132 RCW
12 to read as follows:

13 The office of financial management, in consultation with the
14 department of community, trade, and economic development, shall prepare
15 a report for the legislature on or before December 31st of every even-
16 numbered year on local government fiscal notes, and reports on the
17 fiscal impacts on local governments arising from selected laws, that
18 were prepared over the preceding two-year period.

Passed the House February 8, 2000.

Passed the Senate February 28, 2000.

Approved by the Governor March 27, 2000.

Filed in Office of Secretary of State March 27, 2000.