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**HOUSE BILL 1172**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives McEntire, Jacobsen, and Walsh

AN ACT Relating to incorporating working families fiscal impacts in fiscal notes; amending RCW 43.88A.010; and adding a new section to chapter 43.88A RCW.

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

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

(1) The legislature hereby recognizes the necessity of developing a uniform and coordinated procedure for determining the expected fiscal impact of bills and resolutions on state government. The legislature also recognizes that developing such statements of fiscal impact, which shall be known as fiscal notes, requires the designation of a state agency to be principally responsible therefor.

(2) The legislature also recognizes the value of considering the impact of bills and resolutions on working families. A working families fiscal impact statement must be included in fiscal notes when required under section 2 of this act.

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

(1)(a) For purposes of this chapter, a working families fiscal impact statement is: (i) A written supplemental statement in a fiscal note that includes an estimate of the impact that proposed legislation has on a working family; and (ii) contained only in the narrative explanation of the fiscal note and not reflected in the fiscal impact calculation required by RCW 43.88A.020.

(b) "Working families" are households that have a total annual income of $150,000 or less per year. The office of financial management must adjust this amount for inflation according to the implicit price deflator at least every five years. The working families fiscal impact is the annual total of applicable costs or savings to working families, as determined according to the methodology established in subsection (2) of this section, divided by the estimated number of working families in this state.

(c) A working families fiscal impact statement must include a narrative and data to explain the assumptions that were used in computing the working families fiscal impact statement.

(d)(i) For fiscal notes prepared for the 2024 legislative session, working families fiscal impact statements must analyze how the fiscal impact calculation for revenue and fee provisions in the proposed legislation impact working families.

(ii) For fiscal notes prepared for the 2025 session and thereafter, working families fiscal impact statements must also include the estimated impacts on working families from proposed legislation estimated to affect prices charged to consumers by businesses because of revenue and fee provisions that affect businesses or because of the regulatory effects of the legislation on business or labor.

(2) By September 1, 2023, the office of financial management, in consultation with the economic and revenue forecast council, the department of revenue, and the caseload forecast council, must establish the process and methodology for working family impact statements under subsection (1)(d)(i) of this section. By September 1, 2024, the office of financial management, in consultation with the economic and revenue forecast council, the department of revenue, and the caseload forecast council, must establish the process and methodology for working family impact statements to add impacts under subsection (1)(d)(ii) of this section. The methodology must address impacts on working families including, but not limited to, state taxes and other government-established charges, such as utility fees, industrial insurance, and other payroll withholding, and user fees.

(3) A fiscal note is not required to include a working families fiscal impact statement unless: (a) The fiscal note reflects a total positive or negative state revenue impact of more than $10,000,000 per fiscal year; or (b) the proposed legislation is broad-based business or labor regulatory legislation likely to exceed $10,000,000 per year in impact on business.

(4) Working family fiscal impact statements are not required to be updated when a bill or resolution is substantively amended and there is insufficient time to revise the working families fiscal impact estimate without delaying the new fiscal note on the amended legislation. If the office of financial management determines that a substantive amendment to a bill or resolution would likely affect the working families fiscal impact statement and there is insufficient time to revise the estimate, the working families fiscal impact statement must be removed from any fiscal note that reflects the amendment.

(5) The office of financial management must develop an electronic means for persons to identify all fiscal notes that have working family fiscal impact statements and provide an electronic link to those fiscal notes. Beginning in 2025, the office of financial management will enable persons to identify and access working family fiscal impact statements from previous years.

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