
SUBSTITUTE SENATE BILL 6188

State of Washington

52nd Legislature

1992 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Bluechel, Sutherland, Nelson and Skratek; by request of Jnt Sel Committee on WASHINGTON 2000)

Read first time 02/07/92.

1 AN ACT Relating to the fiscal impact of proposed legislation;
2 amending RCW 43.88A.010, 43.88A.020, 43.88A.030, 43.88A.040,
3 43.132.010, 43.132.020, 43.132.030, 43.132.040, and 43.132.050; adding
4 new sections to chapter 43.88A RCW; adding a new section to chapter
5 43.132 RCW; and creating a new section.

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

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

9 The legislature hereby recognizes the necessity of developing an
10 accurate uniform, independent, and coordinated procedure for
11 determining the expected fiscal impact of bills and resolutions on
12 state government. The legislature also recognizes that developing such
13 statements of fiscal impact, which shall be known as fiscal notes,

1 requires the (~~designation of a state~~) establishment of an independent
2 agency to be principally responsible therefor.

3 NEW SECTION. Sec. 2. A new section is added to chapter 43.88A RCW
4 to read as follows:

5 (1) The fiscal note council is established. The council shall
6 consist of the director of financial management and the director of
7 community development, or their designees, and four individuals, one of
8 whom shall be appointed by each chairperson of the two largest
9 political caucuses in the senate and house of representatives. The
10 chair of the council shall be selected from among the four caucus
11 appointees. The council may select such other officers as the members
12 deem necessary.

13 (2) The council shall employ a fiscal note supervisor to supervise
14 the preparation of all fiscal notes. As used in this chapter,
15 "supervisor" means the fiscal note supervisor. The council may fix the
16 compensation of the supervisor. The supervisor shall employ staff
17 sufficient to accomplish the purposes of this chapter and shall, to the
18 extent possible, use existing resources available from legislative
19 committees and state agencies.

20 (3) The council shall oversee the preparation of fiscal notes
21 prepared under this chapter and chapter 43.132 RCW.

22 (4) A council member who does not agree with a fiscal note approved
23 by the supervisor may request, and the supervisor shall provide, an
24 alternative fiscal note based on assumptions specified by the member.

25 (5) Legislative members of the council shall serve without
26 additional compensation but shall be reimbursed for travel expenses in
27 accordance with RCW 44.04.120 while attending sessions of the council
28 or on official business authorized by the council. Nonlegislative

1 members of the council shall be reimbursed for travel expenses in
2 accordance with RCW 43.03.050 and 43.03.060.

3 **Sec. 3.** RCW 43.88A.020 and 1979 c 151 s 146 are each amended to
4 read as follows:

5 (1) The ((office of financial management)) council shall, in
6 cooperation with appropriate legislative committees and ((legislative
7 staff)) state agencies, establish a procedure for the provision of
8 fiscal notes on the expected impact of bills and resolutions which
9 increase or decrease or tend to increase or decrease state government
10 revenues or expenditures. Such fiscal notes shall indicate by fiscal
11 year the impact for the remainder of the biennium in which the bill or
12 resolution will first take effect as well as a cumulative forecast of
13 the fiscal impact for the succeeding four fiscal years. Where
14 necessary to adequately reflect the full costs and benefits of the bill
15 or resolution, the council shall provide for a long-term fiscal
16 analysis that projects the impact of the legislation for at least ten
17 succeeding fiscal years. The fiscal note may include, in appropriate
18 instances, an analysis of the bill's or resolution's impact on those
19 sectors of the state's economy that are the most directly affected.

20 (2) The council shall prepare model fiscal note forms that apply,
21 to the extent possible, to each of the six functional areas of the
22 state biennial appropriations act. The council shall prepare a
23 procedure for incorporating relevant elements of cost-benefit analysis
24 into fiscal note preparation.

25 (3) The council shall periodically review and make recommendations
26 to improve the process by which fiscal notes are requested, prepared,
27 and distributed.

28 (4) In establishing the fiscal impact called for pursuant to this
29 chapter, the ((office of financial management)) council shall

1 coordinate the development of fiscal notes with all state agencies
2 affected.

3 **Sec. 4.** RCW 43.88A.030 and 1986 c 158 s 16 are each amended to
4 read as follows:

5 When a fiscal note is prepared and approved as to form, accuracy,
6 and completeness (~~by the office of financial management~~) pursuant to
7 the procedures established by the council, which depicts the expected
8 fiscal impact of a bill or resolution, copies shall be filed
9 immediately with:

10 (1) The chairperson of the committee to which the bill or
11 resolution was referred upon introduction in the house of origin;

12 (2) The senate committee on ways and means, or its successor; and

13 (3) The house committees on revenue and appropriations, or their
14 successors.

15 Whenever possible, such fiscal note shall be provided prior to or
16 at the time the bill or resolution is first heard by the committee of
17 reference in the house of origin. The council shall establish
18 priorities for the completion of requested fiscal notes, with the
19 highest priority given to legislation that has been scheduled for a
20 hearing before a committee of the legislature.

21 When a fiscal note has been prepared for a bill or resolution, a
22 copy of the fiscal note shall be placed in the bill books or otherwise
23 attached to the bill or resolution and shall remain with the bill or
24 resolution throughout the legislative process insofar as possible.

25 **Sec. 5.** RCW 43.88A.040 and 1979 c 151 s 148 are each amended to
26 read as follows:

27 The (~~office of financial management~~) council shall also provide
28 a fiscal note on any legislative proposal at the request of any

1 legislator. Such fiscal note shall be returned to the requesting
2 legislator, and copies shall be filed with the appropriate legislative
3 committees pursuant to RCW 43.88A.030 at the time such proposed
4 legislation is introduced in either house.

5 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.88A RCW
6 to read as follows:

7 As used in this chapter, unless the context indicates otherwise,
8 "council" means the fiscal note council.

9 **Sec. 7.** RCW 43.132.010 and 1977 ex.s. c 19 s 1 are each amended to
10 read as follows:

11 It is the intent of this chapter to create ((a)) an accurate
12 uniform, independent, and coordinated procedure to determine the fiscal
13 impact of proposed legislation on units of local government.

14 **Sec. 8.** RCW 43.132.020 and 1984 c 125 s 16 are each amended to
15 read as follows:

16 The ((~~director of financial management or the director's designee~~))
17 council shall, in cooperation with appropriate legislative committees
18 and ((~~legislative staff~~)) state agencies, establish a mechanism for the
19 determination of the fiscal impact of proposed legislation which if
20 enacted into law would directly or indirectly increase or decrease
21 revenues received or expenditures incurred by counties, cities, towns,
22 or any other political subdivisions of the state. The ((~~office of~~
23 ~~financial management~~)) council shall, when requested by a member of the
24 state legislature, report in writing as to such fiscal impact and said
25 report shall be known as a "local government fiscal note".

26 Such fiscal notes shall indicate by fiscal year the total impact on
27 the subdivisions involved for the first two years the legislation would

1 be in effect and also a cumulative six year forecast of the fiscal
2 impact. Where feasible and applicable, the fiscal note also shall
3 indicate the fiscal impact on each individual county or on a
4 representative sampling of cities, towns, or other political
5 subdivisions. Where necessary to adequately reflect the full costs and
6 benefits of the bill or resolution, the council shall provide for a
7 long-term fiscal analysis that projects the impact of the legislation
8 for at least the ten succeeding fiscal years.

9 A local government fiscal note as defined in this section shall be
10 provided only upon request of any member of the state legislature. A
11 legislator also may request that such a fiscal note be revised to
12 reflect the impact of proposed amendments or substitute bills. Fiscal
13 notes shall be completed within seventy-two hours of the request unless
14 a longer time period is allowed by the requesting legislator. In the
15 event a fiscal note has not been completed within seventy-two hours of
16 a request, a daily report shall be prepared for the requesting
17 legislator by the ~~((director of financial management))~~ council which
18 report summarizes the progress in preparing the fiscal note. ~~((If the~~
19 ~~request is referred to the director of community development, the daily~~
20 ~~report shall also include the date and time such referral was made.))~~
21 The council shall establish priorities for the completion of requested
22 fiscal notes, with the highest priority given to legislation that has
23 been scheduled for a hearing before a committee of the legislature.

24 **Sec. 9.** RCW 43.132.030 and 1985 c 6 s 10 are each amended to read
25 as follows:

26 ~~((The director of financial management is hereby empowered to~~
27 ~~designate the director of community development as the official~~
28 ~~responsible for the preparation of fiscal notes authorized and required~~
29 ~~by this chapter.))~~ It is the intent of the legislature that, when

1 necessary, the resources of other state agencies, appropriate
2 legislative staffs, and the various associations of local government
3 may be employed in the development of (~~such~~) local government fiscal
4 notes.

5 **Sec. 10.** RCW 43.132.040 and 1986 c 158 s 18 are each amended to
6 read as follows:

7 When a local government fiscal note is prepared and approved as to
8 form and completeness (~~by the director of financial management~~)
9 pursuant to the procedures established by the council, the (~~director~~)
10 council shall transmit copies immediately to:

11 (1) The requesting legislator;

12 (2) With respect to proposed legislation held by the senate, the
13 chairperson of the committee which holds or has acted upon the proposed
14 legislation, the chairperson of the ways and means committee, the
15 chairperson of the (~~local government~~) governmental operations
16 committee, and the secretary of the senate; and

17 (3) With respect to proposed legislation held by the house of
18 representatives, the chairperson of the committee which holds or has
19 acted upon the proposed legislation, the chairpersons of the revenue
20 and taxation and appropriations committees, the chairperson of the
21 local government committee, and the chief clerk of the house of
22 representatives.

23 **Sec. 11.** RCW 43.132.050 and 1986 c 158 s 19 are each amended to
24 read as follows:

25 The (~~office of financial management~~) council may make additional
26 copies of the local government fiscal note available to members of the
27 legislature and others on request.

1 At the request of any member of the senate or house of
2 representatives, whichever is considering the proposed legislation, and
3 unless it is prohibited by the rules of the body, copies of the fiscal
4 note or a synopsis thereof shall be placed on the members' desks at the
5 time the proposed legislation takes its place on the second reading
6 calendar.

7 Whenever proposed legislation accompanied by such a local
8 government fiscal note is passed by either the senate or the house of
9 representatives, the fiscal note shall be transmitted with the bill to
10 the other house.

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

13 As used in this chapter, unless the context indicates otherwise,
14 "council" means the fiscal note council established under chapter
15 43.88A RCW.

16 NEW SECTION. Sec. 13. (1) All reports, documents, records,
17 files, or written material in the possession of the office of financial
18 management or the department of community development relating to the
19 powers, functions, and duties transferred by this act shall be
20 delivered to the custody of the fiscal note council. All cabinets,
21 furniture, office equipment, and other tangible property employed by
22 the office of financial management or the department of community
23 development in carrying out the powers, functions, and duties
24 transferred by this act shall be made available to the fiscal note
25 council.

26 (2) During fiscal year 1993, the office of financial management
27 shall withhold from appropriations to agencies of the executive branch
28 the sum of two hundred thousand dollars to reflect the transfer of the

1 statutory duty to prepare and review state and local government fiscal
2 notes. This amount shall be transferred to, and available for
3 expenditure by, the fiscal note council during fiscal year 1993 for the
4 purposes of this act.