

FINAL BILL REPORT

HB 2397

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Synopsis as Enacted

Brief Description: Revising provisions relating to local government fiscal notes.

Sponsors: Representatives Scott, Mulliken, Doumit, Mielke, Fisher, Reardon, Edwards, Fortunato, Haigh, Wolfe and Ogden.

House Committee on Local Government
Senate Committee on State & Local Government

Background:

A local government fiscal note is a report identifying how proposed legislation, if enacted, would directly or indirectly increase or decrease revenues or expenditures of affected local governments. When a local government fiscal note indicates that a bill or resolution would require a local government to expend funds, the Legislature is required by Initiative Measure 601 and other provisions to determine the state's fiscal responsibility and to make efforts to appropriate the funds or provide the revenue generating authority necessary to implement the legislation.

Any legislator may request a local government fiscal note for proposed legislation. The legislator also may request revision of a local government fiscal note to address proposed amendments or substitute bills.

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 local government fiscal note within 72 hours unless the requesting legislator allows a longer time period. Neither the absence nor the inaccuracy of a local government fiscal note prevents the Legislature from acting upon proposed legislation or affects the validity of any legislation passed by the Legislature.

The OFM or DCTED is required to provide copies of the completed 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 (House or Senate);
- the chair of the ways and means committee and the Secretary of the Senate (Senate bills); and

- the chairs of the revenue and taxation and appropriations committees and the Chief Clerk (House bills).

The OFM or DCTED may provide additional copies of the local government fiscal note to other legislators or persons upon request.

Summary of Bill:

The process for requesting and preparing local government fiscal notes is revised, and a process for reviewing the fiscal impact of enacted legislation is established. Legislative intent is specified to establish a process for more comprehensive fiscal impact reports and to recognize varying effects of legislation on local governments.

The initial fiscal note request is considered a continuing request on any substitutes or amendments. After a bill is altered, preparation of the fiscal note on the original version of the bill is halted unless the requesting legislator specifies otherwise or the altered version is adopted in the last week of the legislative session.

The time limit for completing fiscal note requests is expanded from 72 hours to one week of the request. The list of committees receiving copies of fiscal notes is revised to include:

- 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 considering local government matters (House or Senate);
- the chair of the ways and means committee or the equivalent committee with respect to jurisdiction and the Secretary of the Senate (Senate bills); and
- the chair of the ways and means committee or equivalent committees with respect to jurisdiction and the Chief Clerk (House bills).

Legislative authority to act upon legislation notwithstanding either the absence or inaccuracy of a local government fiscal note does not alter responsibilities imposed pursuant to Initiative Measure 601.

The OFM, in consultation with DCTED, is required to annually review and prepare a fiscal impact report on up to five laws enacted within the past five years. The laws are to be selected from a list submitted by the Legislature or chosen by the OFM if no list is submitted. Preparation of the fiscal impact reports is subject to available funding.

By December 31 of every even-numbered year, the OFM, in consultation with the DCTED, is also required to report to the Legislature on local government fiscal notes and fiscal impact reports prepared during the preceding two-year period.

Votes on Final Passage:

House 97 0

Senate 45 0

Effective: June 8, 2000