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## A BILL FOR AN ACT

RELATING TO OFFICE OF LEGISLATIVE ANALYST.

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

1       SECTION 1. The legislature finds that numerous states  
2       incorporate fiscal notes into their legislative process, which  
3       increase public transparency by disclosing the potential  
4       financial impact a measure would have on the state and local  
5       government. The Council of State Governments reports that  
6       forty-four states include "projected future cost" in their bill  
7       notes. Some states require fiscal notes in their house rules,  
8       while others require them in statute. In contrast, Hawaii does  
9       not require fiscal notes to accompany measures during the  
10      legislative process. Therefore, representatives and senators  
11      are forced to vote on measures without knowing the financial  
12      impact of their decisions. The purpose of this Act is to  
13      require the office of legislative analyst to produce fiscal  
14      notes on all fiscal bills.

15      SECTION 2. Section 21F-6, Hawaii Revised Statutes, is  
16      amended to read as follows:



1           " ~~[+]§21F-6[+]~~ **Office of the legislative analyst**

2 **established.** (a) There is established the office of the  
3 legislative analyst ~~[to be administered by the committee]~~. The  
4 ~~[committee]~~ legislature, by a majority vote of each house in  
5 joint session, shall appoint a legislative analyst who shall  
6 serve for a period of four years. The ~~[committee, by a three-~~  
7 ~~fourths vote of its members,]~~ legislature, by a majority vote of  
8 each house in joint session, may remove the legislative analyst  
9 from office, but only for cause. ~~[The committee shall fix the~~  
10 ~~salary of the legislative analyst.]~~ The salary of the  
11 legislative analyst shall be the same as the salary of the  
12 director of the legislative reference bureau.

13           (b) The legislative analyst may employ ~~[other clerical and~~  
14 ~~technical employees]~~ a first assistant and other employees as  
15 may be necessary to carry out the functions of the office. The  
16 legislative analyst, first assistant and other ~~[clerical and~~  
17 ~~technical]~~ employees shall be entitled to participate in any  
18 employee benefit program plan or privilege generally available  
19 to state employees."

20           SECTION 3. Section 21F-7, Hawaii Revised Statutes, is  
21 amended to read as follows:



1        "[+]§21F-7[+]   **General purposes of analyst.**   (a)   The  
2   purpose of the office of the legislative analyst shall be:

3        (1)   To provide the legislature with research and analysis  
4               of current and projected state revenues and  
5               expenditures;

6        (2)   To provide the legislature with a report analyzing the  
7               governor's proposed levels of revenue and expenditures  
8               for biennial budgets submitted under chapter 37 as  
9               well as other supplemental budget submittals to the  
10              legislature by the governor;

11       (3)   To provide an analysis of the impact of the governor's  
12              proposed revenue and expenditure plans for the next  
13              biennium;

14       (4)   To conduct research matters of economic and fiscal  
15              policy and to report to the legislature on the result  
16              of the research;

17       (5)   To provide economic reports and studies on the state  
18              of the State's economy, including trends and forecasts  
19              for consideration by the legislature;

20       (6)   To conduct budget and tax studies and provide general  
21              fiscal and budgetary information;



(7) To review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency;

[and]

(8) To recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections[~~-~~];

and

(9) To prepare a fiscal note to accompany each fiscal bill before the measure is recommended for passage by each house committee or senate committee of the legislature to which the measure is referred.

(b) In performing the duties under subsection (a), the legislative analyst shall consider, among other things:

(1) The relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;



(2) The relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and

(3) The role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds, and state agency expenditure of federal funds."

SECTION 4. Section 21F-8, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~21F-8] **Agencies to cooperate.** (a) All departments, agencies, and education institutions of the executive and judicial branches, the office of Hawaiian affairs, and the University of Hawaii shall comply with requests of the office of the legislative analyst for information, data, estimates, and statistics on the funding revenue operations, and other affairs of the department, agency, education institution,



1 the office of Hawaiian affairs, or University of Hawaii. The  
2 comptroller, the director of finance, the director of taxation,  
3 the administrative director of the courts, the administrator of  
4 the office of Hawaiian affairs, and the president of the  
5 University of Hawaii shall provide the office of the legislative  
6 analyst with full and free access to information, data,  
7 estimates, and statistics in the possession of their respective  
8 departments on the state budget, revenue, expenditures, and tax  
9 revenue and expenditures.

10 (b) All departments, agencies, and education institutions  
11 of the executive and judicial branches, the office of Hawaiian  
12 affairs, the University of Hawaii, and county departments and  
13 agencies shall promptly provide any information requested by the  
14 legislative analyst for preparing a fiscal note, including but  
15 not limited to an estimate, in dollars, of the amount by which  
16 the bill would increase or decrease the revenues or expenditures  
17 received of made by the department, agency, or office."

18 SECTION 5. Chapter 21F, Hawaii Revised Statutes, is  
19 amended by adding a new section to be appropriately designated  
20 and to read as follows:



1        "§21F-    Fiscal notes.    (a)   A fiscal note, where possible,  
2 shall:

3        (1)   Cite the effect of the measure in dollar amounts;

4        (2)   Cite the statutory provisions affected;

5        (3)   Estimate the increase or decrease in revenues or  
6 expenditures by the state or counties;

7        (4)   Include the costs which may be absorbed without  
8 additional funds;

9        (5)   Include the assumptions used in determining the cost  
10 estimates; and

11       (6)   Specify any long-range implication.

12       (b)   A fiscal note may comment on technical or mechanical  
13 defects in the bill but shall express no opinions concerning the  
14 merits of the proposal.

15       (c)   A copy of the fiscal note shall be delivered to the  
16 chair of the senate committee on ways and means, the chair of  
17 the house committee on finance, the chairs of the standing  
18 committees to which the bill has been referred, and to the first  
19 primary introducer of the bill. No committee shall make a  
20 decision regarding disposition of a fiscal bill without having



1 received a completed fiscal note for review and informed  
2 decision making.

3 (d) Any fiscal note produced by the office of the  
4 legislative analyst for a measure up for consideration shall be  
5 a legislative document attached as an addendum to the measure's  
6 standing committee report and shall be made available to the  
7 public."

8 SECTION 6. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$ or so  
10 much thereof as may be necessary for fiscal year 2025-2026 and  
11 the same sum or so much thereof as may be necessary for fiscal  
12 year 2026-2027 for the operations of the office of the  
13 legislative analyst, including the payment of salaries of the  
14 legislative analyst, first assistant, and other employees as may  
15 be necessary, and the purchase of necessary equipment.

16 The sums appropriated shall be expended by the office of  
17 the legislative analyst for the purposes of this Act.

18 SECTION 7. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 8. This Act shall take effect on July 1, 2025.

21





H.B. NO. 1199

INTRODUCED BY:

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JAN 22 2025



# H.B. NO. 1199

**Report Title:**

Office of Legislative Analyst; Fiscal Notes; Transparency

**Description:**

Requires the office of legislative analyst to produce fiscal notes on all fiscal bills. Prohibits a committee from making a decision on a fiscal bill without a fiscal note. Mandates that fiscal notes be made available to the public. Appropriates funds.

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

