

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1405
Appropriations

(Delegates Barve and Stein)

State Budget - Transportation

This proposed constitutional amendment, if approved by the Maryland voters at the November 2020 election, modifies the State budget process by allowing the General Assembly to increase appropriation items (and presumably add items) relating to the construction and maintenance of an adequate highway system in the State or any other purpose related to transportation. The Governor can veto any increase or item added by the General Assembly related to transportation. 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. If approved by the Maryland voters at the November 2020 election, the changes to the constitution take effect January 1, 2023.

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 beginning in FY 2023. 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 Governor's budget for Executive Branch agencies. The General Assembly can

decrease an appropriation for any branch of State government and increase appropriations relating only 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.

Consolidated Transportation Program

The *Consolidated Transportation Program* (CTP) is the Maryland Department of Transportation's (MDOTs) six-year budget for the construction, development, and evaluation of transportation capital projects; the CTP must be revised annually to reflect updated information and changing priorities. It contains a list of current and anticipated major and minor capital projects for the upcoming fiscal year and for the next five fiscal years, including (1) an expanded description of major capital projects; (2) a detailed breakdown of the costs of a project with project expenditures to date, expected expenditures for the current fiscal year, projected annual expenditures for the next five years, and total project costs; and (3) MDOT's estimates of the source (*i.e.*, federal funds, special funds, *etc.*) and amount of revenues required to fund the project.

For a major capital project to be considered for inclusion in the CTP, a request must be submitted to the Secretary of Transportation by the proposing entity along with a purpose and need summary statement justifying the project and including specified information. MDOT must then evaluate the requests based on the State's goals, the availability of funding, and other criteria. In its evaluation, MDOT must acknowledge the difference between urban and rural transportation needs.

Background: Most state legislatures have the authority to increase or add an appropriation to the governor's budget.

State Expenditures: The proposed modifications to the State's budget process are not anticipated to increase State 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 beginning in fiscal 2023. 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: None.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Maryland Department of Transportation; Department of Legislative Services

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an/mcr

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