

**BUDGETS**

**Table 7.34**  
**STATE BALANCED BUDGETS: CONSTITUTIONAL AND STATUTORY PROVISIONS,**  
**GUBERNATORIAL AND LEGISLATIVE AUTHORITY**

State or other jurisdiction	Constitutional and Statutory Provisions			Gubernatorial Authority			Legislative Authority	
	Governor must submit a balanced budget	Legislature must pass a balanced budget	Governor must sign a balanced budget	Governor has line item veto	Can reduce budget without legislative approval	Restrictions on budget reductions	Votes required to pass revenue increase	Votes required to pass budget
Alabama	C,S	S	...	★ (a)	★	ATB	Majority	Majority
Alaska	S	S	S	★	...	...	Majority	Majority (c)
Arizona	C,S	C,S	C,S	★	...	...	2/3 elected	Majority
Arkansas	S	S	S	★	(d)	ATB	3/4 elected (b)	3/4 elected (kk)
California	C	...	S	★	...	...	2/3 elected	2/3 elected (ll)
Colorado	C	C	C	★	★	...	Majority (e)	Majority elected
Connecticut	S	C,S	C	★	★	MR	Majority	Majority (f)
Delaware	C,S	C,S	C,S	★	...	★	3/5 elected	Majority
Florida	C,S	C,S	C,S	★	(g)	MR	2/3 elected	Majority
Georgia	C	C	C	★	★	★ (h)	Majority	Majority
Hawaii	C,S	...	C,S	★ (ss)	partial (i)	...	Majority (j)	Majority elected (mm)
Idaho	...	C (k)	...	★	(l)	★ (l)	Majority	Majority
Illinois	C,S	C	S	★ (m)	★	...	Majority	Majority elected (n)
Indiana	...	...	...	...	★	...	Majority	Majority
Iowa	C,S	S	...	★	★	ATB	Majority	Majority
Kansas	S	C,S	...	★	...	ATB	Majority	Majority
Kentucky	C,S	C,S	C,S	★	...	★	2/5 elected	Majority elected
Louisiana	C,S	C,S	C,S	★	★	MR	2/3 elected	Majority
Maine	C,S	C	C,S	★	★	ATB	Majority	Majority (nn)
Maryland	C	C	C (o)	★ (tt)	★ (p)	★ (q)	Majority	Majority elected
Massachusetts	C,S	C,S	C,S	★	★	...	Majority	Majority (r)
Michigan	C,S	C	C,S	★	...	(s)	Majority (uu)	Majority
Minnesota	C,S (ww)	C,S (ww)	C,S (ww)	★	★	...	Majority	Majority elected
Mississippi	S	S	...	★	★	ATB (xx)	3/5 elected	Majority elected (oo)
Missouri	C	...	C	★	★	...	Majority (vv)	Majority elected
Montana	S	C	...	★	★	MR (t)	Majority	Majority
Nebraska	C	S	...	★	...	★	Majority	Majority elected (pp)
Nevada	S	C	C	...	★	MR	3/5 elected	Majority
New Hampshire	S	...	...	...	...	...	Majority	Majority
New Jersey	C	C	C	★	★	...	Majority	Majority
New Mexico	C	C	C	★	...	...	Majority	Majority
New York	C	...	(u)	★ (v)	★ (w)	(w)	Majority	Majority
North Carolina	C,S	S	...	...	★ (x)	(x)	Majority	Majority
North Dakota	C	C	C	★	★	ATB	Majority	Majority (qq)
Ohio	C	C	C	★ (y)	★	★	Majority	Majority
Oklahoma	S	C (z)	C (z)	★	★ (aa)	★	3/4 elected	Majority elected
Oregon	C	C	C	★	★	MR	2/3 elected	Majority
Pennsylvania	C,S	...	C,S	★	★ (bb)	★ (bb)	Majority elected	Majority electe
Rhode Island	C	C	S	...	★	★	Majority	2/3 elected
South Carolina	C	C	C	★	★ (cc)	★	Majority	Majority
South Dakota	C	C	C	★	...	★	2/3 elected	Majority elected (rr)
Tennessee	C	C	C	★	...	...	Majority	Majority
Texas	...	C,S	C	★	★	★ (yy)	Majority	Majority
Utah	C	C,S	(dd)	★	★	...	Majority	Majority elected
Vermont	...	...	...	...	★ (ee)	★ (ee)	Majority	Majority
Virginia	(ff)	...	C (ff)	★ (gg)	★ (jj)	MR	Majority (hh)	Majority elected
Washington	S	...	...	★	★	ATB	Majority	Majority
West Virginia	...	C	C	★	★ (ii)	★ (ii)	Majority	Majority elected
Wisconsin	C	C	C,S	★	★ (jj)	...	Majority	Majority
Wyoming	C	C	...	★	★	...	Majority	Majority
Puerto Rico	C	C	C	★	★	...	Majority	Majority

Source: National Association of State Budget Officers, *Budget Processes in the States*, 2002. For additional information see <http://www.nasbo.org>.

Key:

C — Constitutional

S — Statutory

ATB — Across the board

MR — Maximum reduction dictated

★ — Yes

... — No

(a) The governor may return a bill without limit for recommended amendments for amount and language, as long as the legislature is still in session.

(b) The constitution provides that an increase in the rate of any tax in existence in 1934 requires a 3/4 majority vote. This includes income tax, severance tax and certain excise and privilege taxes. The most significant tax not in existence in 1934 is the sales tax that requires a simple majority.

(c) A simple majority is required to pass the budget. In Alaska, a simple majority is required for most annual appropriations, but if expenditures are expected to exceed the appropriation level in the prior year's budget and a withdrawal from the budget reserve fund is needed to make up the difference, a three-fourths vote is required. Since the provision became effective in 1991, the supermajority has been necessary for few appropriation items in each budget.

## STATE BALANCED BUDGETS: CONSTITUTIONAL AND STATUTORY PROVISIONS, GUBERNATORIAL AND LEGISLATIVE AUTHORITY — Continued

- (d) The governor and chief fiscal officer of the state have the authority to reduce general revenue funding to agencies should shortfalls occur in revenue collections.
- (e) All tax increases must be approved by a vote of the people.
- (f) Appropriations require a simple majority of members elected, unless the general fund expenditure ceiling is exceeded. In that case, the Legislature must obtain a three-fifths majority.
- (g) The Legislative Budget Commission for the executive branch and the Chief Justice of the Supreme Court for the judicial branch are authorized to resolve deficits under 1.5 percent of the fiscal year appropriation. Deficits over the 1.5 percent amount shall be resolved by the legislature.
- (h) The governor, during the first six months of a fiscal year in which the current revenue estimate on which appropriations are based is expected to exceed actual revenues, is authorized to require state agencies to reserve such appropriations as specified by the governor for budget reductions to be recommended to the general assembly at its next regular session.
- (i) The governor's authority to reduce, expand and reorganize budgets can be done only pursuant to existing statutes.
- (j) If general fund expenditure ceiling is exceeded, two-thirds vote required; otherwise majority of elected members.
- (k) The governor is not required to submit a balanced budget, but it would be political suicide not to do so. The constitution requires that the legislature pass a balanced budget. The governor, as the chief budget officer of the state, has always insured that expenditures do not exceed revenues.
- (l) The governor's authority to reduce budgets is temporary. The State Board of Examiners (Governor, Attorney General and Secretary of State) has permanent appropriation reduction authority.
- (m) The governor can veto appropriation items entirely (Item Veto) or merely reduce an item of appropriation to a lesser amount (Reduction Veto). If the governor reduces an item of appropriation, the remaining items in the bill are not affected and can become law immediately. The governor can also veto substantive or appropriation bills entirely (Veto) or merely make changes to them (Amendatory Veto). Changes can include removing selected words or changing the meaning of words. If the governor makes amendatory language changes to an appropriation bill, the entire bill including all other appropriation items are held up until the legislature considers the governor's changes. The Legislature can add explanatory or limiting language to appropriations without violating the constitutional distinction between substantive and appropriation bills. The governor has occasionally changed language in an appropriation bill without rising to the level of an amendatory veto. For instance, the governor once changed the fund from which the appropriation was being made.
- (n) A majority vote is required to pass the budget until June 1. After that date, the required vote increases to three-fifths majority.
- (o) The budget bill when and as passed by both houses, shall be a law immediately without further action by the governor.
- (p) With the approval of the Board of Public Works, the governor may reduce by not more than 25 percent any appropriation that the governor considers unnecessary.
- (q) The governor may not, however, reduce an appropriation to the legislative or judicial branches of government; for the payment of principal and interest on state debt; the funding for public schools (K-12); or the salary of a public officer during the term of office.
- (r) For capital budget, two-thirds votes required.
- (s) There are both statutory and constitutional restrictions on executive branch authority to make budget reductions, involving approval by both House and Senate appropriations committees.
- (t) Additional restrictions on budget reductions exclude principle and interest on state debt, legislative and judicial branches, school equalization aid and salaries of elected officials.
- (u) The governor is not technically required to sign a balanced budget, but the governor, legislative leaders and the comptroller must certify the budget is in balance in order to meet borrowing requirements.
- (v) Any appropriation added to the governor's budget by the legislature is subject to line item veto.
- (w) May reduce budget without approval for state operations. Only restriction on reductions is that reductions in aid to localities cannot be made without legislative approval.
- (x) Except for certain block grants. The governor is required to maintain a balanced budget for the fiscal period and has the authority through the Constitution and General Statutes to make reductions to insure there is no overdraft or deficit.
- (y) Line item veto in appropriation act only.
- (z) Legislature could pass and the governor could sign a budget where appropriations exceed cash and estimated revenues, but constitutional and statutory provisions reduce the appropriations so that the budget is balanced.
- (aa) Would require agreement of agency governing boards and or CEO.
- (bb) The governor may reduce budgets selectively; he must provide 10 days prior notice and the reasons for so doing before lapsing current year grant and subsidy money.
- (cc) The Budget and Control Board can authorize an across-the-board agency reduction when there is a revenue shortfall. When in session, the General Assembly has five statewide session days to take action to prevent the reduction.
- (dd) Governor may allow balanced budget to go into law without signature.
- (ee) Reductions based on revenue shortfalls of greater than one percent require legislative approval.
- (ff) Requirement applies only to budget execution. The governor is required to insure that actual expenditures do not exceed actual revenues by the end of the appropriation period.
- (gg) Governor may return bill without limit for recommended amendments for amount and language. For purposes of a veto, a line item is defined as an indivisible sum of money that may or may not coincide with the way in which items are displayed in an appropriation act.
- (hh) Two-thirds of members present includes a majority of the members elected.
- (ii) The governor can reduce expenditures but not appropriations. Public education has priority.
- (jj) Cannot reduce appropriations, but can withhold allotments.
- (kk) A majority vote is required for education, highways, and paying down the state debt; a three-fourths vote of the elected members is required on all others.
- (ll) A two-thirds majority is required for appropriations from the general fund, except for public school appropriations, which require a simple majority.
- (mm) If the general fund expenditure ceiling is exceeded, a two-thirds vote is required, otherwise, the majority of elected members is required.
- (nn) For emergency enactment, a two-thirds vote is required.
- (oo) A majority is required to pass the agency appropriations bill, unless a bill is considered a donation (e.g., a donation to the Mississippi Burn Center). In this case, Joint Rule 66 requires a two-thirds vote of the elected members.
- (pp) Main budget bills typically have the "e" (emergency) clause attached, thus requiring a two-thirds vote. The "e" clause is necessary for the budget to be operative by the beginning of the fiscal year.
- (qq) Emergency measures and measures that amend a statute that has been referred or enacted through an initiated measure within the last seven years must pass both houses by a two-thirds majority.
- (rr) A two-thirds majority is required for individual spending bills.
- (ss) Governor may veto judicial and legislative appropriation bills only in their entirety.
- (tt) The budget bill, when and as passed by both houses, shall be law immediately without further action by the governor. The legislature may not add to the budget bill as proposed by the governor, except in the legislative and judicial branches. The governor, however, may veto items included in supplementary appropriation bills.
- (uu) The Michigan Constitution limits the amounts and types of taxes that can be imposed. In general, tax increases must be approved by a majority vote of the people.
- (vv) Legislature can approve tax and fee increases during a legislative session of no more than one percent of total state revenue as proscribed by the state's constitutional revenue and spending limit - roughly \$70 million in fiscal 2002. Amounts above this level must be approved by the voters.
- (ww) The state constitution limits the used of public debt. The construction of this limit implicitly requires the state to have a balanced operating budget.
- (xx) Above five percent or more.
- (yy) May transfer, reduce and increase agency budgets through joint budget execution authority with legislative budget board.