

Senate Bill No. 564

(By Senators Wells, Snyder, Browning, Edgell,

D. Facemire, Green, Palumbo, Plymale,

Prezioso, Unger, Hall, Barnes, Jenkins, Foster, Kessler (Acting
President), Miller and McCabe)

[Introduced February 21, 2011; referred to the Committee on
Government Organization; and then to the Committee on the
Judiciary.]

**FISCAL
NOTE**

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

Be it enacted by the Legislature of West Virginia:

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

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

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

(a) In order for the Legislature to perform its duties as a
coequal branch of government, the Legislature finds that it needs
to place more emphasis on obtaining accurate information on the
fiscal and policy implications of proposed legislation it
considers. The Legislature recognizes that unbiased and objective
information and data is difficult to obtain and ultimately, must

1 rely on executive branch agencies and affected interest groups to
2 help guide its decision-making process.

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.

1 (d) The Fiscal and Policy Division shall assist the
2 Legislative Auditor in fulfilling the duties described in
3 subsection (b) of this section and may be required to:

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

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

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

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

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

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

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

12 (7) Make available to the general public revenue, expenditure
13 and public policy information in a manner which allows the taxpayer
14 to have confidence in the operations of state government. The
15 information shall be published on a single website in a user-
16 friendly manner which fosters transparency and accountability of
17 government operations.

NOTE: The purpose of this bill is to require the creation of a Fiscal and Policy Division under the Joint Committee on Government and Finance.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.