

Department of Legislative Services  
Maryland General Assembly

**FISCAL NOTE**

House Bill 513 (Delegate Hixson. *et al.*)

Appropriations

---

**State Budget - Lump-Sum Requirement - Capital Projects**

---

This constitutional amendment amends the budget process to require that a listing of specific projects funded by a lump-sum capital appropriation be submitted in separate legislation. The General Assembly could amend the legislation to add, delete, or substitute capital expenditures so long as the total of appropriations was not exceeded. The Governor would have a line-item veto over the legislation. If no legislation was passed, the projects included by the Governor in the separate legislation would be funded.

The bill would take effect for the fiscal 2000 budget if ratified by the voters at the 1998 general election.

---

**Fiscal Summary**

**State Effect:** There would be no overall impact on the total of the State's capital program, but individual projects could be affected.

**Local Effect:** No direct impact, but legislative action could increase or decrease the capital funds for local projects from the items originally submitted by the Governor.

**Small Business Effect:** No direct impact.

---

**Fiscal Analysis**

**Bill Summary:** Maryland does not have a separate capital budget. Approximately two-thirds of the authorization for capital spending is contained in the operating budget. The balance is financed by debt authorization legislation. Most of the capital appropriations are a lump sum. Individual capital projects are not listed in the budget bill although project data usually is contained in the Governor's capital budget document or in the analysis of the budget prepared by the Department of Legislative Services. The proposed constitutional change would require the Governor to fund in lump-sum appropriations all capital projects in the operating budget (unless otherwise provided by law) and to submit separate legislation including the individual projects and amounts. It is uncertain whether this could be

accomplished by multiple bills or an omnibus bill. The General Assembly in considering the legislation could delete, add, or substitute projects so long as the total of the lump-sum appropriation was not exceeded. The Governor would have a line-item veto over this legislation. If a bill was not passed, the projects included by the Governor in the bill would be funded.

There are lump-sum capital appropriations in many agency budgets. The largest amounts are in the Department of Transportation. Other large amounts involve economic development, housing, environmental, agriculture, and natural resources programs. School construction usually is funded by a bond bill although some funds are included in a lump-sum appropriation for the Board of Public Works.

**State Expenditures:** There would be no overall impact on the total of the State's capital program, but individual projects could be affected.

Advertising costs for constitutional amendments are included in the budget of the State Board of Elections and are funded as part of the fiscal 1999 budget.

**Local Expenditures:** Legislative action to modify project listings could increase or decrease the amount of State funds for local government capital projects.

Local governments are required to fund costs of the general election at which constitutional amendments are considered. The amount of these costs is included in the budget of the counties and Baltimore City for fiscal 1999.

**Small Business Effect:** The State's capital program has a significant impact on small businesses. The change in the process of determining projects should have no direct impact.

---

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

**Fiscal Note History:** First Reader - February 23, 1998  
Inc

---

Analysis by: David F. Roose  
Reviewed by: John Rixey

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 841-3710  
(301) 858-3710