

HOUSE OF REPRESENTATIVES  
Olympia Washington

BilAnalysis

BilNo. HB 2353

Provisions Local Government Fiscal Notes  
Brief title

Hrg Date: 1/20/98

Reps. Wensman/D. Schmidt  
Sponsor

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**BACKGROUND:**

A local government fiscal note is a report indicating the fiscal impact of proposed legislation on local governments. Specifically, the fiscal note identifies proposed legislation enacted would directly or indirectly increase or decrease revenues received or expenditures incurred by affected local governments. Local governments include counties, cities, towns, or any other political subdivisions of the state. -

When a local government fiscal note indicates that a bill or resolution would require a local government to expend funds, the Legislature is required to determine the state's fiscal responsibility. The Legislature is also required to make every effort to appropriate the funds or provide the revenue generating authority necessary to implement the legislation during the ensuing biennium. -

Request for a Fiscal Note

In 1977 a statutory mechanism was established to request local government fiscal notes. Under current law any legislative request for a local government fiscal note. The legislature also requests that a fiscal note be revised to address the impact of proposed amendments or substitute bills on local governments.

Preparation and Submission of a Fiscal Note

The Office of Financial Management ( OFM- ), or the Department of Community, Trade and Economic Development ( DCTED- ) as OFM's designee is required to complete the fiscal note within 72 hours unless the requesting legislator allows a longer time period. Neither the absence of a fiscal note nor inaccuracy of a fiscal note:

- prevent the Legislature from acting upon proposed legislation;
- affect the validity of any legislation that is passed by the Legislature.

Continued

OFM (or DCTED if designated) is required to provide copies of the completed fiscal note to the requesting legislator and to:

- the chair of the committee which holds or has acted upon the bill (House or Senate);
- the chair of the Local Government Committee (House or Senate);
- the Secretary of the Senate (Senate bills);
- the Chief Clerk of the House of Representatives (House bills);
- for Senate bills, the chair of the Ways and Means Committee and
- for House bills, the chairs of the Revenue and Taxation and Appropriation Committees.

OFM (or DCTED if designated) can provide additional copies of the fiscal note to other legislators or other persons upon request. If requested by a legislator in the house considering the bill, copies of the fiscal note or a synopsis of the fiscal note are to be placed on legislator desks when the bills placed on the second reading calendar.

When the bills passed by one house, the fiscal note is to be transmitted with the bill to the other house.

**SUMMARY:**

The phrase unit of a local government is substituted for political subdivision in RCW 43.132.020.

**Request for a Fiscal Note**

A local government fiscal note may be requested only by the chair or the ranking minority member of the local government committee or equivalent committee considering local government matters from each house. The authority for any other legislative request for a local government fiscal note is eliminated.

The initial request for a local government fiscal note is to be considered a continuing request with respect to a fiscal note on any substitute amendments to the original version of the bill for which the local government fiscal note was requested unless:

- the requesting legislator specifies otherwise or
- the substitute or engrossed bills adopted in the last week of the legislative session.

**Preparation and Submission of a Fiscal Note**

The time limit for completing a request for a local government fiscal note is expanded from the current 72 hour limit. OFM (or DCTED if designated) is required to complete a local government fiscal note within one week of request.

The list of committees receiving copies of fiscal notes is revised OFM (or DCTED if designated) is required to provide copies of a local government fiscal note to the requesting legislator and to:

- the chair of the committee which holds or has acted upon the bill (House or Senate);
- the chair of the Local Government Committee or the equivalent committee that considers local government matters (House or Senate);
- the Secretary of the Senate (Senate bills);
- the Chief Clerk of the House of Representatives (House bills);
- for Senate bills, the chair of the Ways and Means Committee or the equivalent committee with jurisdiction over matters normally considered by a ways and means committee and
- for House bills, the chair of the Ways and Means Committee or equivalent committees with jurisdiction over matters normally considered by a ways and means committee (rather than the Revenue and Taxation and Appropriation Committees);

A new subsection is added to RCW 43.132.060 specifying that legislative authority to act upon legislation notwithstanding the absence or inaccuracy of a local government fiscal note does not alter responsibility imposed pursuant to Initiative Measure 601 (codified as chapter 43.135 RCW, State Expenditure Limitations). These responsibilities include a general prohibition on expending funds in excess of the state expenditure limit and a requirement to reimburse local governments for the costs of new programs or increases in service levels.

A new section is added to chapter 43.132 RCW providing for fiscal notes on legislation passed during the five year period preceding request. The chair or ranking minority member of the local government committee (or equivalent committee considering local government matters) may request that OFM (or DCTED if designated) prepare a local government fiscal note on any legislation enacted within the last five years. A local government fiscal note on enacted legislation is to be prepared and treated in the same manner as a fiscal note on proposed legislation.

**FISCAL NOTE:** Requested January 18, 1998.

**EFFECTIVE DATE:** Ninety days after adjournment of session in which bill passed.