

JAN 18 2013

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# 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.

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

SB SMO 13-007



1           "§21F- Requirements for a fiscal impact statement. (a)

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

14           (b) The author of a measure requiring a fiscal impact  
15   statement shall be responsible for obtaining the required  
16   statement from the legislative analyst. The legislative analyst  
17   shall be responsible for obtaining, directly or through another  
18   agency, the information necessary to complete the fiscal impact  
19   statement from the agency best suited to furnish the  
20   information. The agency furnishing the information to the  
21   legislative analyst shall do so within twenty-four hours of  
22   receipt of a request from the legislative analyst. Thereafter,



1 the legislative analyst shall prepare the fiscal impact  
2 statement and transmit it to the author of the measure. The  
3 legislative analyst, for good cause, may approve an extension of  
4 the time within which the information is to be furnished.

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

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

15 The fiscal effect form shall be factual, brief, and  
16 concise, and shall provide an estimate in dollars of the  
17 immediate and long-range fiscal effect of the measure. If no  
18 dollar estimate is possible, the fiscal effect form shall set  
19 forth the reasons therefore. The fiscal effect form shall not  
20 contain reference to the merits of the measure.

21 The name of the agency furnishing the information shall  
22 appear at the end of the fiscal impact statement form, and the



1 original of both the worksheet and the fiscal effect form shall  
2 be signed by the head of the agency or by his or her designee.

3 Taking into consideration the fiscal impact statement form  
4 prepared by the agency and all other relevant available  
5 information, the legislative analyst shall prepare a fiscal  
6 impact statement as provided in this section and shall transmit  
7 it to the author of the measure as provided in subsection (b).  
8 The fiscal impact statement form prepared by the agency shall be  
9 preserved by the legislative analyst and a copy thereof shall be  
10 transmitted to the author or any other person upon request.

11 (d) Whenever any committee of either house of the  
12 legislature reports any measure with any amendment that alters  
13 the fiscal effect of the measure, there shall be attached to the  
14 amendment a fiscal impact statement delineating the fiscal  
15 effect of the change proposed by the amendment. Whenever a  
16 floor amendment that alters the fiscal effect of the measure is  
17 proposed without a fiscal impact statement of the fiscal effect  
18 of the floor amendment attached thereto, any member of the  
19 legislative house in which the floor amendment is proposed may  
20 offer a motion that the floor amendment be withdrawn. The floor  
21 amendment may be proposed again at any time it would otherwise



1 be in order, provided that the required fiscal impact statement  
2 is attached.

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

9 (f) Agencies involved in the preparation of the required  
10 information for a fiscal impact statement shall keep in strict  
11 confidence the subject matter of the proposed measure and the  
12 information provided to the legislative analyst prior to the  
13 filing or pre-filing of such measure with the clerk's office of  
14 each respective house of the legislature. Violation of this  
15 subsection shall be a misdemeanor; provided that the maximum  
16 term of imprisonment shall not be more than six months, and the  
17 maximum fine shall not be more than \$500.

18 (g) A fiscal impact statement shall not be required for  
19 general appropriations bills, bills which appropriate a specific  
20 amount, or any measure affecting state funds for retirement  
21 purposes.



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

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

13 Fiscal impact statements required by this subsection shall  
 14 contain all relevant information contained in other fiscal  
 15 impact statements."

16        SECTION 3. New statutory material is underscored.

17        SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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*D. C. [unclear]*



# S.B. NO. 784

**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 State fiscal changes. Prohibits Legislature from holding hearings on any bill or resolution until a fiscal impact statement is prepared by Office of the Legislative Analyst.

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

