
HOUSE BILL 2636

State of Washington

65th Legislature

2018 Regular Session

By Representatives Holy, Volz, Van Werven, Maycumber, Haler, MacEwen, Buys, Manweller, Vick, Rodne, Dent, Jenkin, Graves, Taylor, Hargrove, Shea, Young, McCaslin, DeBolt, Kraft, Hayes, Chandler, Klippert, Pike, Hudgins, Condotta, and Eslick

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1 AN ACT Relating to fiscal notes for supreme court decisions; and
2 amending RCW 43.88A.010, 43.88A.020, 43.88A.030, 43.132.020,
3 43.132.040, 43.132.800, 43.132.810, and 28A.300.0401.

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

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

7 The legislature hereby recognizes the necessity of developing a
8 uniform and coordinated procedure for determining the expected fiscal
9 impact of supreme court decisions and legislative bills and
10 resolutions on state government. The legislature also recognizes that
11 developing such statements of fiscal impact, which shall be known as
12 fiscal notes, requires the designation of a state agency to be
13 principally responsible therefor.

14 **Sec. 2.** RCW 43.88A.020 and 2011 c 140 s 1 are each amended to
15 read as follows:

16 (1)(a) The office of financial management shall, in cooperation
17 with appropriate legislative committees and legislative staff,
18 establish a procedure for the provision of fiscal notes on the
19 expected impact of bills and resolutions which increase or decrease
20 or tend to increase or decrease state government revenues or

1 expenditures. Such fiscal notes shall indicate by fiscal year the
2 impact for the remainder of the biennium in which the bill or
3 resolution will first take effect as well as a cumulative forecast of
4 the fiscal impact for the succeeding four fiscal years. Fiscal notes
5 shall separately identify the fiscal impacts on the operating and
6 capital budgets. Estimates of fiscal impacts shall be calculated
7 using the procedures contained in the fiscal note instructions issued
8 by the office of financial management.

9 (b) The office of financial management shall, in consultation
10 with the administrative office of the courts, establish a procedure
11 for the provision of fiscal notes estimating the impact of Washington
12 state supreme court decisions that increase or decrease or tend to
13 increase or decrease state and local government revenues or
14 expenditures. The fiscal note must identify when a supreme court
15 decision as explained in a published opinion imposes new or different
16 levels of service that are not currently provided by the government.
17 Supreme court decisions with discrete impact to a person, family,
18 business, or property that are likely to have impacts of less than
19 five hundred thousand dollars on any state or local government agency
20 do not need to be created yet may be created if the amount is a
21 significant portion of a state or local government's total budget.
22 The fiscal notes shall indicate by fiscal year the impact for the
23 remainder of the biennium in which the opinion will first take effect
24 as well as a cumulative forecast of the fiscal impact for the
25 succeeding four fiscal years. Fiscal notes shall separately identify
26 the fiscal impacts on the operating, capital, and transportation
27 budgets, and provide a general understanding of expected impacts on
28 local governments in a manner similar to the one established in RCW
29 43.132.020. Estimates of fiscal impacts shall be calculated using the
30 procedures contained in the fiscal note instructions issued by the
31 office of financial management.

32 (2) In establishing the fiscal impact called for pursuant to this
33 chapter, the office of financial management shall coordinate the
34 development of fiscal notes with all state agencies affected.

35 (3) The preparation and dissemination of the ongoing cost
36 projections and other requirements of RCW 43.135.031 for bills
37 increasing taxes or fees shall take precedence over fiscal notes.

38 (4) For proposed legislation that uniquely affects school
39 districts, in addition to any fiscal note prepared under this

1 chapter, a school district fiscal note must be prepared under the
2 process established in RCW 28A.300.0401.

3 **Sec. 3.** RCW 43.88A.030 and 2008 c 1 s 4 are each amended to read
4 as follows:

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

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

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

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

15 (b) Whenever possible, such fiscal note and, in the case of a
16 bill increasing taxes or fees, the cost projection and other
17 information required under RCW 43.135.031 shall be provided prior to
18 or at the time the bill or resolution is first heard by the committee
19 of reference in the house of origin.

20 (c) When a fiscal note has been prepared for a bill or
21 resolution, a copy of the fiscal note shall be placed in the bill
22 books or otherwise attached to the bill or resolution and shall
23 remain with the bill or resolution throughout the legislative process
24 insofar as possible. For bills increasing taxes or fees, the cost
25 projection and other information required by RCW 43.135.031 shall be
26 placed in the bill books or otherwise attached to the bill or
27 resolution and shall remain with the bill or resolution throughout
28 the legislative process insofar as possible.

29 (2) When a fiscal note is prepared and approved as to form,
30 accuracy, and completeness by the office of financial management,
31 which depicts the expected fiscal impact of a supreme court decision,
32 copies shall be filed immediately with:

33 (a) The fiscal committees of the legislature with jurisdiction of
34 any state fund or account impacted by the decision;

35 (b) The committees of the legislature with jurisdiction of the
36 supreme court; and

37 (c) Prompt reporting by public press release via email to each
38 justice of the supreme court, the state court administrator, each
39 member of the house of representatives, each member of the senate,

1 the news media, and the public. The office of financial management
2 must post and maintain these releases on its web site. A person on
3 the notification list in this subsection (2)(c) may request to not
4 receive the notifications.

5 **Sec. 4.** RCW 43.132.020 and 2011 c 140 s 2 are each amended to
6 read as follows:

7 The director of financial management or the director's designee
8 shall, in cooperation with appropriate legislative committees and
9 legislative staff, establish a mechanism for the determination of the
10 fiscal impact of supreme court decisions and proposed legislation
11 which if enacted into law would directly or indirectly increase or
12 decrease revenues received or expenditures incurred by counties,
13 cities, towns, or any other units of local government. For purposes
14 of this section, "unit of local government" includes school districts
15 to the extent that the proposed legislation affects school districts
16 in the same manner as it affects other units of local government.
17 Where proposed legislation uniquely affects school districts, a
18 school district fiscal note must be prepared under the process
19 established in RCW 28A.300.0401. The office of financial management
20 shall, when requested by a member of the state legislature, report in
21 writing as to such fiscal impact and said report shall be known as a
22 "fiscal note".

23 Such fiscal notes shall indicate by fiscal year the total impact
24 on the local governments involved for the first two years the
25 legislation would be in effect and also a cumulative six year
26 forecast of the fiscal impact. Where feasible and applicable, the
27 fiscal note also shall indicate the fiscal impact on each individual
28 county or on a representative sampling of cities, towns, or other
29 units of local government.

30 A fiscal note as defined in this section shall be provided only
31 upon request of any member of the state legislature. A request for a
32 fiscal note on legislation shall be considered to be a continuing
33 request for a fiscal note on any formal alteration of the legislation
34 in the form of amendments to the legislation that are adopted by a
35 committee or a house of the legislature or a substitute version of
36 such legislation that is adopted by a committee and preparation of
37 the fiscal note on the prior version of the legislation shall stop,
38 unless the legislator requesting the fiscal note specifies otherwise

1 or the altered version is first adopted or enacted in the last week
2 of a legislative session.

3 Fiscal notes shall be completed within one week of the request
4 unless a longer time period is allowed by the requesting legislator.
5 In the event a fiscal note has not been completed within one week of
6 a request, a daily report shall be prepared for the requesting
7 legislator by the director of financial management which report
8 summarizes the progress in preparing the fiscal note. If the request
9 is referred to the director of commerce, the daily report shall also
10 include the date and time such referral was made.

11 **Sec. 5.** RCW 43.132.040 and 2000 c 182 s 3 are each amended to
12 read as follows:

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

16 (1) The requesting legislator;

17 (2) With respect to proposed legislation held by the senate, the
18 chairperson of the committee which holds or has acted upon the
19 proposed legislation, the chairperson of the ways and means committee
20 or equivalent committees with jurisdiction over matters normally
21 considered by a ways and means committee, the chairperson of the
22 local government committee or equivalent committee that considers
23 local government matters, and the secretary of the senate; ~~((and))~~

24 (3) With respect to proposed legislation held by the house of
25 representatives, the chairperson of the committee which holds or has
26 acted upon the proposed legislation, the chairpersons of the ways and
27 means committee or equivalent committees with jurisdiction over
28 matters normally considered by a ways and means committee, the
29 chairperson of the local government committee or equivalent committee
30 that considers local government matters, and the chief clerk of the
31 house of representatives; and

32 (4) With respect to a supreme court decision, the people
33 identified in RCW 43.88A.030(2).

34 **Sec. 6.** RCW 43.132.800 and 2000 c 182 s 5 are each amended to
35 read as follows:

36 (1) The office of financial management, in consultation with the
37 department of ~~((community, trade, and economic development))~~
38 commerce, shall annually prepare a report on the fiscal impacts to

1 counties, cities, towns, and other units of local governments,
2 arising from selected laws enacted in the preceding five-year period.
3 The office of financial management, in consultation with the
4 department of ((community, trade, and economic development))
5 commerce, shall annually select up to five laws to include within
6 this report from a recommended list of laws approved by the
7 legislature. The office of financial management, in consultation with
8 the department of ((community, trade, and economic development))
9 commerce, may select up to five laws to include within this report if
10 the legislature does not approve a recommended list. The office of
11 financial management may include up to five supreme court decisions
12 within this report.

13 (2) The preparation of the reports required in subsection (1) of
14 this section is subject to available funding.

15 **Sec. 7.** RCW 43.132.810 and 2000 c 182 s 6 are each amended to
16 read as follows:

17 The office of financial management, in consultation with the
18 department of ((community, trade, and economic development))
19 commerce, shall prepare a report for the legislature on or before
20 December 31st of every even-numbered year on local government fiscal
21 notes, and reports on the fiscal impacts on local governments arising
22 from selected laws and supreme court decisions, that were prepared
23 over the preceding two-year period.

24 **Sec. 8.** RCW 28A.300.0401 and 2011 c 140 s 3 are each amended to
25 read as follows:

26 (1) The office of the superintendent of public instruction shall,
27 where it is practicable to do so within available resources, prepare
28 school district fiscal notes on supreme court decisions and proposed
29 legislation that increases or decreases, or tends to increase or
30 decrease, school district revenues or expenditures in a manner that
31 uniquely affects school districts. Proposed legislation or a supreme
32 court decision that uniquely affects school districts includes, but
33 is not limited to, legislation and supreme court decisions that
34 affect((s)) school districts' responsibilities as providers of
35 educational services under this title, as employers under chapter
36 41.59 RCW, or as excess levy taxing authorities under RCW 84.52.053
37 and 84.52.0531, but excludes proposed legislation or a supreme court

1 decision that affects school districts only in the same manner that
2 it affects other units of local government.

3 (2) Where practicable, the school district fiscal note shall show
4 the fiscal impact of the supreme court decision or proposed
5 legislation on each school district. Where it is not practicable to
6 do so, the school district fiscal note shall show the effect of the
7 legislation on a range of representative school districts. The fiscal
8 note must set forth any assumptions that were used in selecting the
9 representative districts, along with any other assumptions made about
10 the fiscal impact.

11 (3) School district fiscal notes prepared under this section are
12 subject to coordination by the office of financial management under
13 RCW 43.88A.020 and are otherwise subject to the requirements and
14 procedures of chapter 43.88A RCW.

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