

**Senate Bill No. 485**

(By Senators Wells, Kessler (Mr. President), D. Facemire, Edgell,  
Fanning, Foster, Helmick, Jenkins, Klempa, Snyder, Yost, Unger,  
Williams and Beach)

[Introduced February 2, 2012; referred to the Committee on the  
Judiciary; and then to the Committee on Finance.]

**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

1 considers. The Legislature recognizes that unbiased and objective  
2 information and data is difficult to obtain and ultimately, must  
3 rely on executive branch agencies and affected interest groups to  
4 help guide its decision-making process.

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

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

24 (2) The Legislative Auditor, to the extent the Legislature and

1 the Joint Committee on Government and Finance make funds available:

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

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

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

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

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

20 (3) Evaluate legislative proposals for fiscal effect and  
21 provide fiscal notes;

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

1       (5) Prepare a fiscal note on all bills which, if requested by  
2 any legislator, is expected to have a reasonable impact on the  
3 revenues or expenditures of the state budget. The fiscal note  
4 shall be comprehensive and may include a reliable estimate of the  
5 direct and indirect fiscal, policy, jobs, economic, environmental,  
6 local and municipal impacts of the bill, including both its costs  
7 and savings. All assumptions used to measure the direct and  
8 indirect effects shall be disclosed. The fiscal notes shall be  
9 updated if the bill is amended or a committee drafts a substitute  
10 bill and changes the underlying assumptions, revenues or  
11 expenditures. In preparing a fiscal note the division may not make  
12 any normative decisions about whether the legislation should or  
13 should not be enacted and testimony shall be confined to fiscal and  
14 policy impacts, both direct and indirect;

15       (6) Develop and maintain a comprehensive information system on  
16 the receipt of revenues by local governmental subdivisions and  
17 political subdivisions from local, state and federal sources, as  
18 well as the expenditure of these revenues and to submit a summary  
19 of this information annually to the Legislature; and

20       (7) Make available to the general public revenue, expenditure  
21 and public policy information in a manner which allows the taxpayer  
22 to have confidence in the operations of state government. The  
23 information shall be published on a single website in a  
24 user-friendly manner which fosters transparency and accountability

1 of 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.