

JAN 23 2009

A BILL FOR AN ACT

RELATING TO LEGISLATIVE FISCAL IMPACT STATEMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Legislature finds that the health and
2 welfare of this State requires governmental fiscal
3 responsibility. During this period of revenue shortfalls and a
4 stagnant economy, it is imperative that legislation passed by
5 the Legislature be cost effective.

6 This Act is designed to make State government more fiscally
7 accountable by informing members of Legislature of all costs
8 associated with certain bills and resolutions.

9 This Act requires a fiscal impact statement for proposed
10 legislation which calls for an appropriation or which will have
11 a significant economic impact upon the State. This Act
12 prohibits any committee of the Legislature from holding hearings
13 on any legislative measure until a fiscal impact statement on
14 that measure has been prepared by the Office of the Legislative
15 Analyst.



1 SECTION 2. Chapter 21F, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§21F- Requirements for a fiscal impact statement. (a)

5 Every legislative measure that would affect the receipt,
6 expenditure, or allocation of state or local funds, either
7 directly or indirectly, shall have attached to it prior to its
8 consideration by any committee of either house of the
9 legislature a fiscal impact statement which shall include a
10 reliable estimate of the fiscal impact of such measure. The
11 fiscal impact statement shall include an estimate of the
12 immediate and long-range costs of the measure, a listing of any
13 revenue or savings to be generated, and an itemization of costs
14 which reflects the capital expenditures and operating costs
15 needed. A fiscal impact statement shall not constitute a legal
16 attachment of the proposed measure.

17 (b) The author of a measure requiring a fiscal impact
18 statement shall be responsible for obtaining the required
19 statement from the legislative analyst. The legislative analyst
20 shall be responsible for obtaining, directly or through another
21 agency, the information necessary to complete the fiscal impact
22 statement from the agency best suited to furnish the



1 information. The agency furnishing the information to the
2 legislative analyst shall do so within twenty-four hours of
3 receipt of a request from the legislative analyst. Thereafter,
4 the legislative analyst shall prepare the fiscal impact
5 statement and transmit it to the author of the measure. The
6 legislative analyst, for good cause, may approve an extension of
7 the time within which the information is to be furnished.

8 (c) Fiscal impact statement forms, which shall consist of
9 two parts, a worksheet and a fiscal effect form, shall be
10 prescribed and distributed by the legislative analyst to the
11 appropriate agencies for the purpose of providing necessary
12 information to the legislative analyst.

13 The worksheet shall include a breakdown of the expected
14 costs of the measure, such as personnel, materials, supplies,
15 and capital outlay; the anticipated effect of the expenditures
16 or allocation or receipt of funds; and such other pertinent
17 information as the legislative analyst may deem appropriate.

18 The fiscal effect form shall be factual, brief, and
19 concise, and shall provide an estimate in dollars of the
20 immediate and long-range fiscal effect of the measure. If no
21 dollar estimate is possible, the fiscal effect form shall set



1 forth the reasons therefore. The fiscal effect form shall not
2 contain reference to the merits of the measure.

3 The name of the agency furnishing the information shall
4 appear at the end of the fiscal impact statement form, and the
5 original of both the worksheet and the fiscal effect form shall
6 be signed by the head of the agency or by his or her designee.

7 Taking into consideration the fiscal impact statement form
8 prepared by the agency and all other relevant available
9 information, the legislative analyst shall prepare a fiscal
10 impact statement as provided in this section and shall transmit
11 it to the author of the measure as provided in subsection (b).

12 The fiscal impact statement form prepared by the agency shall be
13 preserved by the legislative analyst and a copy thereof shall be
14 transmitted to the author or any other person upon request.

15 (d) Whenever any committee of either house of the
16 legislature reports any measure with any amendment that alters
17 the fiscal effect of the measure, there shall be attached to the
18 amendment a fiscal impact statement delineating the fiscal
19 effect of the change proposed by the amendment. Whenever a
20 floor amendment that alters the fiscal effect of the measure is
21 proposed without a fiscal impact statement of the fiscal effect
22 of the floor amendment attached thereto, any member of the



1 legislative house in which the floor amendment is proposed may
2 offer a motion that the floor amendment be withdrawn. The floor
3 amendment may be proposed again at any time it would otherwise
4 be in order, provided that the required fiscal impact statement
5 is attached.

6 (e) Whenever a measure requiring a fiscal impact statement
7 has been reported by any committee of either house of the
8 legislature without a fiscal impact statement, any member may,
9 on the reading of such measure, offer a motion that the measure
10 be deferred until such time as a fiscal impact statement is
11 prepared.

12 (f) Agencies involved in the preparation of the required
13 information for a fiscal impact statement shall keep in strict
14 confidence the subject matter of the proposed measure and the
15 information provided to the legislative analyst prior to the
16 filing or pre-filing of such measure with the clerk's office of
17 each respective house of the legislature. Any person who
18 intentionally violates this subsection shall be fined not more
19 than \$500 or imprisoned not more than six months, or both.

20 (g) A fiscal impact statement shall not be required for
21 general appropriations bills, bills which appropriate a specific



1 amount, or any measure affecting state funds for retirement
2 purposes.

3 (h) Notwithstanding the provisions of subsection (g), a
4 fiscal impact statement shall be required for any measure
5 concerning any program wholly or partially funded by federal
6 monies which involves an expenditure of state funds or any
7 legislative appropriation of funds. Such fiscal impact
8 statement shall reflect the immediate and long-range fiscal
9 effect on the State of any such program and shall also include
10 the following information:

- 11 (1) The length of time federal funds are to be provided;
- 12 and
- 13 (2) The estimated amount of state funds required to
- 14 continue the program.

15 Fiscal impact statements required by this subsection shall
16 contain all relevant information contained in other fiscal
17 impact statements.


18 SECTION 3. New statutory material is underscored.
19 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: Annexa. Don

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Report Title:

Fiscal Impact Statements

Description:

Requires a fiscal impact statement for any proposed legislation that calls for an appropriation or which will result in significant fiscal changes for the State. Prohibits any committee of the Legislature from holding hearings on any bill or resolution until a fiscal impact statement on that bill or resolution has been prepared by the Office of the Legislative Analyst.

