

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 221 (Delegates Curran and Goldwater)  
Appropriations

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State Budget - Increases; Line Item Veto

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This proposed constitutional amendment would modify the State budget process to authorize the General Assembly to increase appropriations and to add items relating to the proposed budgets for agencies in the executive branch of government, so long as the total of appropriations does not exceed the total as submitted by the Governor. The Governor could exercise a line item veto over these actions of the General Assembly which could be overridden by a three-fifths vote of the General Assembly.

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Fiscal Summary

**State Effect:** As legislative action to modify the budget could not increase the total beyond the total requested by the Governor, there would be no impact on the total of State expenditures.

**Local Effect:** There is no basis to prejudge whether the authority granted the General Assembly would result in an increase or decrease in State funds received by local governments.

**Small Business Effect:** There is no basis to prejudge the impact on small business. Some actions could have a positive impact and some actions could have a negative impact.

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Fiscal Analysis

**State Expenditures:** The proposed change would allow the General Assembly to reduce an appropriation and increase another appropriation or to add a new appropriation to the budget so long as the total of appropriations requested by the Governor for the executive branch of government was not exceeded. The new authority would not impact the total of the appropriations. There would be impacts on individual agencies or programs depending on

legislative action. The first effect would be on the budget for the year 2000.

The Governor could veto the legislative action and the General Assembly could override the veto by a three-fifths vote of each house at a special session. As the special session will be limited to this one purpose, the special session would be short and incur modest expenses, not exceeding \$10,000. This amount could be accommodated within the \$42 million budget of the legislative branch.

A constitutional amendment needs to be advertised throughout the State prior to the general election. Every other year funds are included in the budget of the State Board of Elections for this purpose. These funds will be in the fiscal 1999 budget.

**Local Revenues:** Local governments receive substantial sums of revenues as a result of State appropriations. In the fiscal 1998 budget, it amounts to \$3.4 billion or 22% of \$15.5 billion of appropriations requested by the Governor. There is no basis to determine if the new authority provided to the General Assembly would result in an increase or decrease in State funds received by local governments.

**Local Expenditures:** The counties and Baltimore City are responsible for funding the cost of elections, including the ratification vote on any amendments to the constitution. The cost of the general election at which this amendment would be considered would be in the counties fiscal 1999 budget.

**Small Business Effect:** Appropriations in the State budget have a significant impact on small businesses. There is no basis to determine the effect of budgetary action of the General Assembly under this proposed change. Some action could have a positive impact and some action could have a negative impact.

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**Information Source(s):** Department of Fiscal Services

**Fiscal Note History:** First Reader - January 21, 1997

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