

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 820

(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.

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 \$10,000 and \$23,000 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.

Additional Information

Prior Introductions: Substantially similar legislation, SB 690 of 2017 and SB 808 of 2016, each received a hearing in the Senate Budget and Taxation Committee, but no further action was taken on either 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. In addition, similar bills were introduced in the 2010 through 2012 sessions and in the 2015 session.

Cross File: None.

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

Fiscal Note History: First Reader - March 5, 2018
mag/mcr

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