

CERTIFICATION OF ENROLLMENT

**ENGROSSED HOUSE BILL 1703**

Chapter 140, Laws of 2011

62nd Legislature  
2011 Regular Session

LEGISLATION--SCHOOL DISTRICT FISCAL NOTES

EFFECTIVE DATE: 07/22/11

Passed by the House March 2, 2011  
Yeas 97 Nays 0

FRANK CHOPP

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**Speaker of the House of Representatives**

Passed by the Senate April 6, 2011  
Yeas 47 Nays 1

BRAD OWEN

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**President of the Senate**

Approved April 20, 2011, 2:19 p.m.

CHRISTINE GREGOIRE

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 1703** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

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**Chief Clerk**

FILED

April 20, 2011

**Secretary of State  
State of Washington**

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ENGROSSED HOUSE BILL 1703

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Passed Legislature - 2011 Regular Session

**State of Washington**                      **62nd Legislature**                      **2011 Regular Session**

**By** Representatives Dammeier, Haigh, Anderson, Probst, Parker,  
Alexander, Zeiger, and Smith

Read first time 01/31/11. Referred to Committee on Education  
Appropriations & Oversight.

1            AN ACT Relating to fiscal notes for legislation that uniquely  
2 affects school districts; amending RCW 43.88A.020 and 43.132.020; and  
3 adding a new section to chapter 28A.300 RCW.

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

5            **Sec. 1.** RCW 43.88A.020 and 2008 c 1 s 3 are each amended to read  
6 as follows:

7            The office of financial management shall, in cooperation with  
8 appropriate legislative committees and legislative staff, establish a  
9 procedure for the provision of fiscal notes on the expected impact of  
10 bills and resolutions which increase or decrease or tend to increase or  
11 decrease state government revenues or expenditures. Such fiscal notes  
12 shall indicate by fiscal year the impact for the remainder of the  
13 biennium in which the bill or resolution will first take effect as well  
14 as a cumulative forecast of the fiscal impact for the succeeding four  
15 fiscal years. Fiscal notes shall separately identify the fiscal  
16 impacts on the operating and capital budgets. Estimates of fiscal  
17 impacts shall be calculated using the procedures contained in the  
18 fiscal note instructions issued by the office of financial management.

1 In establishing the fiscal impact called for pursuant to this  
2 chapter, the office of financial management shall coordinate the  
3 development of fiscal notes with all state agencies affected.

4 The preparation and dissemination of the ongoing cost projections  
5 and other requirements of RCW 43.135.031 for bills increasing taxes or  
6 fees shall take precedence over fiscal notes.

7 For proposed legislation that uniquely affects school districts, in  
8 addition to any fiscal note prepared under this chapter, a school  
9 district fiscal note must be prepared under the process established in  
10 section 3 of this act.

11 **Sec. 2.** RCW 43.132.020 and 2000 c 182 s 2 are each amended to read  
12 as follows:

13 The director of financial management or the director's designee  
14 shall, in cooperation with appropriate legislative committees and  
15 legislative staff, establish a mechanism for the determination of the  
16 fiscal impact of proposed legislation which if enacted into law would  
17 directly or indirectly increase or decrease revenues received or  
18 expenditures incurred by counties, cities, towns, or any other units of  
19 local government. For purposes of this section, "unit of local  
20 government" includes school districts to the extent that the proposed  
21 legislation affects school districts in the same manner as it affects  
22 other units of local government. Where proposed legislation uniquely  
23 affects school districts, a school district fiscal note must be  
24 prepared under the process established in section 3 of this act. The  
25 office of financial management shall, when requested by a member of the  
26 state legislature, report in writing as to such fiscal impact and said  
27 report shall be known as a "fiscal note".

28 Such fiscal notes shall indicate by fiscal year the total impact on  
29 the local governments involved for the first two years the legislation  
30 would be in effect and also a cumulative six year forecast of the  
31 fiscal impact. Where feasible and applicable, the fiscal note also  
32 shall indicate the fiscal impact on each individual county or on a  
33 representative sampling of cities, towns, or other units of local  
34 government.

35 A fiscal note as defined in this section shall be provided only  
36 upon request of any member of the state legislature. A request for a  
37 fiscal note on legislation shall be considered to be a continuing

1 request for a fiscal note on any formal alteration of the legislation  
2 in the form of amendments to the legislation that are adopted by a  
3 committee or a house of the legislature or a substitute version of such  
4 legislation that is adopted by a committee and preparation of the  
5 fiscal note on the prior version of the legislation shall stop, unless  
6 the legislator requesting the fiscal note specifies otherwise or the  
7 altered version is first adopted or enacted in the last week of a  
8 legislative session.

9 Fiscal notes shall be completed within one week of the request  
10 unless a longer time period is allowed by the requesting legislator.  
11 In the event a fiscal note has not been completed within one week of a  
12 request, a daily report shall be prepared for the requesting legislator  
13 by the director of financial management which report summarizes the  
14 progress in preparing the fiscal note. If the request is referred to  
15 the director of ((community, — trade, — and — economic — development))  
16 commerce, the daily report shall also include the date and time such  
17 referral was made.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.300  
19 RCW to read as follows:

20 (1) The office of the superintendent of public instruction shall,  
21 where it is practicable to do so within available resources, prepare  
22 school district fiscal notes on proposed legislation that increases or  
23 decreases, or tends to increase or decrease, school district revenues  
24 or expenditures in a manner that uniquely affects school districts.  
25 Proposed legislation that uniquely affects school districts includes,  
26 but is not limited to, legislation that affects school districts'  
27 responsibilities as providers of educational services under this title,  
28 as employers under chapter 41.59 RCW, or as excess levy taxing  
29 authorities under RCW 84.52.053 and 84.52.0531, but excludes proposed  
30 legislation that affects school districts only in the same manner that  
31 it affects other units of local government.

32 (2) Where practicable, the school district fiscal note shall show  
33 the fiscal impact of the proposed legislation on each school district.  
34 Where it is not practicable to do so, the school district fiscal note  
35 shall show the effect of the legislation on a range of representative  
36 school districts. The fiscal note must set forth any assumptions that

1 were used in selecting the representative districts, along with any  
2 other assumptions made about the fiscal impact.

3 (3) School district fiscal notes prepared under this section are  
4 subject to coordination by the office of financial management under RCW  
5 43.88A.020 and are otherwise subject to the requirements and procedures  
6 of chapter 43.88A RCW.

Passed by the House March 2, 2011.

Passed by the Senate April 6, 2011.

Approved by the Governor April 20, 2011.

Filed in Office of Secretary of State April 20, 2011.