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**SUBSTITUTE HOUSE BILL 2353**

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**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** House Committee on Government Administration (originally sponsored by Representatives Wensman, D. Schmidt, Scott, Gardner, Hatfield and Anderson)

Read first time 01/27/98. Referred to Committee on .

1 AN ACT Relating to local government fiscal notes; amending RCW  
2 43.132.020, 43.132.040, and 43.132.060; adding new sections to chapter  
3 43.132 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
6 enhance the local government fiscal note process by concentrating  
7 available resources on producing fewer fiscal notes and to establish a  
8 process for a more comprehensive report on the fiscal impacts to local  
9 governments arising from laws that have been enacted. Further, it is  
10 the intent of the legislature that the varying effects of legislation  
11 on different local governments be recognized. This act is enacted in  
12 recognition of the responsibilities imposed by RCW 43.135.060.

13 **Sec. 2.** RCW 43.132.020 and 1995 c 399 s 79 are each amended to  
14 read as follows:

15 The director of financial management or the director's designee  
16 shall, in cooperation with appropriate legislative committees and  
17 legislative staff, establish a mechanism for the determination of the  
18 fiscal impact of proposed legislation which if enacted into law would

1 directly or indirectly increase or decrease revenues received or  
2 expenditures incurred by counties, cities, towns, or any other  
3 (~~political subdivisions of the state~~) units of local government. The  
4 office of financial management shall, when requested by (~~a member~~)  
5 the chairperson or ranking member of any standing committee of the  
6 state legislature, report in writing as to such fiscal impact and said  
7 report shall be known as a "fiscal note".

8 Such fiscal notes shall indicate by fiscal year the total impact on  
9 the (~~subdivisions~~) local governments involved for the first two years  
10 the legislation would be in effect and also a cumulative six year  
11 forecast of the fiscal impact. Where feasible and applicable, the  
12 fiscal note also shall indicate the fiscal impact on each individual  
13 county or on a representative sampling of cities, towns, or other  
14 (~~political subdivisions~~) units of local government.

15 A fiscal note as defined in this section shall be provided only  
16 upon request of (~~any member of the state legislature~~) the chairperson  
17 or ranking minority member of any standing committee of the senate or  
18 house of representatives. A (~~legislator also may~~) request (~~that~~  
19 ~~such~~) for a fiscal note (be revised to reflect the impact of proposed  
20 amendments or substitute bills) on legislation shall be considered to  
21 be a continuing request for a fiscal note on any formal alteration of  
22 the legislation in the form of amendments to the legislation that are  
23 adopted by a committee or a house of the legislature or a substitute  
24 version of such legislation that is adopted by a committee and  
25 preparation of the fiscal note on the prior version of the legislation  
26 shall stop, unless the legislator requesting the fiscal note specifies  
27 otherwise or the altered version is first adopted or enacted in the  
28 last week of a legislative session.

29 Fiscal notes shall be completed within (~~seventy-two hours~~) one  
30 week of the request unless a longer time period is allowed by the  
31 requesting legislator. In the event a fiscal note has not been  
32 completed within (~~seventy-two hours~~) one week of a request, a daily  
33 report shall be prepared for the requesting legislator by the director  
34 of financial management which report summarizes the progress in  
35 preparing the fiscal note. If the request is referred to the director  
36 of community, trade, and economic development, the daily report shall  
37 also include the date and time such referral was made.

1       **Sec. 3.** RCW 43.132.040 and 1986 c 158 s 18 are each amended to  
2 read as follows:

3       When a fiscal note is prepared and approved as to form and  
4 completeness by the director of financial management, the director  
5 shall transmit copies immediately to:

6       (1) The requesting legislator;

7       (2) With respect to proposed legislation held by the senate, the  
8 chairperson of the committee which holds or has acted upon the proposed  
9 legislation, the chairperson of the ways and means committee or  
10 equivalent committees with jurisdiction over matters normally  
11 considered by a ways and means committee, the chairperson of the local  
12 government committee or equivalent committee that considers local  
13 government matters, and the secretary of the senate; and

14       (3) With respect to proposed legislation held by the house of  
15 representatives, the chairperson of the committee which holds or has  
16 acted upon the proposed legislation, the chairpersons of the (~~revenue~~  
17 ~~and taxation and appropriations committees~~) ways and means committee  
18 or equivalent committees with jurisdiction over matters normally  
19 considered by a ways and means committee, the chairperson of the local  
20 government committee or equivalent committee that considers local  
21 government matters, and the chief clerk of the house of  
22 representatives.

23       **Sec. 4.** RCW 43.132.060 and 1977 ex.s. c 19 s 6 are each amended to  
24 read as follows:

25       (1) Nothing in this chapter shall prevent either house of the  
26 legislature from acting on any bill or resolution before it as  
27 otherwise provided by the state Constitution, by law, and by the rules  
28 of the senate and house of representatives, nor shall the lack of any  
29 fiscal note as provided in this chapter or any error in the accuracy  
30 thereof affect the validity of any measure otherwise duly passed by the  
31 legislature.

32       (2) Subsection (1) of this section shall not alter the  
33 responsibilities of RCW 43.135.060.

34       NEW SECTION. **Sec. 5.** A new section is added to chapter 43.132 RCW  
35 to read as follows:

36       The office of financial management, in consultation with the  
37 department of community, trade, and economic development, shall

1 annually select laws that were enacted in the preceding five years and  
2 prepare a report on the fiscal impacts to counties, cities, towns, and  
3 other units of local government arising from these selected laws.  
4 Legislators, local governments, associations of local governments,  
5 other associations, and persons are encouraged to propose laws for such  
6 purposes. The preparation of these reports is subject to available  
7 funding.

8 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.132 RCW  
9 to read as follows:

10 The office of financial management, in consultation with the  
11 department of community, trade, and economic development, shall prepare  
12 a report for the legislature on or before December 31st of every even-  
13 numbered year on local government fiscal notes, and reports on the  
14 fiscal impacts on local governments arising from selected laws, that  
15 were prepared over the preceding two-year period.

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