
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 and expenditure of
18 taxpayer dollars, and that according to the National Conference



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

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

6 SECTION 2. Title III, Hawaii Revised Statutes, is amended
7 by adding a new chapter to be appropriately designated and to
8 read as follows:

9 "CHAPTER

10 FISCAL NOTE

11 § -1 **Short title.** This chapter may be cited as the
12 Fiscal Note Act.

13 § -2 **Requirements for a fiscal note.** Every legislative
14 measure that affects the receipt, expenditure, or allocation of
15 state funds, either directly or indirectly, shall have attached
16 to it, prior to its consideration by any committee of either
17 house of the legislature, a fiscal note that shall include a
18 reliable estimate of the fiscal impact of the measure. A fiscal
19 note shall not constitute a legal attachment of the proposed
20 measure.

21 § -3 **Preparation by legislative agencies.** The sponsor
22 of a legislative measure requiring a fiscal note shall be



1 responsible for obtaining the required note from the appropriate
2 legislative agency that drafted or amended the legislation. The
3 legislative agency shall be responsible for obtaining, directly
4 or through another state agency, the information necessary to
5 complete the fiscal note. The agency furnishing the information
6 to the requesting legislative agency shall do so within twenty-
7 four hours. The legislative agency shall then prepare the
8 fiscal note and transmit it to the sponsor of the measure. The
9 legislative agency, for good and appropriate cause, may approve
10 an extension of time to furnish the information.

11 **§ -4 Form of the fiscal note.** The fiscal note shall
12 contain the following information:

13 (a) The fiscal impact on existing and new programs or
14 activities; provided that the fiscal note shall
15 reflect the estimated cost of the program or activity
16 that is stated in the text of the bill, even if that
17 cost estimate differs from the amount actually being
18 appropriated for that program or activity in the bill
19 at that time;

20 (b) A fiscal impact projection for the current fiscal year
21 and for the five succeeding fiscal years, including an
22 estimate of the amount of the appropriation increase



1 or decrease that would result from enactment of the
2 bill for the current fiscal year and five succeeding
3 fiscal years;

4 (c) The source of funds expected to be utilized by general
5 fund source, federal fund source, or other identified
6 source;

7 (d) The number of new positions that may be required,
8 identified as full-time, part-time, or temporary;

9 (e) An analysis of how the figures in the fiscal note were
10 derived;

11 (f) Any additional information that may be necessary to
12 explain the fiscal note; and

13 (g) The date the fiscal note was prepared; the name of the
14 committee, agency, and persons that prepared the
15 fiscal note; and the state agency, program, or
16 subprogram affected.

17 **§ -5 Update to fiscal note.** Whenever any committee of
18 either house reports any measure with any amendment that alters
19 the fiscal effect of the measure, there shall be attached to the
20 amendment, a fiscal note delineating the fiscal effect of the
21 change proposed by the amendment. The committee chairperson
22 shall request the note from the legislative agency.



1 **§ -6 Absence of fiscal note.** Whenever a measure
2 requiring a fiscal note has been reported by any committee of
3 either house of the legislature without a fiscal note, any
4 member, on the reading of the measure, may offer a motion to
5 defer the measure. Whenever a floor amendment alters the fiscal
6 effect of a measure and is without a fiscal note, any member of
7 the house in question may offer a motion that the amendment be
8 withdrawn. The amendment may be proposed again at any time it
9 would otherwise be in order; provided that the required fiscal
10 note is attached.

11 **§ -7 Exemptions.** A fiscal note shall not be required
12 for the general appropriations bill, any bill which appropriates
13 a specific amount, nor any measure affecting state funds for
14 retirement purposes.

15 **§ -8 Programs using federal funds.** Notwithstanding the
16 provisions of section -7, a fiscal note shall be required for
17 any measure concerning any program wholly or partially funded by
18 federal moneys that involves an expenditure of state funds or a
19 legislative appropriation of funds. The fiscal note shall
20 reflect the immediate and long-range fiscal effect on the state
21 of any applicable program and shall also include the following
22 information:



1 (a) The length of time the federal funds are to be
2 provided; and

3 (b) The probable amount of state funds required to
4 continue the program.

5 The fiscal note shall comply with all rules and contain all the
6 information contained in other fiscal notes."

7 SECTION 3. This Act shall take effect upon its approval

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H.B. NO. 2204

Report Title:

Fiscal Note; Legislature

Description:

Requires fiscal note for each bill that affects state funds. Informs legislators of all costs associated with a particular bill and requires a reliable estimate of the cost of any proposed legislation.

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

