

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 564**

4 (By Senators Wells, Snyder, Browning, Edgell,

5 D. Facemire, Green, Palumbo, Plymale,

6 Prezioso, Unger, Hall, Barnes, Jenkins, Foster, Kessler (Acting

7 President), Miller and McCabe)

8 _____
9 [Originating in the Committee on Government Organization;

10 reported February 23, 2011.]

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12
13 A BILL to amend and reenact §4-2-5 of the Code of West Virginia,
14 1931, as amended, relating to creating a Fiscal and Policy
15 Division under the Joint Committee on Government and Finance.

16 *Be it enacted by the Legislature of West Virginia:*

17 That §4-2-5 of the Code of West Virginia, 1931, as amended, be
18 amended and reenacted to read as follows:

19 **ARTICLE 2. LEGISLATIVE AUDITOR; POWERS; FUNCTIONS; DUTIES;**
20 **COMPENSATION.**

21 **§4-2-5. Powers of Legislative Auditor; Fiscal and Policy**
22 **Division.**

23 (a) In order for the Legislature to perform its duties as a
24 co-equal branch of government, the Legislature finds that it needs
25 to place the utmost emphasis on obtaining accurate information on
26 the fiscal and policy implications of proposed legislation it
27 considers. The Legislature recognizes that unbiased and objective
28 information is paramount and recognizes the value of an analysis

1 independent of any executive branch agency affected by proposed
2 legislation.

3 (b) The Legislative Auditor shall ~~have the power and authority~~
4 ~~to~~ examine the revenues, expenditures and performance of every
5 spending unit or other agency of the state government and for these
6 purposes ~~shall have the authority~~ may, by such means as are
7 necessary, ~~to~~ require any person holding office in the state
8 government or employed by the state, to allow ~~him~~ the Legislative
9 Auditor or his or her employees to inspect the properties,
10 equipment, facilities and records, of the various agencies,
11 departments, subdivisions or institutions of the state government
12 for which appropriations are to be made, ~~or~~ have been made or may
13 be made, and any other agency or public entity created by the
14 Legislature, either before or after estimates therefor are
15 submitted, and before, during and after the sessions of the
16 Legislature. Refusal of any person to allow such inspection shall
17 be reported by the Legislative Auditor to the committee.

18 (c) (1) The Legislative Auditor shall establish a Legislative
19 Fiscal and Policy Division. The Fiscal and Policy Division is
20 answerable only to the Legislative Auditor, the Joint Committee on
21 Government and Finance and the Legislature.

22 (2) The Legislative Auditor, to the extent the Legislature and
23 the Joint Committee on Government and Finance make funds available:

24 (A) Shall appoint a director of the division; and

25 (B) May employ or contract with other persons considered
26 necessary to carry out the duties and responsibilities of the
27 division under this section.

28 (d) The Fiscal and Policy Division shall assist the

1 Legislative Auditor in fulfilling the duties described in
2 subsection (b) of this section and may be required to:

3 (1) Analyze the annual budget prepared by the executive branch
4 and make recommendations to the Legislature and committees with
5 respect to the budget. The budget requests or statements of
6 various budget units submitted to the Governor and any budget
7 statement prepared by the Budget Office of the Department of
8 Revenue shall be submitted for informational purposes each year to
9 the Fiscal and Policy Division on the same day that such statements
10 are submitted to the Governor as prepared by the Budget Office;

11 (2) Make continuous short and long range studies of projected
12 revenues and expenditures and to annually publish an official
13 economic outlook for the state;

14 (3) Evaluate legislative proposals for fiscal effect and
15 provide fiscal notes;

16 (4) Report to the Legislature annually with respect to its
17 activities and at other times as the Joint Committee on Government
18 and Finance considers appropriate;

19 (5) Prepare a fiscal note on all bills which, if requested by
20 a chairperson or member of the Senate or House of Delegates
21 leadership, is expected to have a reasonable impact on the revenues
22 or expenditures of the state budget. The fiscal note shall be
23 comprehensive and may include a reliable estimate of the direct and
24 indirect fiscal, policy, jobs, economic, environmental, local and
25 municipal impacts of the bill, including both its costs and
26 savings. All assumptions used to measure the direct and indirect
27 effects shall be disclosed. The fiscal notes shall be updated if
28 the bill is amended or a committee drafts a substitute bill and

1 changes the underlying assumptions, revenues or expenditures. In
2 preparing a fiscal note the division may not make any normative
3 decisions about whether the legislation should or should not be
4 enacted and testimony shall be confined to fiscal and policy
5 impacts, both direct and indirect;and

6 (6) Develop and maintain a comprehensive information system on
7 the receipt of revenues by local governmental subdivisions and
8 political subdivisions from local, state and federal sources, as
9 well as the expenditure of these revenues and to submit a summary
10 of this information annually to the Legislature.