
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 the State require governmental fiscal responsibility.
3 During this period of revenue shortfalls and a stagnant economy,
4 it is imperative that measures passed by the legislature be cost
5 effective.

6 A fiscal impact statement for all proposed legislation that
7 authorizes an appropriation or will have a significant economic
8 impact upon the State will result in a state government that is
9 more fiscally accountable by informing legislators of all costs
10 associated with certain bills and resolutions.

11 The purpose of this Act is to prohibit any legislative
12 committee from holding a hearing on any measure until a fiscal
13 impact statement on that measure has been prepared by the office
14 of the auditor; provided that the office of the legislative
15 analyst shall prepare all fiscal impact statements once the
16 office is fully funded.



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- Fiscal impact statement; requirements. (a)
5 Prior to the consideration of any legislative measure by a
6 committee of either house of the legislature, that would affect
7 the receipt, expenditure, or allocation of state or local funds,
8 either directly or indirectly, the legislative measure shall
9 have an attached fiscal impact statement, which shall include a
10 reliable estimate of the measure's fiscal impact. The fiscal
11 impact statement shall include an estimate of the immediate and
12 long-range costs of the measure, a listing of any revenue or
13 savings to be generated, and an itemization of costs that
14 reflects the necessary capital expenditures and operating costs.
15 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 auditor; provided that once the
20 office of the legislative analyst is fully funded, the
21 legislative analyst shall be responsible for the preparation of



1 all fiscal impact statements and any other responsibilities
2 assigned to the legislative auditor under this section. The
3 legislative auditor shall be responsible for obtaining, directly
4 or through another agency, the information necessary to complete
5 the fiscal impact statement. Within twenty-four hours of
6 receipt of a request from the legislative auditor, the agency
7 furnishing the information shall provide the information to the
8 legislative auditor. Thereafter, the legislative auditor shall
9 prepare the fiscal impact statement and transmit it to the
10 author of the measure. The legislative auditor, for good cause,
11 may approve an extension of the time within which the
12 information is to be furnished.

13 (c) Fiscal impact statement forms shall consist of a
14 worksheet and a fiscal effect form, and shall be prescribed and
15 distributed by the legislative auditor to the appropriate
16 agencies for the purpose of collecting information necessary for
17 preparation of the fiscal impact statement.

18 The worksheet shall require a breakdown of the expected
19 costs of the measure including but not limited to personnel,
20 materials, supplies, and capital outlay; the anticipated effect
21 of the expenditures or allocation or receipt of funds; and other



1 pertinent information as the legislative auditor may deem
2 appropriate.

3 The fiscal effect form shall require a factual, brief, and
4 concise statement and a dollar estimate of the immediate and
5 long-term fiscal effect of the measure. If no dollar estimate
6 is possible, the fiscal effect form shall require the agency to
7 set forth the reasons. The fiscal effect form shall not contain
8 reference to the merits of the measure.

9 The name of the agency furnishing the information shall
10 appear at the end of the fiscal impact statement form, and the
11 original worksheet and fiscal effect form shall be signed by the
12 head of the agency or by the head of the agency's designee.

13 Taking into consideration the fiscal impact statement form
14 prepared by the agency and all other relevant available
15 information, the legislative auditor shall prepare a fiscal
16 impact statement and shall transmit it to the author of the
17 measure as required by subsection (b). The fiscal impact
18 statement form prepared by the agency shall be preserved by the
19 legislative auditor, and a copy shall be transmitted to the
20 author or any other person upon request.



1 (d) If a legislative committee passes a measure with an
2 amendment that alters the fiscal effect of the measure, there
3 shall be attached to the amendment a fiscal impact statement
4 delineating the fiscal effect of the change proposed by the
5 amendment. If a floor amendment alters the fiscal effect of a
6 measure and is proposed without an attached fiscal impact
7 statement of the fiscal effect of the floor amendment, any
8 member of the legislative house in which the floor amendment is
9 proposed may offer a motion that the floor amendment be
10 withdrawn. The floor amendment may be proposed again at any
11 time it would otherwise be in order; provided that the required
12 fiscal impact statement is attached.

13 (e) If a measure requiring a fiscal impact statement has
14 been passed by a legislative committee without a fiscal impact
15 statement, on the reading of the measure by the full legislative
16 house or senate, a member may offer a motion that the measure be
17 deferred until a fiscal impact statement is prepared.

18 (f) An agency involved in providing or preparing
19 information for a fiscal impact statement shall keep in strict
20 confidence the subject matter of the proposed measure and the
21 information provided to the legislative auditor prior to the



1 filing or pre-filing of the measure with the office of the
2 clerk. Violation of this subsection shall be a misdemeanor;
3 provided that the maximum term of imprisonment shall not be more
4 than six months, and the maximum fine shall not be more than
5 \$500.

6 (g) A fiscal impact statement shall not be required for
7 general appropriations bills or bills that appropriate a
8 specific amount, or any measure affecting state funds for
9 retirement purposes.

10 (h) Notwithstanding the provisions of subsection (g), a
11 fiscal impact statement shall be required for any measure
12 concerning a program wholly or partially funded by federal
13 moneys that involves an expenditure of state funds or any
14 legislative appropriation of funds; provided that the fiscal
15 impact statement shall reflect the immediate and long-term
16 fiscal effect on the State of the program and shall include the
17 following information:

18 (1) The length of time federal funds are to be provided;

19 (2) The estimated amount of state funds required to
20 continue the program; and

21 (3) Any other information required by this section."



1 SECTION 3. New statutory material is underscored.

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

3



Report Title:

Fiscal Impact Statements; Office of the Auditor

Description:

Requires a fiscal impact statement for any proposed legislation that calls for an appropriation or results in significant fiscal changes for the State. Prohibits hearings on certain bills and resolutions without a fiscal impact statement prepared by the Office of the Auditor. (SD1)

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