

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 690

(Senator Madaleno, *et al.*)

Budget and Taxation

State Budget

This proposed constitutional amendment, if approved by the Maryland voters at the November 2018 election, modifies the State budget process by allowing the General Assembly to increase appropriations made by the Governor and add 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 consideration of 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 convening extraordinary legislative sessions to consider the Governor's vetoes of legislative budgetary actions. Revenues are not affected.

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. Revenues are not affected.

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.

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 \$9,800 and \$22,600 per day for expense reimbursements for members of the General Assembly. This estimate range is based on the average daily cost of the May 2012 special session that lasted 3 days and cost approximately \$9,800 per day and the 2007 special session that lasted 21 days and cost \$22,600 per day.

State costs of printing 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). However, 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 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: Substantially similar legislation has been considered in recent legislative sessions. SB 808 of 2016, SB 660 of 2015, SB 837 of 2012, SB 632 of 2011, and SB 998 of 2010 each received a hearing in the Senate Budget and Taxation Committee, but no further action was taken on any of the bills. The cross file of SB 808, HB 753 of 2016, received a hearing in the House Appropriations Committee and was subsequently withdrawn.

Cross File: None.

Information Source(s): Governor's Office; Department of Budget and Management; Department of Legislative Services

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