

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 837
Budget and Taxation

(Senators Pipkin and Brinkley)

State Budget

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.

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: None. It is assumed that the potential for increased costs to notify voters of any constitutional amendments proposed by the General Assembly, and to include any proposed constitutional amendments on the ballot at the next general election, will have been anticipated in local boards of elections' budgets.

Small Business Effect: None.

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 between \$11,000 and \$22,600 per day. This estimate range is based on the average daily cost of the 2011 special session that lasted four days and cost approximately \$44,000 and the 2007 special session that lasted 21 days and cost \$475,000.

State costs of printing absentee and provisional ballots may increase to the extent inclusion of the proposed constitutional amendment on the ballot at the next general election would result in a need for a larger ballot card size or an additional ballot card for a given ballot (the content of ballots varies across the State, depending on the offices, candidates, and questions being voted on). Any increase in costs, however, is expected to be relatively minimal, and it is assumed that the potential for such increased costs will have been anticipated in the State Board of Elections' budget. Pursuant to Chapter 564 of 2001, the State Board of Elections shares the costs of printing paper ballots with the local boards of elections.

Local Fiscal Effect: Local boards of elections' printing and mailing costs may increase to include information on the proposed constitutional amendment with specimen ballots mailed to voters prior to the next general election and to include the proposed amendment

on absentee and provisional ballots. It is assumed, however, that the potential for such increased costs will have been anticipated in local boards of elections' budgets.

Additional Information

Prior Introductions: SB 632 of 2011 and SB 998 of 2010 received a hearing in the Senate Budget and Taxation Committee, but no further action was taken on either bill. 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 Legislative Services

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