
SENATE BILL 5915

State of Washington

64th Legislature

2015 Regular Session

By Senators Brown, Angel, Miloscia, Braun, Dansel, Schoesler, Hewitt, and Chase

Read first time 02/10/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to dynamic fiscal impact statements; amending RCW
2 43.88A.010, 43.88A.030, and 43.88A.040; adding a new section to
3 chapter 43.88A RCW; and providing an expiration date.

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

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

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

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

17 (1)(a) For purposes of this chapter, a dynamic fiscal impact
18 statement is: (i) A written statement that includes a dynamic impact
19 estimate of the legislation or proposed legislation; and (ii)
20 contained only in the narrative explanation of the fiscal note and

1 not reflected in the fiscal impact calculation required by RCW
2 43.88A.020.

3 (b) A dynamic fiscal impact statement must include information on
4 the assumptions that were used in computing the dynamic impact
5 estimate. The dynamic impact estimate should, at a minimum, be based
6 on assumptions of the probable behavioral response of persons
7 directly impacted by the legislation or proposed legislation.

8 (2) By July 1, 2016, the office of financial management must, in
9 consultation with the economic and revenue forecast council,
10 establish the process and methodology for dynamic fiscal impact
11 statements and dynamic impact estimates.

12 (3) Dynamic fiscal impact statements may be produced only on
13 request from members of the senate ways and means committee, house
14 ways and means committee, or any successor committee to these
15 committees.

16 (4) Dynamic fiscal impact statements may not be made unless the
17 fiscal note in which it would be contained reflects a positive or
18 negative revenue impact of more than ten million dollars per fiscal
19 year.

20 (5) Requests for dynamic fiscal impact statements must be
21 submitted to the office of financial management at least sixty days
22 before the beginning of a legislative session.

23 (6) Dynamic fiscal impact statements may not be updated when a
24 bill or resolution is substantively amended during a legislative
25 session. If the office of financial management determines that a
26 substantive amendment to a bill or resolution would likely affect the
27 dynamic impact estimate for that bill or resolution, the dynamic
28 fiscal impact statement must be removed from any fiscal note that
29 reflects the amendment.

30 (7) If the dynamic impact estimate would reduce the existing
31 general fund ending balance to less than one percent of current
32 biennial appropriations, the dynamic fiscal impact statement must be
33 excluded from the fiscal note when it is filed as required by RCW
34 43.88A.030.

35 (8) Nothing in this section may be construed to limit the
36 provisions of chapter 43.132 RCW.

37 (9) For purposes of this chapter, "dynamic impact estimate" means
38 an estimate of the net fiscal impact of a bill, resolution, or
39 proposed legislation that takes into account behavioral changes of
40 persons directly impacted by the legislation or proposed legislation

1 and the effect that those behavioral changes may have on the economy
2 as a whole. Dynamic impact estimates may take into consideration
3 factors such as the effects of the legislation or proposed
4 legislation on persons to save, spend, invest, and expand or reduce
5 their business activities in this state.

6 **Sec. 3.** RCW 43.88A.030 and 2008 c 1 s 4 are each amended to read
7 as follows:

8 When a fiscal note is prepared and approved as to form, accuracy,
9 and completeness by the office of financial management, which depicts
10 the expected fiscal impact of a bill or resolution, copies (~~shall~~)
11 must be filed immediately with:

- 12 (1) The chairperson of the committee to which the bill or
13 resolution was referred upon introduction in the house of origin;
14 (2) The senate committee on ways and means, or its successor; and
15 (3) The house committees on revenue and appropriations, or their
16 successors.

17 Whenever possible, such fiscal note and, in the case of a bill
18 increasing taxes or fees, the cost projection and other information
19 required under RCW 43.135.031 (~~shall~~) must be provided prior to or
20 at the time the bill or resolution is first heard by the committee of
21 reference in the house of origin.

22 When a fiscal note has been prepared for a bill or resolution, a
23 copy of the fiscal note (~~shall~~) must be placed in the bill books or
24 otherwise attached to the bill or resolution and (~~shall~~) must
25 remain with the bill or resolution throughout the legislative process
26 insofar as possible. For bills increasing taxes or fees, the cost
27 projection and other information required by RCW 43.135.031 (~~shall~~)
28 must be placed in the bill books or otherwise attached to the bill or
29 resolution and (~~shall~~) must remain with the bill or resolution
30 throughout the legislative process insofar as possible.

31 **Sec. 4.** RCW 43.88A.040 and 1979 c 151 s 148 are each amended to
32 read as follows:

33 The office of financial management (~~shall~~) must also provide a
34 fiscal note on any legislative proposal at the request of any
35 legislator. (~~Such~~) The fiscal note (~~shall~~) must be returned to
36 the requesting legislator, and copies (~~shall~~) must be filed with
37 the appropriate legislative committees pursuant to RCW 43.88A.030 at

1 the time ((such)) the proposed legislation is introduced in either
2 house.

3 NEW SECTION. **Sec. 5.** This act expires June 30, 2022.

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