Chapter 645

### (Senate Bill 1028)

#### AN ACT concerning

#### **Balancing the State Budget**

- FOR the purpose of proposing an amendment to the Maryland Constitution authorizing the General Assembly to increase or add Executive Department items in the budget bill <u>beginning in a certain fiscal year</u>, subject to a certain limitation; <u>providing for the veto of certain budget bill items</u>; <u>providing for the reversion to proposed appropriations of certain vetoed items in the budget bill; providing that certain vetoed items in the budget bill shall be void; authorizing the President of the Senate and the Speaker of the House of Delegates to convene in extraordinary session to consider whether to override a vetoed item in the budget bill; authorizing the General Assembly to override budget bill item vetoes; establishing the manner in which and the time at which the budget bill items become law; clarifying language; making conforming and stylistic changes; requiring a certain question to be submitted to the qualified voters of the State at a certain election; and submitting this amendment to the qualified voters of the State for their adoption or rejection.</u>
- <u>BY proposing an amendment to the Maryland Constitution</u> <u>Article II – Executive Department</u> <u>Section 17</u>
- BY proposing an amendment to the Maryland Constitution Article III – Legislative Department Section <u>14 and</u> 52

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, (Three–fifths of all the members elected to each of the two Houses concurring), That it be proposed that the Maryland Constitution read as follows:

#### Article II – Executive Department

#### <u>17.</u>

(a) To guard against hasty or partial legislation and encroachment of the Legislative Department upon the co-ordinate Executive and Judicial Departments, every Bill passed by the House of Delegates and the Senate, before it becomes a law, shall be presented to the Governor of the State. If the Governor approves [he] THE BILL, THE GOVERNOR shall sign [it, but if not he] THE BILL. EXCEPT FOR THE BUDGET BILL, IF THE GOVERNOR DISAPPROVES THE BILL, THE GOVERNOR shall return it with [his] objections to the House in which it originated, which House shall enter the objections at large on its Journal and proceed to reconsider the Bill. Each House may adopt by rule a

veto calendar procedure that permits Bills that are to be reconsidered to be read and voted upon as a single group. The members of each House shall be afforded reasonable notice of the Bills to be placed on each veto calendar. Upon the objection of a member, any Bill shall be removed from the veto calendar. If, after such reconsideration, three-fifths of the members elected to that House pass the Bill, it shall be sent with the objections to the other House, by which it shall likewise be reconsidered, and if it passes by three-fifths of the members elected to that House it shall become a law. The votes of both Houses shall be determined by yeas and nays, and the names of the persons voting for and against the Bill shall be entered on the Journal of each House respectively.

(b) If any Bill presented to the Governor while the General Assembly is in session is not returned by [him] THE GOVERNOR with [his] objections within six days (Sundays excepted), the Bill shall be a law in like manner as if [he] THE GOVERNOR signed it, unless the General Assembly, by adjournment, prevents its return, in which case it shall not be a law.

(c) Any Bill presented to the Governor within six days (Sundays excepted), prior to adjournment of any session of the General Assembly, or after such adjournment, shall become law without the Governor's signature unless it is vetoed by the Governor within 30 days after its presentment.

(d) Any Bill, EXCEPT THE BUDGET BILL, vetoed by the Governor shall be returned to the House in which it originated immediately after the House has organized at the next regular or special session of the General Assembly, OTHER THAN IN EXTRAORDINARY SESSION CONVENED UNDER SUBSECTION (G) OF THIS SECTION. The Bill may then be reconsidered according to the procedure specified in this section. Any Bill enacted over the veto of the Governor, or any Bill which shall become law as the result of the failure of the Governor to act within the time specified, shall take effect 30 days after the Governor's veto is over-ridden, or on the date specified in the Bill, whichever is later. If the Bill is an emergency measure, it shall take effect when enacted. No such vetoed Bill shall be returned to the Legislature when a new General Assembly of Maryland has been elected and sworn since the passage of the vetoed Bill.

(e) [The] EXCEPT FOR THE BUDGET BILL, THE Governor shall have power to disapprove of any item or items of any Bills making appropriations of money embracing distinct items, and the part or parts of the Bill approved shall be the law, and the item or items of appropriations disapproved shall be void unless repassed according to the rules or limitations prescribed for the passage of other Bills over the Executive veto.

# (F) (1) THE GOVERNOR MAY APPROVE OR DISAPPROVE ITEMS IN THE BUDGET BILL AS PROVIDED IN THIS SUBSECTION.

(2) THE GOVERNOR MAY VETO ONLY ITEMS RELATING TO THE EXECUTIVE DEPARTMENT THAT HAVE BEEN INCREASED OR ADDED BY THE GENERAL ASSEMBLY. THE GOVERNOR MAY NOT VETO ANY OTHER ITEMS IN THE

## BUDGET BILL.

(3) IF THE GOVERNOR VETOES AN ITEM THAT HAD BEEN INCREASED BY THE GENERAL ASSEMBLY AND THE GENERAL ASSEMBLY DOES NOT OVERRIDE THE VETO UNDER SUBSECTION (G) OF THIS SECTION, THAT ITEM SHALL REVERT TO THE PROPOSED APPROPRIATION SUBMITTED BY THE GOVERNOR. THE PROPOSED APPROPRIATION SHALL THEN BE LAW IMMEDIATELY WITHOUT FURTHER ACTION BY THE GOVERNOR.

(4) IF THE GOVERNOR VETOES AN ITEM THAT HAD BEEN ADDED BY THE GENERAL ASSEMBLY AND THE GENERAL ASSEMBLY DOES NOT OVERRIDE THE VETO UNDER SUBSECTION (G) OF THIS SECTION, THAT ITEM SHALL BE VOID.

(5) ITEMS NOT DISAPPROVED BY THE GOVERNOR SHALL BE LAW IMMEDIATELY WITHOUT FURTHER ACTION BY THE GOVERNOR.

(G) (1) IF THE GOVERNOR VETOES AN ITEM IN THE BUDGET BILL, THE GENERAL ASSEMBLY MAY CONVENE IN EXTRAORDINARY SESSION WITHIN 30 DAYS AFTER THE DATE OF THE VETO TO CONSIDER WHETHER TO OVERRIDE THE VETO. IF THE GENERAL ASSEMBLY WISHES TO CONSIDER WHETHER TO OVERRIDE THE GOVERNOR'S VETO OF AN ITEM IN THE BUDGET BILL, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF DELEGATES JOINTLY SHALL ISSUE A PROCLAMATION SPECIFYING THE DATE ON WHICH TO CONVENE IN EXTRAORDINARY SESSION.

(2) (1) THE BUDGET BILL SHALL BE RETURNED BY THE GOVERNOR TO THE HOUSE IN WHICH IT ORIGINATED, AND EACH VETOED ITEM SHALL BE CONSIDERED INDIVIDUALLY.

(II) IF THREE-FIFTHS OF THE MEMBERS ELECTED TO THAT HOUSE VOTE TO OVERRIDE THE VETO OF AN ITEM, IT SHALL BE SENT TO THE OTHER HOUSE FOR CONSIDERATION.

(III) IF THREE-FIFTHS OF THE MEMBERS OF THAT HOUSE VOTE TO OVERRIDE THE VETO OF THE ITEM, THAT ITEM SHALL REVERT TO THE APPROPRIATION ORIGINALLY PASSED BY THE GENERAL ASSEMBLY. THE APPROPRIATION AS ORIGINALLY PASSED SHALL THEN BECOME LAW IMMEDIATELY, WITHOUT FURTHER ACTION BY THE GOVERNOR OR THE GENERAL ASSEMBLY.

Article III – Legislative Department

<u>14.</u>

Ch. 645

The General Assembly shall meet on the second Wednesday of January, nineteen hundred and seventy-one, and on the same day in every year thereafter, and at no other time, unless convened BY JOINT PROCLAMATION OF THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF DELEGATES UNDER SECTION 17(G) OF ARTICLE II OF THIS CONSTITUTION OR by Proclamation of the Governor. [A] THE GOVERNOR SHALL ISSUE A Proclamation convening the General Assembly in extraordinary session [must be issued by the Governor] if a majority of the members elected to the Senate and a majority of the members elected to the House of Delegates join in a petition to the Governor requesting that [he] THE GOVERNOR convene the General Assembly in extraordinary session, and the Governor shall convene the General Assembly on the date specified in the petition. This section does not affect the Governor's power to convene the General Assembly in extraordinary session pursuant to Section 16 of Article II of this Constitution.

52.

(1) The General Assembly shall not appropriate any money out of the Treasury except in accordance with the provisions of this section.

(2) Every appropriation bill shall be either a Budget Bill, or a Supplementary Appropriation Bill, as hereinafter provided.

(3) On the third Wednesday in January in each year, (except in the case of a newly elected Governor, and then not later than ten days after the convening of the General Assembly), unless such time shall be extended by the General Assembly, the Governor shall submit to the General Assembly a Budget for the next ensuing fiscal year. Each Budget shall contain a complete plan of proposed expenditures and estimated revenues for said fiscal year and shall show the estimated surplus or deficit of revenues at the end of the preceding fiscal year. Accompanying each Budget shall be a statement showing: (a) the revenues and expenditures for the preceding fiscal year; (b) the current assets, liabilities, reserves and surplus or deficit of the State; (c) the debts and funds of the State; (d) an estimate of the State's financial condition as of the beginning and end of the preceding fiscal year; (e) any explanation the Governor may desire to make as to the important features of the Budget and any suggestions as to methods for reduction or increase of the State's revenue.

(4) Each Budget shall embrace an estimate of all appropriations in such form and detail as the Governor shall determine or as may be prescribed by law, as follows: (a) for the General Assembly as certified to the Governor in the manner hereinafter provided; (b) for the Executive Department; (c) for the Judiciary Department, as provided by law, as certified to the Governor; (d) to pay and discharge the principal and interest of the debt of the State in conformity with Section 34 of Article III of the Constitution, and all laws enacted in pursuance thereof; (e) for the salaries payable by the State and under the Constitution and laws of the State; (f) for the establishment and maintenance throughout the State of a thorough and efficient system of public schools in conformity with Article 8

of the Constitution and with the laws of the State; and (g) for such other purposes as are set forth in the Constitution or laws of the State.

(5) The Governor shall deliver to the presiding officer of each House the Budget and a bill for all the proposed appropriations of the Budget classified and in such form and detail as he shall determine or as may be prescribed by law; and the presiding officer of each House shall promptly cause said bill to be introduced therein, and such bill shall be known as the "Budget Bill." The Governor may, with the consent of the General Assembly, before final action thereon by the General Assembly, amend or supplement said Budget to correct an oversight, provide funds contingent on passage of pending legislation or, in case of an emergency, by delivering such an amendment or supplement to the presiding officers of both Houses; and such amendment or supplement shall thereby become a part of said Budget Bill as an addition to the items of said bill or as a modification of or a substitute for any item of said bill such amendment or supplement may affect.

(5a) The Budget and the Budget Bill as submitted by the Governor to the General Assembly shall have a figure for the total of all proposed appropriations and a figure for the total of all estimated revenues available to pay the appropriations, and the figure for total proposed appropriations shall not exceed the figure for total estimated revenues. Neither the Governor in submitting an amendment or supplement to the Budget Bill nor the General Assembly in amending the Budget Bill shall thereby cause the figure for total proposed appropriations to exceed the figure for total estimated revenues, including any revisions, and in the Budget Bill as enacted the figure for total estimated revenues always shall be equal to or exceed the figure for total appropriations.

(6) The General Assembly shall not amend the Budget Bill so as to affect either the obligations of the State under Section 34 of Article III of the Constitution, or the provisions made by the laws of the State for the establishment and maintenance of a system of public schools or the payment of any salaries required to be paid by the State of Maryland by the Constitution [thereof; and the].

(6A) IN ENACTING A BALANCED BUDGET BILL EACH FISCAL YEAR AS REQUIRED UNDER THIS SECTION, THE General Assembly may amond the bill by increasing [or], diminishing [the], OR ADDING items therein relating to the General Assembly, [and] by increasing [or], diminishing [the], OR ADDING items therein relating to the judiciary, [but except as hereinbefore specified, may not alter the said bill except to strike out or reduce items therein, provided, however, that the] AND BY INCREASING, DIMINISHING, OR ADDING ITEMS RELATING TO THE EXECUTIVE DEPARTMENT, PROVIDED THAT THE TOTAL OF THE APPROPRIATION FOR THE EXECUTIVE DEPARTMENT APPROVED BY THE GENERAL ASSEMBLY DOES NOT EXCEED THE TOTAL PROPOSED APPROPRIATION FOR THE EXECUTIVE DEPARTMENT SUBMITTED BY THE GOVERNOR. THE salary or compensation of any public officer [shall] MAY not be decreased during [his] THE PUBLIC OFFICER'S term of office[; and such bill, when and as]. WHEN passed by both Houses, THE BUDGET BILL shall be a law immediately without further action by the Governor General Assembly may amend the bill by increasing or diminishing the items therein relating to the General Assembly, and by increasing or diminishing the items therein relating to the judiciary, but except as hereinbefore specified, may not alter the [said] bill except to strike out or reduce items therein, provided, however, that the salary or compensation of any public officer [shall] MAY not be decreased during [his] THE PUBLIC OFFICER'S term of office[; and such bill, when and as]. WHEN-passed by both Houses, THE BUDGET BILL shall be a law immediately without further action by the Governor. WHEN PASSED BY BOTH HOUSES, THE BUDGET BILL SHALL BE PRESENTED TO THE GOVERNOR FOR APPROVAL OR DISAPPROVAL ACCORDING TO SECTION 17 OF ARTICLE II OF THIS CONSTITUTION.

(6B) IN ENACTING A BALANCED BUDGET BILL AS REQUIRED UNDER THIS SECTION FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, THE GENERAL ASSEMBLY MAY AMEND THE BILL BY INCREASING, DIMINISHING, OR ADDING ITEMS THEREIN RELATING TO THE GENERAL ASSEMBLY, BY INCREASING, DIMINISHING, OR ADDING ITEMS THEREIN RELATING TO THE JUDICIARY, AND BY INCREASING, DIMINISHING, OR ADDING ITEMS RELATING TO THE EXECUTIVE DEPARTMENT, PROVIDED THAT THE TOTAL OF THE APPROPRIATION FOR THE EXECUTIVE DEPARTMENT APPROVED BY THE GENERAL ASSEMBLY DOES NOT EXCEED THE TOTAL PROPOSED APPROPRIATION FOR THE EXECUTIVE DEPARTMENT SUBMITTED BY THE GOVERNOR. THE SALARY OR COMPENSATION OF ANY PUBLIC OFFICER MAY NOT BE DECREASED DURING THE PUBLIC OFFICER'S TERM OF OFFICE. WHEN PASSED BY BOTH HOUSES, THE BUDGET BILL SHALL BE A LAW IMMEDIATELY WITHOUT FURTHER ACTION BY THE GOVERNOR.

(7) The Governor and such representatives of the executive departments, boards, officers and commissions of the State expending or applying for State's moneys, as have been designated by the Governor for this purpose, shall have the right, and when requested by either House of the General Assembly, it shall be their duty to appear and be heard with respect to any Budget Bill during the consideration thereof, and to answer inquiries relative thereto.

(8) Supplementary Appropriation Bill. Either House may consider other appropriations but both Houses shall not finally act upon such appropriations until after the Budget Bill has been finally acted upon by both Houses, and no such other appropriation shall be valid except in accordance with the provisions following: (a) Every such appropriation shall be embodied in a separate bill limited to some single work, object or purpose therein stated and called herein a Supplementary Appropriation Bill; (b) Each Supplementary Appropriation Bill shall provide the revenue necessary to pay the appropriation thereby made by a tax, direct or indirect, to be levied and collected as shall be directed in said bill; (c) No Supplementary Appropriation Bill shall become a law unless it be passed in each House by a vote of a majority of the whole number of the members elected, and the yeas and nays recorded on its final passage; (d) Each Supplementary Appropriation Bill shall be presented to the Governor of the State as provided in Section 17 of Article 2 of the Constitution and thereafter all the provisions of said section shall apply.

(9) Nothing in this section shall be construed as preventing the General Assembly from passing at any time, in accordance with the provisions of Section 28 of Article 3 of the Constitution and subject to the Governor's power of approval as provided in Section 17 of Article 2 of the Constitution, an appropriation bill to provide for the payment of any obligation of the State within the protection of Section 10 of Article 1 of the Constitution of the United States.

(10) If the Budget Bill shall not have been finally acted upon by the Legislature seven days before the expiration of the regular session, the Governor shall issue a proclamation extending the session for some further period as may, in his judgment, be necessary for the passage of such bill; but no matter other than such bill shall be considered during such extended session except a provision for the cost thereof.

(11) For the purpose of making up the Budget, the Governor shall require from the proper State officials (including all executive departments, all executive and administrative offices, bureaus, boards, commissions and agencies that expend or supervise the expenditure of, and all institutions applying, for State moneys and appropriations) such itemized estimates and other information, in such form and at such times as directed by the Governor. An estimate for a program required to be funded by a law which will be in effect during the fiscal year covered by the Budget and which was enacted before July 1 of the fiscal year prior to that date shall provide a level of funding not less than that prescribed in the law. The estimates for the Legislative Department, certified by the presiding officer of each House, of the Judiciary, as provided by law, certified by the Chief Judge of the Court of Appeals, and for the public schools, as provided by law, shall be transmitted to the Governor, in such form and at such times as directed by the Governor, and shall be included in the Budget without revision.

(12) The Governor may provide for public hearings on all estimates and may require the attendance at such hearings of representatives of all agencies, and for all institutions applying for State moneys. After such public hearings he may, in his discretion, revise all estimates except those for the legislative and judiciary departments, and for the public schools, as provided by law, and except that he may not reduce an estimate for a program below a level of funding prescribed by a law which will be in effect during the fiscal year covered by the Budget, and which was enacted before July 1 of the fiscal year prior thereto.

(13) The General Assembly may, from time to time, enact such laws not inconsistent with this section, as may be necessary and proper to carry out its provisions.

(14) In the event of any inconsistency between any of the provisions of this Section and any of the other provisions of the Constitution, the provisions of this Section shall prevail. But nothing herein shall in any manner affect the provisions of Section 34 of Article 3 of the Constitution or of any laws heretofore or hereafter passed in pursuance thereof, or be construed as preventing the Governor from calling extraordinary sessions of the General Assembly, as provided by Section 16 of Article 2, or as preventing the General Assembly at such ertraordinary [extraordinary] sessions from considering any emergency appropriation or appropriations.

(15) If any item of any appropriation bill passed under the provisions of this Section shall be held invalid upon any ground, such invalidity shall not affect the legality of the bill or of any other item of such bill or bills.

SECTION 2. AND BE IT FURTHER ENACTED, That the General Assembly determines that the amendment to the Maryland Constitution proposed by Section 1 of this Act affects multiple jurisdictions and that the provisions of Article XIV, § 1 of the Maryland Constitution concerning local approval of constitutional amendments do not apply.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The amendment to the Maryland Constitution proposed by Section 1 of this Act shall be submitted to the qualified voters of the State at the next general election to be held in November 2020 for adoption or rejection pursuant to Article XIV of the Maryland Constitution.

(b) (1) At that general election, the vote on the proposed amendment to the Constitution shall be by ballot, and on each ballot there shall be printed the words "For the Constitutional Amendment" and "Against the Constitutional Amendment", as now provided by law.

(2) At that general election, a question substantially similar to the following shall be submitted to the qualified voters of the State:

 $``Question \_\_\_ - Constitutional Amendment$ 

Authorizing the General Assembly to increase, diminish, or add items in the annual budget bill in order to enact a balanced State operating budget for <del>each</del> fiscal year <u>2024 and each</u> fiscal year <u>thereafter</u>.

Authorizing the General Assembly, in enacting a balanced budget bill <u>for</u> <del>each</del> fiscal year <u>2024 and each fiscal year thereafter</u>, to increase, diminish, or add items, provided that the General Assembly may not exceed the total proposed appropriation as submitted by the Governor.".

(c) Immediately after the election, all returns shall be made to the Governor of the vote for and against the proposed amendment, as directed by Article XIV of the Maryland Constitution, and further proceedings had in accordance with Article XIV.

Assigned a chapter number, enactment subject to constitutional referendum, May 8, 2020.