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## A BILL FOR AN ACT

RELATING TO FISCAL NOTES.

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

1           SECTION 1. The legislature finds that a fiscal note is a  
2 legislative document that is meant to provide a reliable  
3 estimate of the impact of a bill on state revenues and  
4 expenditures to decision makers and the general public.  
5 According to the National Conference of State Legislatures,  
6 "Bills that have a fiscal impact may increase or decrease  
7 expenditures, may increase or decrease the yield of an existing  
8 tax, change personnel requirements, affect levels of services,  
9 impose or shift a tax to a new base, or change the funding of an  
10 existing program. Fiscal notes are used by legislators to  
11 decide whether or not a proposed bill has merit, to revise a  
12 bill or make it less costly or raise more revenues, or to make  
13 decisions about the state's budget or revenues."

14           The legislature also finds that fiscal notes can be a  
15 valuable tool for the Hawai'i legislature in making financial  
16 decisions in less than ideal economic times and provides added  
17 transparency to the decision making process for how the  
18 legislature spends taxpayer dollars, and that according to the



1 National Conference of State Legislatures, over 30 states use  
2 some form of fiscal notes in their decision making process.

3 The purpose of this Act is to establish the office of the  
4 legislative analyst and the practice of using fiscal notes to  
5 properly and transparently estimate the fiscal impact of  
6 legislation.

7 SECTION 2. The Hawaii Revised Statutes is amended by  
8 adding a new section to be appropriately designated and to read  
9 as follows:

10 "§ -A Fiscal notes on legislative bills. (a) Beginning  
11 with the 2012 regular session of the legislature, when a bill is  
12 reported from the final committee to which the bill has been  
13 referred prior to passage on third reading in either house of  
14 the legislature, there shall be attached to the bill a fiscal  
15 note as provided in subsection (b), or, if the bill has no  
16 fiscal impact, a statement to that effect.

17 (b) Fiscal notes shall be prepared in conformity with the  
18 requirements of this section by the committee specified in  
19 subsection (a), which may request the assistance of the  
20 legislative analyst, as well as any affected state departments  
21 or agencies in preparing the fiscal note.



1        (c) The fiscal note shall contain the following  
2 information:

3        (1) The fiscal impact on existing and new programs or  
4 activities; provided that the fiscal note shall  
5 reflect the estimated cost of the program or activity  
6 that is stated in the text of the bill, even if that  
7 cost estimate differs from the amount actually being  
8 appropriated for that program or activity in the bill  
9 at that time;

10       (2) A fiscal impact projection for the current fiscal year  
11 and for the five succeeding fiscal years, including an  
12 estimate of the amount of the appropriation increase  
13 or decrease that would result from enactment of the  
14 bill for the current fiscal year and five succeeding  
15 fiscal years;

16       (3) The source of funds expected to be utilized by general  
17 fund source, federal fund source, or other identified  
18 source;

19       (4) The number of new positions that may be required,  
20 identified as full-time, part-time, or temporary;

21       (5) An analysis of how the figures in the fiscal note were  
22 derived;



- 1        (6) Any additional information that may be necessary to
- 2        explain the fiscal note; and
- 3        (7) The date the fiscal note was prepared; the name of the
- 4        committee, agency, and persons that prepared the
- 5        fiscal note; and the state agency, program, or
- 6        subprogram affected."

7            SECTION 3. There is appropriated out of the general  
 8 revenues of the State of Hawaii the sum of \$\_\_\_\_\_ or so much  
 9 thereof as may be necessary for fiscal year 2011-2012 and the  
 10 same sum or so much thereof as may be necessary for fiscal year  
 11 2012-2013 for the operations of the legislative analyst.

12            The sums appropriated shall be expended by the office of  
 13 the legislative analyst for the purposes of this Act.

14            SECTION 4. New statutory material is underscored.

15            SECTION 5. This Act shall take effect upon its approval;  
 16 provided that section 3 shall take effect on July 1, 2011.

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INTRODUCED BY:

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**Report Title:**

Fiscal notes

**Description:**

Requires disclosure of the cost of a proposal to the taxpayer for any bill at certain points in the legislative process, to or, if no fiscal impact, a statement to that effect. Specifies disclosure requirements. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

