H.B. NO. 803

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A BILL FOR AN ACT

RELATING TO FISCAL NOTE.

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

1	SECTION 1. Title III, Hawaii Revised Statutes, is amended
2	by adding a new chapter to be appropriately designated and to
3	read as follows:
4	"CHAPTER
5	FISCAL NOTE
6	§ -1 Short title. This chapter may be cited as the
7	Fiscal Note Act.
8	§ -2 Requirements for a fiscal note. Every legislative
9	measure that affects the receipt, expenditure, or allocation of
10	state funds, either directly or indirectly, shall have attached
11	to it, prior to its consideration by any committee of either
12	house of the legislature, a fiscal note that shall include a
13	reliable estimate of the fiscal impact of the measure. A fiscal
14	note shall not constitute a legal attachment of the proposed
15	measure.
16	§ -3 Preparation by legislative officer. The sponsor of
17	a legislative measure requiring a fiscal note shall be
18	responsible for obtaining the required note from the appropriate
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1 legislative officer. The legislative officer shall be appointed 2 by the president of the senate in the senate and the speaker of 3 the house of representatives in the house of representatives. 4 The legislative officer shall be responsible for obtaining, 5 directly or through a state agency, the information necessary to 6 complete the fiscal note. The agency furnishing the information to the legislative officer shall do so within twenty-four hours. 7 8 The legislative officer shall then prepare the fiscal note and 9 transmit it to the sponsor of the measure. The legislative 10 officer, for good and appropriate cause, may approve an 11 extension of time to furnish the information.

12 § -4 Form of the fiscal note. The fiscal note shall
13 consist of two parts, a work sheet and a fiscal effect form.
14 The note shall be prepared and distributed by the legislative
15 officer to the appropriate agency.

16 The fiscal effect form shall be factual, brief, and concise 17 and shall provide an estimate in dollars of the immediate and 18 long-range fiscal effect of the measure. If no dollar estimate 19 is possible, the fiscal note shall set forth the reasons 20 therefor. The fiscal note shall not contain any reference to 21 the merits of the measure.



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1 The work sheet shall include a breakdown of the costs that 2 the measure is expected to generate, such as for personnel, 3 materials, supplies, capital outlay, the effect of expenditures or allocation or receipt of funds, and any other information 4 5 that may be required by the legislative officer. 6 The fiscal note shall be prepared in quintuplicate. The 7 name of the agency furnishing the information shall appear at the end of the fiscal note and the original of both the work 8 9 sheet and the fiscal effect form shall be signed by the head of 10 the agency or by a designee. 11 The legislative officer shall prepare a fiscal note in the same manner as provided in this section and shall transmit it in 12 13 quintuplicate to the measure's sponsor as provided in section 14 -3. The fiscal note prepared by the agency shall be 15

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15 preserved by the legislative officer and a copy shall be 16 transmitted to the measure's sponsor or any other person upon 17 request.

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



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1 shall request the note from the legislative officer. Whenever a
2 floor amendment alters the fiscal effect of a measure and is
3 without a fiscal note, any member of the house in question may
4 offer a motion that the amendment be withdrawn. The amendment
5 may be proposed again at any time it would otherwise be in
6 order; provided that the required fiscal note is attached.

7 § -6 Absence of fiscal note. Whenever a measure 8 requiring a fiscal note has been reported by any committee of 9 either house of the legislature without a fiscal note, any 10 member, on the reading of the measure, may offer a motion to 11 defer the measure.

12 § -7 Confidentiality of legislation. Agencies involved 13 in the preparation of the required information for a fiscal note 14 shall keep in strict confidence the subject matter of the 15 proposed measure and the information contained in the fiscal 16 note prior to the filing or pre-filing of the measure with the 17 chief clerk of each respective house.

18 Any person who violates any provision of this section shall
19 be fined not more than \$500 or imprisoned not more than six
20 months, or both.

21 § -8 Exemptions. A fiscal note shall not be required
22 for the general appropriations bill, any bill which appropriates
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a specific amount, nor any measure affecting state funds for
 retirement purposes.

3 S -9 Programs using federal funds. Notwithstanding the provisions of section -8, a fiscal note shall be required for 4 5 any measure concerning any program wholly or partially funded by 6 federal moneys that involves an expenditure of state funds or a 7 legislative appropriation of funds. The fiscal note shall reflect the immediate and long-range fiscal effect on the state 8 9 of any applicable program and shall also include the following 10 information:

11 (1) The length of time the federal funds are to be12 provided; and

13 (2) The probable amount of state funds required to14 continue the program.

15 The fiscal note shall comply with all rules and contain all the 16 information contained in other fiscal notes."

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

18

INTRODUCED BY:

2009





Report Title: Fiscal Note; Legislature

Description:

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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. Prohibits any committee of the legislature from holding hearing on any measure until a fiscal note on that measure has been prepared by the legislative officer. The fiscal note shall contain an estimate of the immediate and long-range costs of the measure, as well as a listing of any revenue it will produce or savings it will bring about. Requires costs to be itemized in the fiscal note to reflect the capital expenditures and operating costs needed to implement the measure.