
A BILL FOR AN ACT

RELATING TO THE OFFICE OF THE 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.

13 In 1990, Act 347 established the office of the legislative
14 analyst to provide the legislature with economic analysis and
15 research relating to budget and revenues. The original Act
16 appropriated \$100,000 to the office of the legislative analyst



1 for salaries and equipment. Nevertheless, the office does not
2 operate today.

3 The purpose of this Act is to require the office of
4 legislative analyst to produce fiscal notes on all fiscal bills
5 and appropriate funds for the office's operation.

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

8 "[~~+~~§21F-6~~+~~] **Office of the legislative analyst**
9 **established.** (a) There is established the office of the
10 legislative analyst [~~to be administered by the committee~~]. The
11 [~~committee~~] legislature, by a majority vote of each house in
12 joint session, shall appoint a legislative analyst who shall
13 serve for a period of four years. The [~~committee, by a three-~~
14 ~~fourths vote of its members,~~] legislature, by a majority vote of
15 each house in joint session, may remove the legislative analyst
16 from office, but only for cause. [~~The committee shall fix the~~
17 ~~salary of the legislative analyst.~~] The salary of the
18 legislative analyst shall be the same as the salary of the
19 director of the legislative reference bureau.

20 (b) The legislative analyst may employ [~~other clerical and~~
21 ~~technical employees~~] a first assistant and other employees as



1 may be necessary to carry out the functions of the office. The
2 legislative analyst, first assistant, and other [~~clerical and~~
3 ~~technical~~] employees shall be entitled to participate in any
4 employee benefit program plan or privilege generally available
5 to state employees."

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

8 "[~~§~~21F-7[~~§~~] **General purposes of analyst.** (a) The
9 purpose of the office of the legislative analyst shall be:

10 (1) To provide the legislature with research and analysis
11 of current and projected state revenues and
12 expenditures;

13 (2) To provide the legislature with a report analyzing the
14 governor's proposed levels of revenue and expenditures
15 for biennial budgets submitted under chapter 37 as
16 well as other supplemental budget submittals to the
17 legislature by the governor;

18 (3) To provide an analysis of the impact of the governor's
19 proposed revenue and expenditure plans for the next
20 biennium;



- 1 (4) To conduct research matters of economic and fiscal
2 policy and to report to the legislature on the result
3 of the research;
- 4 (5) To provide economic reports and studies on the state
5 of the State's economy, including trends and forecasts
6 for consideration by the legislature;
- 7 (6) To conduct budget and tax studies and provide general
8 fiscal and budgetary information;
- 9 (7) To review and make recommendations on the operation of
10 state programs in order to appraise the implementation
11 of state laws regarding the expenditure of funds and
12 to recommend means of improving their efficiency;
13 [and]
- 14 (8) To recommend to the legislature changes in the mix of
15 revenue sources for programs, in the percentage of
16 state expenditures devoted to major programs, and in
17 the role of the legislature in overseeing state
18 government expenditures and revenue projections[-];
19 and
- 20 (9) To prepare a fiscal note to accompany each fiscal bill
21 before the measure is recommended for passage by each



1 house committee or senate committee of the legislature
2 to which the measure is referred.

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

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

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

13 (3) The role of the legislature in overseeing state
14 government expenditures, including legislative
15 appropriation of money from the general fund,
16 legislative appropriation of money from funds other
17 than the general fund, state agency receipt of money
18 into revolving and other dedicated funds and
19 expenditure of money from these funds, and state
20 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, the office of Hawaiian affairs, or University of Hawaii. The comptroller, the director of finance, the director of taxation, the administrative director of the courts, the administrator of the office of Hawaiian affairs, and the president of the University of Hawaii shall provide the office of the legislative analyst with full and free access to information, data, estimates, and statistics in the possession of their respective departments on the state budget, revenue, expenditures, and tax revenue and expenditures.

(b) All departments, agencies, and education institutions of the executive and judicial branches, the office of Hawaiian affairs, the university of Hawaii, and county departments and



1 agencies shall promptly provide any information requested by the
2 legislative analyst for preparing a fiscal note, including but
3 not limited to an estimate, in dollars, of the amount by which
4 the bill would increase or decrease the revenues received or
5 expenditures made by the department, agency, or office."

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

9 "§21F- Fiscal notes. (a) A fiscal note, where possible,
10 shall:

- 11 (1) Cite the effect of the measure in dollar amounts;
12 (2) Cite the statutory provisions affected;
13 (3) Estimate the increase or decrease in revenues or
14 expenditures by the state or counties;
15 (4) Include the costs which may be absorbed without
16 additional funds;
17 (5) Include the assumptions used in determining the cost
18 estimates; and
19 (6) Specify any long-range implication.



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

(c) A copy of the fiscal note shall be delivered to the chair of the senate committee on ways and means, the chair of the house committee on finance, the chairs of the standing committees to which the bill has been referred, and to the first primary introducer of the bill. No committee shall make a decision regarding disposition of a fiscal bill without having received a completed fiscal note for review and informed decision making.

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

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2026-2027 for the operations of the office of the legislative analyst, including the payment of salaries of the legislative analyst,



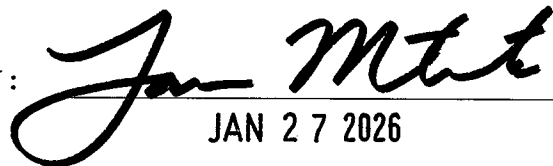
1 first assistant, and other employees as may be necessary, and
2 the purchase of necessary equipment.

3 The sum appropriated shall be expended by the office of the
4 legislative analyst for the purposes of this Act.

5 SECTION 7. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 8. This Act shall take effect on July 1, 2026.
8

INTRODUCED BY:


JAN 27 2026



H.B. NO. 2364

Report Title:

Office of Legislative Analyst; Fiscal Notes; Transparency;
Appropriation

Description:

Requires the office of the 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.

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