

Department of Legislative Services  
Maryland General Assembly  
2011 Session

**FISCAL AND POLICY NOTE**

Senate Bill 632  
Budget and Taxation

(Senators Pipkin and Brinkley)

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**State Budget**

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This proposed constitutional amendment, if approved by the Maryland voters at the November 2012 election, modifies the State budget process by allowing the General Assembly to increase and make additional appropriations for Executive Branch agencies. The total appropriation for the Executive Branch approved by the General Assembly cannot exceed the total allowance for the Executive Branch submitted by the Governor. The Governor can veto any increase or item added by the General Assembly. If the Governor exercises the veto authority, the Presiding Officers may convene an extraordinary session within 30 days after the Governor's action to consider the vetoed items. The extraordinary session is limited solely to the budget vetoes.

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**Fiscal Summary**

**State Effect:** If approved by the voters, the constitutional amendment may result in an increase in State expenditures due to holding extraordinary legislative sessions to consider the Governor's vetoes of legislative budgetary actions.

**Local Effect:** If approved by the General Assembly, this constitutional amendment will be submitted to the voters at the 2012 general election. It should not result in additional costs for the local boards of elections.

**Small Business Effect:** None.

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## Analysis

**Current Law:** Section 52 of Article III of the Maryland Constitution prohibits the General Assembly from increasing any budget item or adding any new appropriations item to the executive budget for Executive Branch agencies. The General Assembly can increase or add an appropriations item relating to the legislature or Judiciary. In addition, through a supplementary appropriations bill, the General Assembly can add expenditures if matched with new revenues. Through legislation, the General Assembly can also mandate expenditures in the executive budget for a subsequent fiscal year.

**Background:** Most state legislatures have the authority to increase or add an appropriation to the governor's budget. Maryland, Nebraska, and West Virginia limit the power of the legislature to increase or decrease budget items. In Maryland, the legislature may decrease but not increase appropriations by the Governor. In Nebraska, a three-fifths vote is required for the legislature to increase the governor's recommendations; a majority vote is required to reject or decrease them. However, this is a legislative rule that is not necessarily followed. In West Virginia, the legislature cannot reduce the judiciary budget or create a deficit.

**State Fiscal Effect:** This proposed modification to the State's budget process is not anticipated to increase the expenditures incurred by the Executive Branch in preparing the budget or the Legislative Branch in approving the budget. To the extent the Governor exercises the veto power, extraordinary sessions of the General Assembly may be convened. It is assumed these sessions will be of limited duration and cost at least \$22,600 per day. This estimate is based on the average daily cost of the 2007 special session which lasted 21 days.

**Local Fiscal Effect:** The Maryland Constitution requires that proposed amendments to the constitution be publicized either (1) in at least two newspapers in each county, if available, and in at least three newspapers in Baltimore City once a week for four weeks immediately preceding the general election; or (2) by order of the Governor in a manner provided by law. State law requires local boards of elections to publicize proposed amendments to the constitution either in newspapers or on specimen ballots; local boards of elections are responsible for the costs associated with these requirements. It is anticipated that the budgets of local election boards will contain funding for notifying qualified voters about proposed constitutional amendments for the 2012 general election in newspapers or on specimen ballots.

## **Additional Information**

**Prior Introductions:** SB 998 of 2010 received a hearing in the Senate Budget and Taxation Committee, but no further action was taken. HB 1247 of 2004, a similar bill, received a hearing in the House Appropriations Committee, but no further action was taken. Its cross file, SB 370, received a favorable report from the Senate Budget and Taxation Committee, as amended, but failed on the Senate floor. SB 476 of 2002, a similar bill, received a favorable report from the Senate Budget and Taxation Committee but failed on the Senate floor.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2011  
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