

## Tax and Expenditure Limits (TEs) in Other States, 2008

(compiled by the National Conference of State Legislatures<sup>1</sup>).

State	Adopted	Constitution or statute	Type of limit	Main features of limit
AK	1982	Constitution	Spending	Cap on appropriations grows yearly by increase in population and inflation
AZ	1978	Constitution	Spending	Appropriations cannot be more than 7.41% of total state personal income
CA	1979	Constitution	Spending	Annual appropriations growth linked to population growth and per capita personal income growth.
CO	1991	Statute	Spending	General fund appropriations limited to the lesser of either a) 5% of total state personal income or b) 6% over the previous year's appropriation.
CO	1992	Constitution	Revenue & Spending	Most revenues limited to population growth plus inflation. Changes to spending limits or tax increases must receive voter approval
CO	2005	Referendum	Revenue & Spending	Revenue limit suspended by voters until 2011, when new base will be established.
CT	1991	Statute	Spending	Spending limited to average of growth in personal income for previous five years or previous year's increase in inflation, whichever is greater.
CT	1992	Constitution	Spending	Voters approved a limit similar to the statutory one in 1992, but it has not received the three-fifths vote in the legislature needed to take full effect.
State	Adopted	Constitution or statute	Type of limit	Main features of limit
DE	1978	Constitution	Appropriations to Revenue Estimate	Appropriations limited to 98% of revenue estimate.
FL	1994	Constitution	Revenue	Revenue limited to the average growth rate in state personal income for previous five years
HI	1978	Constitution	Spending	General fund spending must be less

<sup>1</sup> <http://www.ncsl.org/default.aspx?tabid=12633>, vie, 2009wed, December 4

				than the average growth in personal income in previous three years.
ID	1980	Statute	Spending	General fund appropriations cannot exceed 5.33% of total state personal income, as estimated by the State Tax Commission. One-time expenditures are exempt.
IN	2002	Statute	Spending	State spending cap per fiscal year with growth set according to formula for each biennial period.
IA	1992	Statute	Appropriations	Appropriations limited to 99% of the adjusted revenue estimate.
LA	1993	Constitution	Spending	Expenditures limited to 1992 appropriations plus annual growth in state per capita personal income.
ME	2005	Statute	Spending	Expenditure growth limited to a 10-year average of personal income growth, or maximum of 2.75%. Formulas are based on state's tax burden ranking.
MA	1986	Statute	Revenue	Revenue cannot exceed the three-year average growth in state wages and salaries. The limit was amended in 2002 adding definitions for a limit that would be tied to inflation in government purchasing plus 2 percent.
MI	1978	Constitution	Revenue	Revenue limited to 1% over 9.49% of the previous year's state personal income.
MS	1982	Statute	Appropriations	Appropriations limited to 98% of projected revenue. The statutory limit can be amended by majority vote of the legislature.
MO	1980	Constitution	Revenue	Revenue limited to 5.64% of previous year's total state personal income.
<b>State</b>	<b>Adopted</b>	<b>Constitution or statute</b>	<b>Type of limit</b>	<b>Main features of limit</b>
MO	1996	Constitution	Revenue	Voter approval required for tax hikers over approximately \$77 million or 1% of state revenues, whichever is less.
MT	1981	Statute	Spending	Spending is limited to a growth index based on state personal income. In 2005 the Attorney General invalidated the statute, and it is not in

				force at this time.
NV	1979	Statute	Spending	Proposed expenditures are limited to the biennial percentage growth in state population and inflation.
NJ	1990	Spending	Spending	Expenditures are limited to the growth in state personal income.
NC	1991	Statute	Spending	Spending is limited to 7% or less of total state personal income.
OH	2006	Statute	Spending	Appropriations limited to greater of either 3.5% or population plus inflation growth. To override need 2/3 supermajority or gubernatorial emergency declaration.
OK	1985	Constitution	Spending	Expenditures are limited to 12% annual growth adjusted for inflation.
OK	1985	Constitution	Appropriations	Appropriations are limited to 95% of certified revenue.
OR	2000	Constitution	Revenue	Any general fund revenue in excess of 2% of the revenue estimate must be refunded to taxpayers.
OR	2001	Statute	Spending	Appropriations growth limited to 8% of projected personal income for biennium.
RI	1992	Constitution	Appropriations	Appropriations limited to 98% of projected revenue (becomes 97% on July 1, 2012).
SC	1980 1984	Constitution	Spending	Spending growth is limited by either the average growth in personal income of 9.5% of total state personal income for the previous year, whichever is greater. The number of state employees is limited to a ratio of state population.
TN	1978	Constitution	Spending	Appropriations limited to the growth in state personal income.
TX	1978	Constitution	Spending	Biennial appropriations limited to the growth in state personal income.
<b>State</b>	<b>Adopted</b>	<b>Constitution or statute</b>	<b>Type of limit</b>	<b>Main features of limit</b>
UT	1989	Statute	Spending	Spending growth is limited by formula that includes growth in population, and inflation.
WA	1993	Statute	Spending	Spending limited to average or inflations for previous three years plus population growth.
WI	2001	Statute	Spending	Spending limit on qualified

				appropriations (some exclusions) limited to personal income growth rate.
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The provisions of S.1 and S.2 compared to the above are:

Constitution or statute: Constitution

Type of limit: Appropriations

Main features of limit:

- appropriation cannot exceed previous year's appropriation plus the average of the previous ten years' annual revenue growth rates,
- eliminate previous expenditure limitation shown in table above,
- creates a budget stabilization fund (BSF) comprised of revenues exceeding the appropriations limit;
- BSF is limited to a maximum value of 15% of the previous year's actual general fund collections;
- "surplus" general fund revenues may be appropriated by the General Assembly

<sup>1</sup> <http://www.ncsl.org/default.aspx?tabid=12633>, viewed, December 4, 2009.