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SENATE BILL 6405

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State of Washington                      65th Legislature                      2018 Regular Session

By Senators Wagoner, Miloscia, Fortunato, Schoesler, Braun, Brown, Short, Becker, Padden, and Wilson

Read first time 01/16/18. Referred to Committee on Ways & Means.

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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