

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 1028

(Senator Rosapepe, *et al.*)

Budget and Taxation

Appropriations

Balancing the State Budget

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 appropriations made by the Governor and add items to appropriations for Executive Branch agencies, beginning with the fiscal 2024 budget bill. The total appropriation for the Executive Branch approved by the General Assembly cannot exceed the total proposed appropriation for the Executive Branch submitted by the Governor. As under current law, the budget becomes law immediately upon passage by both houses, without further action by the Governor. (See Additional Comments below.) The proposed amendment also explicitly authorizes the General Assembly to add items to appropriations for the General Assembly and the Judiciary, beginning with the fiscal 2024 budget bill. The constitutional amendment question to be asked at the general election is specified.

Fiscal Summary

State Effect: The proposed 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.

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 – beginning with the consideration of the budget for fiscal 2024 (which occurs in fiscal 2023). To the extent the Governor exercises the veto power, extraordinary sessions of the General Assembly may be convened, presumably beginning in fiscal 2023 (See Additional Comments below). 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 Comments: For the fiscal 2022 and 2023 budgets, the proposed amendment maintains current law prohibiting the General Assembly from adding or increasing items for Executive Branch agencies, but it requires the budget bill to be presented to the Governor for approval or disapproval, which is not currently required (the budget becomes law immediately upon passage by both houses under current law).

The proposed amendment further authorizes the Governor to veto items added or increased by the General Assembly for Executive Branch agencies. Since the proposed amendment does not authorize the General Assembly to add or increase any such items until the fiscal 2024 budget, the Governor could not exercise line-item veto authority on items in the operating budget for fiscal 2022 and 2023.

For the fiscal 2024 budget and each budget thereafter, the proposed amendment retains the provision that the budget becomes law immediately upon passage by both houses. Nevertheless, under the proposed amendment, Office of Counsel to the General Assembly advises that line-items can still be vetoed.

Additional Information

Prior Introductions: A similar bill, SB 990 of 2019, was referred to the Senate Rules Committee, and a similar bill, SB 820 of 2018, received a hearing in the Senate Budget and Taxation Committee, but no further action was taken on either bill. A similar bill, HB 1108 of 2019, received a hearing in the House Appropriations Committee, but no further action was taken. In addition, similar bills were introduced in the 2010 through 2012 sessions and in the 2015 through 2017 sessions.

Designated Cross File: None.

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

Fiscal Note History: First Reader - March 2, 2020
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