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LEGISLATIVE REFERENCE BUREAU  
State of Hawaii  
State Capitol, Room 446  
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## Written Comments

### HCR 61

## REQUESTING A STUDY EXAMINING HOW CERTAIN OTHER JURISDICTIONS PRODUCE FISCAL NOTES

Charlotte A. Carter-Yamauchi, Director  
Legislative Reference Bureau

Presented to the House Committee on Finance

Monday, March 31, 2025, 10:00 a.m.  
Conference Room 308

Chair Kyle T. Yamashita and Members of the Committee:

Good morning, Chair Yamashita and members of the Committee, my name is Charlotte Carter-Yamauchi. I am the Director of the Legislative Reference Bureau (Bureau). Thank you for providing the opportunity to submit written **comments** on H.C.R. No. 61, Requesting a Study Examining How Certain Other Jurisdictions Produce Fiscal Notes.

The purpose of this measure is to request the Legislative Reference Bureau to study how Iowa, Louisiana, Maryland, Oregon, Texas, and the District of Columbia produce [legislative] fiscal notes. Specifically, the measure requests the Bureau to analyze:

- (1) The statute, rule, or other authority governing the preparation of fiscal notes;
- (2) The types of bills for which fiscal notes are produced;
- (3) At what points during the legislative process fiscal notes are produced and revised;

- (4) The type of information included in the fiscal note;
- (5) The entity responsible for producing the fiscal note;
- (6) The time period for which the jurisdiction must project financial impacts; and
- (7) Any other matters that the Legislative Reference Bureau believes may be helpful or significant for the purposes of the study.

The measure further requests that the Legislative Reference Bureau submit a report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2026.

The Bureau takes no position on this measure.

If the scope of the measure is not amended in any way, then the Bureau believes the project should be manageable, and the Bureau should be able to submit the required report to the Legislature by the measure's deadline. The foregoing is subject to the caveat that the Bureau's interim workload is not adversely impacted by too many additional responsibilities, such as conducting other studies, writing or finalizing other reports, drafting legislation, or any combination of these responsibilities for the Legislature or for other state agencies, task forces, or working groups that may be requested or required of the Bureau under other legislative measures.

Thank you again for your consideration.

March 31, 2024, 10 a.m.  
Hawaii State Capitol  
Conference Room 308 and Videoconference

**To: House Committee on Finance**  
**Rep. Kyle T. Yamashita, Chair**  
**Rep. Jenna Takenouchi, Vice Chair**

**From: Grassroot Institute of Hawaii**  
**Ted Kefalas, Director of Strategic Campaigns**

TESTIMONY IN SUPPORT OF HCR61 — REQUESTING A STUDY EXAMINING HOW CERTAIN OTHER JURISDICTIONS PRODUCE FISCAL NOTES

Aloha Chair Yamashita, Vice Chair Takenouchi and other members of the Committee,

The Grassroot Institute of Hawaii would like to offer support for [HCR61](#), which requests that the Legislative Reference Bureau analyze the process for producing fiscal notes and report on its findings — along with any proposed legislation — prior to the 2026 legislative session.

If implemented, fiscal notes would be an extremely helpful tool for both lawmakers and Hawaii residents.

It is a matter of great frustration to lawmakers and residents alike that the Legislature often considers bills without any reliable estimate of what the proposed legislation will cost or save the government and taxpayers.

What would be irresponsible for a family budget — making purchases without any notion of their cost — is standard practice in politics.

The solution is to be found in the adoption of “fiscal notes,” an informed estimate of how much revenue a bill might generate or cost.

In 2022, the Council of State Governments [evaluated the use](#) of fiscal notes by states in six categories: intent or purpose of the bill, cost involved, projected future cost, proposed source of revenue, fiscal impact on local

government and “other.” Hawaii, notably, failed to perform in any category and was the only state in the country without a process or independent office for generating fiscal notes.

In Hawaii, state agencies — especially the Department of Taxation — sometimes submit testimonies with projections of potential fiscal impact, but these are not reliable substitutes for fiscal notes. Agencies have their own biases and interests, and relying solely on agency estimates would undermine the Legislature’s independence.

Including fiscal notes in the legislative process would be an important step towards promoting greater fiscal responsibility and sound budgeting. Moreover, it would help lawmakers and the public in properly evaluating the true impact of pending legislation.

We urge the committee to pass HCR61.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii