Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 8   (Senator Harris)

Budget and Taxation

Maryland Taxpayer Protection Act

This constitutional amendment proposes that any bill increasing the rate of an existing tax or imposing a new tax be approved by at least two-thirds of each house of the General Assembly in order to become law.

Fiscal Summary

State Effect: If adopted, potential significant foregone general fund and special fund revenues. This impact would vary by year, and the result cannot be reliably estimated.

Local Effect: If adopted, potential significant foregone local revenues. This impact would vary by year, and the result cannot be reliably estimated.

Small Business Effect: Minimal.

Analysis

Current Law: The Declaration of Rights of the Maryland Constitution states that no aid, charge, tax, burthen, or fees ought to be rated or levied, under any pretense, without the consent of the legislature.

Background: Thirty states currently operate under a tax or expenditure limitation. **Exhibit 1** lists the 16 states that currently require legislative supermajority approval for new taxes or tax increases.

Exhibit 1
States with Supermajority Tax Vote Requirements

State	Year Adopted	Supermajority Vote Required
Arizona	1992	2/3
Arkansas[1]	1934	3/4
California	1979	2/3
Colorado	1992	2/3
Delaware	1980	3/5
Florida[2]	1971	3/5
Kentucky[3]	2000	3/5
Louisiana	1966	2/3
Michigan[4]	1994	3/4
Mississippi	1970	3/5
Missouri	1996	2/3
Nevada	1996	2/3
Oklahoma	1992	3/4
Oregon	1996	3/5
South Dakota	1996	2/3
Washington	1993	2/3

1 Does not apply to sales and alcohol taxes.

2 Applies only to corporate income tax.

3 Tax and fee increases can only be enacted in odd-number years. If the governor declares an emergency, taxes may be increased by a 2/3 legislative vote; otherwise, tax increases over $70 million must be approved by voters.

4 Applies only to the state property tax.

Source: National Conference of State Legislatures

State Fiscal Effect: The actual effect on State revenues cannot be estimated and would vary each year depending on the restriction specified in the bill. State revenues could be impacted to the extent the bill restricts the ability to enact future tax legislation and cannot be reliably estimated.

Local Fiscal Effect: The actual effect on local revenues cannot be estimated and would vary each year depending on the restriction specified in the bill. Local revenues could be

impacted to the extent the bill restricts the ability to enact future tax legislation that impacts local revenues and cannot be reliably estimated.

The Maryland Constitution requires that proposed amendments to the constitution be publicized either: (1) in at least two newspapers in each county, if available, and in at least three newspapers in Baltimore City once a week for four weeks immediately preceding the general election; or (2) by order of the Governor in a manner provided by law. State law requires local boards of elections to publicize proposed amendments to the constitution either in newspapers or on specimen ballots; local boards of elections are responsible for the costs associated with these requirements. It is anticipated that the fiscal 2009 budgets of local election boards will contain funding for notifying qualified voters about proposed constitutional amendments for the 2008 general election in newspapers or on specimen ballots.

Additional Information

Prior Introductions: SB 7 of the 2007 special session, an identical bill, was not reported from the Senate Budget and Taxation Committee.

Cross File: None.

Information Source(s): National Conference of State Legislatures, Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2008
mcp/hlb

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