

SENATE BILL REPORT

SB 5411

As of February 10, 2011

Title: An act relating to fiscal note instructions.

Brief Description: Concerning fiscal note instructions.

Sponsors: Senators Kilmer, Fain, Hill, Tom, Kastama, Hobbs, Hatfield and Shin.

Brief History:

Committee Activity: Ways & Means: 2/08/11.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Steve Jones (786-7440)

Background: Legislators may request fiscal notes to provide information on the fiscal impacts of proposed legislation. A fiscal note estimates the revenue and expenditure impact of the proposed legislation for the current fiscal biennium and for the following two biennia. The Office of Financial Management (OFM) is responsible for establishing the procedures for the provision of fiscal notes. Estimates of fiscal impacts are to be calculated per instructions issued by OFM.

Summary of Bill: OFM and the Department of Revenue must conduct a five-year pilot project on economic modeling on three examples of economic development legislation enacted in 2011 to model the increased economic activity which may result from economic development contemplated in the legislation.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Proposed economic development bills are a challenge because the potential increased economic activity that would result in a net economic benefit to the state needs to be considered by policymakers, but the current Fiscal

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Note system does not reflect those fiscal impacts. Current Fiscal Notes display only one side of the economic equation; the notes do not estimate the economic return from the proposed legislation. This pilot project will provide some answers to questions about economic forecasts of these fiscal impacts.

Persons Testifying: PRO: Senator Kilmer, prime sponsor; Noah Reandeau, WA Economic Development Assn.