
A BILL FOR AN ACT

RELATING TO ECONOMIC IMPACT STATEMENTS.

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

1 SECTION 1. Hawaii is constantly ranked as a high cost of
2 living state and one of the worst places to do business. The
3 legislature finds that economic impact statements can provide
4 decision-makers and the general public with helpful nonpartisan
5 estimates of the economic impact of proposed legislation on
6 state revenues and expenditures. Economic impact statements may
7 be used by legislators to decide whether a proposed bill has
8 merit, to revise a bill to make it less costly or raise more
9 revenues, and to make decisions about the State's budget. Some
10 states use some form of economic impact statement to evaluate
11 pending legislation.

12 The purpose of this Act is to require the office of the
13 legislative analyst to create economic impact statements for
14 certain bills that have an economic impact and to appropriate
15 funds to the office of the legislative 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- Economic impact statements; office of the
5 legislative analyst. (a) In any regular session of the
6 legislature, before either house of the legislature may pass a
7 draft of a bill upon third reading, there shall be attached to
8 the draft of that bill an economic impact statement that
9 addresses the economic impact of that draft.

10 (b) The office of the legislative analyst shall prepare
11 each economic impact statement, which shall contain:

- 12 (1) The sources of information, assumptions, and
13 methodologies used;
- 14 (2) A description of variables that could affect economic
15 impact estimates; and
- 16 (3) The bill's potential positive or negative effects, if
17 any, on the State's workforce, taxation policy,
18 property values, incomes, operating costs to
19 businesses and nonprofits operating in the State,
20 capital investment from the private sector, economic
21 development, and the State's competitiveness;



1 provided that if a bill is likely to have no economic impact,
2 the reasons for that conclusion."

3 SECTION 3. Section 21F-2, Hawaii Revised Statutes, is
4 amended by adding a new definition to be appropriately inserted
5 and to read as follows:

6 "Economic impact statement" means a statement that
7 includes an estimate of the costs and benefits to private
8 organizations and individuals in the State attributable to a
9 change in the law."

10 SECTION 4. Section 21F-7, Hawaii Revised Statutes, is
11 amended by amending section (a) to read as follows:

12 "(a) The purpose of the office of the legislative analyst
13 shall be[+] to:

14 (1) [~~To provide~~] Provide the legislature with research and
15 analysis of current and projected state revenues and
16 expenditures;

17 (2) [~~To provide~~] Provide the legislature with a report
18 analyzing the governor's proposed levels of revenue
19 and expenditures for biennial budgets submitted under
20 chapter 37 as well as other supplemental budget
21 submittals to the legislature by the governor;



- 1 (3) ~~[To provide]~~ Provide an analysis of the impact of the
2 governor's proposed revenue and expenditure plans for
3 the next biennium;
- 4 (4) ~~[To conduct]~~ Conduct research matters of economic and
5 economic policy and to report to the legislature on
6 the result of the research;
- 7 (5) ~~[To provide]~~ Provide economic reports and studies on
8 the state of the State's economy, including trends and
9 forecasts for consideration by the legislature;
- 10 (6) ~~[To conduct]~~ Conduct budget and tax studies and
11 provide general economic and budgetary information;
- 12 (7) ~~[To review]~~ Review and make recommendations on the
13 operation of state programs in order to appraise the
14 implementation of state laws regarding the expenditure
15 of funds and to recommend means of improving their
16 efficiency; ~~[and]~~
- 17 (8) ~~[To recommend]~~ Recommend to the legislature changes in
18 the mix of revenue sources for programs, in the
19 percentage of state expenditures devoted to major
20 programs, and in the role of the legislature in



1 overseeing state government expenditures and revenue
2 projections[-]; and

3 (9) Prepare economic impact statements."

4 SECTION 5. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2020-2021 for the
7 purpose of this Act.

8 The sum appropriated shall be expended by the legislature
9 for the purposes of this Act.

10 SECTION 6. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 7. This Act shall take effect on July 1, 2020.

13

INTRODUCED BY: Sam BIR

JAN 23 2020



H.B. NO. 2655

Report Title:

Legislature; Office of the Legislative Analyst; Economic Impact Statements; Appropriation

Description:

Requires the office of the legislative analyst to create economic impact statements for bills. Makes an appropriation to the office of the legislative analyst.

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