H-1509.1

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**SUBSTITUTE HOUSE BILL 1838**

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

**By** House Transportation (originally sponsored by Representatives Fey, Barkis, Berg, and Ortiz-Self)

AN ACT Relating to transferring the responsibilities for the transportation revenue forecast for the transportation budget to the economic and revenue forecast council; amending RCW 82.33.010 and 82.33.040; reenacting and amending RCW 82.33.020; and repealing RCW 43.88.125.

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

**Sec.**  RCW 82.33.010 and 2012 1st sp.s. c 8 s 2 are each amended to read as follows:

(1)(a) The economic and revenue forecast council is hereby created. The council shall consist of ((~~two individuals appointed by the governor, the state treasurer, and four individuals, one of whom is appointed by the chairperson of each of the two largest political caucuses in the senate and house of representatives. The~~)) the following members:

(i) The director of the office of financial management;

(ii) The state treasurer;

(iii) The chair and ranking member of the house appropriations committee, the chair and ranking member of the house finance committee, the chair and ranking member of the senate ways and means committee, and the vice-chair and assistant ranking member of the senate ways and means committee, who shall sit with the council and serve as voting members only at such time as the consideration of the economic and revenue forecast for the operating budget and the state budget outlook;

(iv) The director of the department of revenue, who shall sit with the council and serve as a voting member only at such times as the consideration of the economic and revenue forecast for the operating budget and the state budget outlook;

(v) The chair and ranking member of the house transportation committee, and chair and ranking member of the senate transportation committee, who shall sit with the council and serve as voting members only at such time as the consideration of the transportation revenue forecast for the transportation budget; and

(vi) The director of the department of licensing, who shall sit with the council and serve as a voting member only at such times as the consideration of the transportation revenue forecast for the transportation budget.

(b) Except as provided in (c) of this subsection, the chair of the council shall be selected from among the four caucus appointees. The council may select such other officers as the members deem necessary.

(c) The chair of the council when conducting business related to the transportation revenue forecast for the transportation budget shall be selected from among the four legislative appointees from the transportation budget committees.

(d) A quorum of the council consists of a majority of members appointed for the business to be conducted.

(2) The council shall employ an economic and revenue forecast supervisor to supervise the preparation of all economic and revenue forecasts and the presentation of state budget outlooks. As used in this chapter, "supervisor" means the economic and revenue forecast supervisor. Approval by an affirmative vote of at least ((~~five~~)) eight members of the council is required for any decisions regarding employment of the supervisor. For purposes of this vote, all members of the council set forth in subsection (1)(a) of this section are voting members. Employment of the supervisor shall terminate after each term of three years. At the end of the first year of each three-year term the council shall consider extension of the supervisor's term by one year. The council may fix the compensation of the supervisor. The supervisor shall employ staff sufficient to accomplish the purposes of this section.

(3) The economic and revenue forecast council shall oversee ((~~the~~)):

(a) The preparation of and approve, by an affirmative vote of at least five members eligible to vote for the economic and revenue forecast for the operating budget, the official, optimistic, and pessimistic state economic and revenue forecasts prepared under RCW 82.33.020; and

(b) The preparation of and approval, by an affirmative vote of at least five members of those members eligible to vote for, the transportation revenue forecast for the transportation budget prepared under RCW 82.33.020.

If the council is unable to approve ((~~a~~)) any forecast before a date required in RCW 82.33.020, the supervisor shall submit the forecast without approval and the forecast shall have the same effect as if approved by the council.

(4) The economic and revenue forecast council shall oversee the preparation of and approve, by an affirmative vote of at least five members of those members eligible to vote for, the state budget outlook prepared under RCW 82.33.060. If the council is unable to approve a state budget outlook before a date required in RCW 82.33.060, the supervisor shall submit the outlook prepared under RCW 82.33.060 without approval and the outlook shall have the same effect as if approved by the council.

(5) A councilmember who does not cast an affirmative vote for approval of the official economic and revenue forecast ((~~or~~)) for the operating budget, the state budget outlook, or the transportation revenue forecast for the transportation budget may request, and the supervisor shall provide, an alternative economic and revenue forecast or state budget outlook based on assumptions specified by the member including, for purposes of the state budget outlook, revenues to and expenditures from additional funds.

(6) Members of the economic and revenue forecast council shall serve without additional compensation but shall be reimbursed for travel expenses in accordance with RCW 44.04.120 while attending sessions of the council or on official business authorized by the council. Nonlegislative members of the council shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

**Sec.**  RCW 82.33.020 and 2015 c 3 s 14 are each reenacted and amended to read as follows:

(1) Four times each year the supervisor must prepare, subject to the approval of the economic and revenue forecast council under RCW 82.33.010:

(a) An official state economic and revenue forecast;

(b) An unofficial state economic and revenue forecast based on optimistic economic and revenue projections; ((~~and~~))

(c) An unofficial state economic and revenue forecast based on pessimistic economic and revenue projections; and

(d) Beginning with the September 2024 forecast, an official transportation revenue forecast for the transportation budget. For purposes of this subsection, the transportation revenue forecast for the transportation budget includes, but is not limited to, transportation taxes, vehicle fees, drivers' fees, fares and tolls, and aircraft and vessel fees.

(2) The supervisor must submit forecasts prepared under this section, along with any unofficial forecasts provided under RCW 82.33.010, to the governor and the members of the ((~~committees on~~)) ways and means committee of the senate and appropriations committee of the house of representatives and the chairs of the committees on transportation of the senate and house of representatives, including one copy to the staff of each of the committees, on or before November 20th, February 20th in the even-numbered years, March 20th in the odd-numbered years, June 27th, and September 27th. ((~~In fiscal year 2015, the March 20th forecast shall be submitted on or before February 20, 2015.~~)) All forecasts must be based on the most recent economic and revenue forecast council economic forecast. All forecasts must include both estimated receipts and estimated revenues in conformance with generally accepted accounting principles as provided by RCW 43.88.037. In odd-numbered years, the period covered by forecasts for the state general fund and related funds must cover the current fiscal biennium and the next ensuing fiscal biennium, and the period for the transportation related funds must cover the current fiscal biennium and the next two ensuing fiscal biennia. In even-numbered years, the period covered by the forecasts for the state general fund and related funds shall be current fiscal and the next two ensuing fiscal biennia, and the period for the transportation related funds shall be the current fiscal and the next two ensuing fiscal biennia.

(3) All agencies of state government must provide to the supervisor immediate access to all information relating to economic and revenue forecasts. Revenue collection information must be available to the supervisor the first business day following the conclusion of each collection period.

(4) The economic and revenue forecast supervisor and staff must ((~~colocate and~~)) share information, data, and files with the tax research section of the department of revenue and the department of licensing but may not duplicate the duties and functions of one another.

(5) As part of its forecasts under subsection (1) of this section, the supervisor must provide estimated revenue from tuition fees as defined in RCW 28B.15.020.

(6) The economic and revenue forecast council must, in consultation with the economic and revenue forecast work group created in RCW 82.33.040, review the existing economic and revenue forecast council revenue model, data, and methodologies and in light of recent economic changes, engage outside experts if necessary, and recommend changes to the economic and revenue forecast council revenue forecasting process to increase confidence and promote accuracy in the revenue forecast. The recommendations are due by September 30, 2012, and every five years thereafter.

**Sec.**  RCW 82.33.040 and 1986 c 158 s 23 are each amended to read as follows:

(1) To promote the free flow of information and to promote legislative input in the preparation of forecasts, immediate access to all information relating to economic and revenue forecasts shall be available to the economic and revenue forecast work group, hereby created. Revenue collection information shall be available to the economic and revenue forecast work group the first business day following the ((~~conclusion of each collection period~~)) close of each fiscal month. The economic and revenue forecast work group shall consist of one staff member selected by the executive head or chairperson of each of the following agencies or committees:

(a) Department of revenue;

(b) Office of financial management;

(c) Legislative evaluation and accountability program committee;

(d) Ways and means committee of the senate; ((~~and~~))

(e) ((~~Ways and means~~)) Appropriations committee of the house of representatives;

(f) Transportation committee of the senate;

(g) Transportation committee of the house of representatives;

(h) Washington state department of transportation; and

(i) Department of licensing.

(2) The economic and revenue forecast work group shall provide technical support to the economic and revenue forecast council. Meetings of the economic and revenue forecast work group may be called by any member of the group for the purpose of assisting the economic and revenue forecast council, reviewing the state economic and revenue forecasts, or reviewing monthly revenue collection data or for any other purpose which may assist the economic and revenue forecast council.

(3) Staff members from the Washington state department of transportation, department of licensing, transportation committee of the senate, and transportation committee of the house of representatives shall only provide technical support for the transportation revenue forecast for the transportation budget.

NEW SECTION. **Sec.**  RCW 43.88.125 (Study of transportation-related funds or accounts—Coordination of activities) and 2005 c 319 s 114, 1996 c 288 s 49, 1981 c 270 s 15, 1977 ex.s. c 235 s 6, 1975 1st ex.s. c 293 s 19, & 1971 ex.s. c 195 s 2 are each repealed.

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