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# A BILL FOR AN ACT

RELATING TO LEGISLATIVE BUDGET OFFICE.

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

1       SECTION 1. The legislature finds that the work of the  
2 legislature is hampered by a lack of timely fiscal analysis  
3 regarding the impact of proposed legislation on the revenues and  
4 expenditures of the State. Without a system of neutral fact-  
5 finding and fiscal analysis, the work of estimating the fiscal  
6 impact of legislation falls upon the shoulders of the members of  
7 the legislature and their staff, individuals who may or may not  
8 possess the skills and training needed for such an endeavor.  
9 Reports on the fiscal impact of legislation produced by  
10 qualified personnel from a neutral, nonpartisan point of view  
11 would serve as an important tool for the legislature in the  
12 performance of its duties.

13       The legislature further finds that fiscal reports of  
14 legislation serve the interests of the public by providing an  
15 additional resource to inform and educate the public on the  
16 fiscal impact of the various proposals in the legislative



1 process. The reports would promote transparency and help  
2 demystify the legislative process for the public.

3 The legislature further finds that the existence of various  
4 legislative budget offices, whose duties involve the production  
5 of fiscal notes and reports on the fiscal impact of proposed  
6 legislation, at the federal and state level demonstrate the  
7 utility and practicability of establishing a legislative budget  
8 office within the legislature.

9 The legislature also finds that Act 347, Session Laws of  
10 Hawaii 1990, established a permanent joint legislative budget  
11 committee, with the assistance of an office of the legislative  
12 analyst, to provide the legislature with information, facts, and  
13 analyses concerning fiscal, budgetary, and tax matters of the  
14 State. However, the joint legislative budget committee and  
15 office of the legislative analyst have not been implemented or  
16 funded since their inception.

17 Accordingly, the purpose of this Act is to:

- 18 (1) Require the department of budget and finance to  
19 conduct a feasibility study that includes the costs  
20 associated with the establishment and implementation



1 of a legislative budget office and submit a report to  
2 the legislature;

3 (2) Repeal the existing non-functional joint legislative  
4 budget committee and office of the legislative  
5 analyst.

6 SECTION 2. (a) The department of budget and finance shall  
7 conduct a feasibility study that includes the costs associated  
8 with the establishment and implementation of a legislative  
9 budget office. The study shall examine:

10 (1) The costs associated with the resources that would be  
11 required to operate a legislative budget office,  
12 including office space and equipment;

13 (2) The need for, and estimated cost of, additional staff  
14 positions with benefits;

15 (3) The amount of time needed to implement a legislative  
16 budget office;

17 (b) In conducting the feasibility study, the department of  
18 budget and finance shall consider the duties of the legislative  
19 budget office, which shall include:

20 (1) Preparing a fiscal analysis of any bill introduced  
21 during the regular session of the legislature if the



1 bill appears to affect the revenues or expenditures of  
2 the State or a county before the bill is:

3 (A) Recommended for passage by each house of  
4 representatives standing committee or the senate  
5 standing committee to which the bill is referred;  
6 and

7 (B) Taken up for third reading and final reading by  
8 either house of the legislature;

9 provided that the fiscal analysis shall include an  
10 estimate, in dollars, of the amount by which the bill  
11 would increase or decrease revenues or expenditures  
12 and any other information the legislative budget  
13 office considers necessary to explain the fiscal  
14 effect of the bill;

15 (2) Distributing copies of a fiscal analysis to:

16 (A) The primary introducer of the bill;

17 (B) Each member of the standing committees to which  
18 the bill is referred; and

19 (C) Each member of each house of the legislature that  
20 is considering the bill for third reading and  
21 final reading;



1 (3) Requesting any state or county department, office, or  
2 agency to provide pertinent information to preparing a  
3 fiscal analysis;

4 (4) Making the fiscal analysis available to the public  
5 through the legislature's website; and

6 (5) Annually compiling a volume of all completed fiscal  
7 analyses and any other reports published by the  
8 legislative budget office to be delivered to the  
9 legislative reference bureau reference library.

10 (c) The department of budget and finance shall submit a  
11 report of its findings and recommendations, including any  
12 proposed legislation, to the legislature no later than twenty  
13 days prior to the convening of the regular session of 2027.

14 SECTION 3. Chapter 21F, Hawaii Revised Statutes, is  
15 repealed.

16 SECTION 4. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$ or so  
18 much thereof as may be necessary for fiscal year 2025-2026 and  
19 the same sum or so much thereof as may be necessary for fiscal  
20 year 2026-2027 for a feasibility study on the establishment and  
21 implementation of a legislative budget office.



1       The sums appropriated shall be expended by the department  
2 of budget and finance for the purposes of this Act.

3       SECTION 5. This Act shall take effect on January 1, 2491.



**Report Title:**

B&F; Legislative Budget Office; Fiscal Analysis; Feasibility Study; Report; Appropriations

**Description:**

Requires the Department of Budget and Finance to conduct a feasibility study on the associated costs of establishing and implementing a Legislative Budget Office. Requires a report to the Legislature. Repeals the Joint Legislative Budget Committee and the Office of the Legislative Analyst. Appropriates funds. Effective 1/1/2491. (SD1)

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

