

House Resolution 1065

By: Representatives Rogers of the 15th, Sheldon of the 71st, Post 2, Lewis of the 12th, Graves of the 10th, Brock of the 5th, and others

A RESOLUTION

1 Proposing an amendment to the Constitution so as to provide new limits on state government
2 taxing and spending powers; to provide for related matters; to provide for submission of this
3 amendment for ratification or rejection; and for other purposes.

4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

5 SECTION 1.

6 Article III, Section IX of the Constitution is amended by striking Paragraph IV and inserting
7 in lieu thereof the following:

8 "Paragraph IV. **General appropriations Act.**

9 (a) Each general appropriations Act, now of force or hereafter adopted with such
10 amendments as are adopted from time to time, shall continue in force and effect for the
11 next fiscal year after adoption and it shall then expire, except for the mandatory
12 appropriations required by this Constitution and those required to meet contractual
13 obligations authorized by this Constitution and the continued appropriation of federal
14 grants.

15 (b) The General Assembly shall not appropriate funds for any given fiscal year which,
16 in aggregate, exceed ~~a sum equal to the amount of unappropriated surplus expected to have~~
17 ~~accrued in the state treasury at the beginning of the fiscal year together with an amount not~~
18 ~~greater than~~ the total treasury receipts from existing revenue sources anticipated to be
19 collected in the fiscal year, less refunds, as estimated in the budget report and amendments
20 thereto, except as otherwise provided by this Paragraph. Supplementary appropriations, if
21 any, shall be made in the manner provided in Paragraph V of this section of the
22 Constitution and subject to the provisions of subparagraph (c.1) of this Paragraph; but in
23 no event shall a supplementary appropriations Act continue in force and effect beyond the
24 expiration of the general appropriations Act in effect when such supplementary
25 appropriations Act was adopted and approved.

1 (c) All appropriated state funds, except for the mandatory appropriations required by this
2 Constitution, remaining unexpended and not contractually obligated at the expiration of
3 such general appropriations Act shall lapse.

4 (c.1)(1) For the purposes of this subparagraph:

5 (A) 'Personal income' means the total income received by residents of the state from
6 all sources, including transfer payments as defined and officially reported by the United
7 States Department of Commerce or other federal agency for a 12 month period of time.

8 (B) 'Cost of living' means the Consumer Price Index, all items, for the United States
9 of America, or any comparable index, as computed by the Bureau of Labor Statistics
10 or the Department of Commerce of the United States for a 12 month period of time.

11 (C) 'Population' means the number of people residing in the state, excluding armed
12 forces stationed overseas, as determined by the United States Bureau of the Census.

13 (D) 'Expenditures' means the total amount of moneys appropriated by the state
14 except:

15 (i) Appropriations funded by moneys received from the federal government;

16 (ii) Principal and interest on bonded indebtedness;

17 (iii) Appropriations funded by unemployment and disability insurance funds;

18 (iv) Appropriations funded by discretionary user charges to the extent that such
19 charges do not exceed the cost of the goods or services and its purchase by the user
20 is discretionary;

21 (v) Appropriations funded from permanent endowment, trust funds, or pension
22 funds;

23 (vi) Proceeds of gifts or bequests made for purposes specified by the donor; or

24 (vii) Moneys appropriated for tax relief;

25 (E) 'Fiscal year' means the accounting period consisting of 12 consecutive months
26 from July 1 to June 30.

27 (F) 'Per capita expenditures' mean the quotient derived from dividing expenditures
28 of the state for a fiscal year by its population on the first day of that fiscal year.

29 (G) 'Emergency' means an extraordinary event or occurrence that could not have been
30 reasonably foreseen or prevented and that requires immediate expenditure to preserve
31 the health, safety, and general welfare of the people.

32 (2)(A) A limit on the total amount of expenditures by the state in each fiscal year is
33 established.

34 (B) The annual state expenditures shall not exceed the total expenditures for the prior
35 fiscal year, except for annual percentage changes in the cost of living and population.
36 The General Assembly shall by law provide a method for determining the percentage
37 change in the cost of living and population, but in no case shall such percentage change

1 in expenditures exceed the average percentage change in the state's per capita personal
2 income over the prior three fiscal years.

3 (3) Any excess of state revenues over expenditures at the end of a fiscal year shall be
4 transferred to a Budget Reserve Fund. The Budget Reserve Fund shall not exceed such
5 percentage of the total expenditures of the current fiscal year as determined by the
6 General Assembly. Appropriation from the Budget Reserve Fund may be made only
7 upon the total depletion of all other available funds in the event of such state emergencies
8 as natural disasters, budget shortfalls, and other unforeseen circumstances.
9 Appropriations from the fund can only occur upon a two-thirds' vote of all elected
10 members to each house of the General Assembly concurring therein. Income earned on
11 the Budget Reserve Fund shall accrue to the fund.

12 (4) For any fiscal year, the excess of revenues over expenditures, except as provided
13 in subparagraph (3) of this subparagraph, shall be refunded pro rata on the annual income
14 tax returns. The General Assembly shall reduce state tax rates for the next tax year to
15 reflect the excess of revenues over expenditures except as provided by subparagraph (3)
16 of this subparagraph.

17 (5) The limitation imposed by subparagraph (2) of this subparagraph may be exceeded
18 upon the exhaustion of the fund established in accordance with subparagraph (3) of this
19 subparagraph and upon the declaration of an emergency by the Governor and upon a
20 two-thirds' vote of all members elected to each house of the General Assembly
21 concurring therein. The General Assembly, by law, shall set forth the amount of the cost
22 of the emergency and the method by which it shall be defrayed. The limitation may be
23 exceeded only for the year in which the emergency is declared. In no event shall such
24 emergency expenditures, as expressed in subparagraph (3) of this subparagraph, be
25 included in the computation of the limitation imposed by subparagraph (1) of this
26 subparagraph for any other year.

27 (6) The state shall not impose upon any local unit of government any part of the total
28 costs of new programs or services, or increases in existing programs or services, unless
29 a specific appropriation is made sufficient to pay the local unit of government for that
30 purpose. The proportion of state revenue paid to all local units of government, taken as
31 a group, shall not be reduced below that proportion in effect as of January 1, 2005.
32 Where costs are transferred from one unit of government to another unit of government,
33 either by law or court order, the limitation imposed by subparagraph (2) of this
34 subparagraph shall be adjusted and transferred accordingly so that total costs are not
35 increased as a result of such transfer.

36 (7) If any expenditure category or revenue source shall, by a court of competent
37 jurisdiction in a final order, be adjudged exempt from this subparagraph, the process of

1 computing the expenditure limitation shall be adjusted accordingly and remaining
 2 provisions shall be in full force and effect.

3 (8) The General Assembly shall enact legislation that may be necessary to implement
 4 and enforce the provisions of this subparagraph.

5 (d) Funds appropriated to or received by the State Housing Trust Fund for the Homeless
 6 shall not be subject to the provisions of Article III, Section IX, Paragraph IV(c), relative
 7 to the lapsing of funds, and may be expended for programs of purely public charity for the
 8 homeless, including programs involving the participation of churches and religious
 9 institutions, notwithstanding the provisions of Article I, Section II, Paragraph VII."

10 **SECTION 2.**

11 The above proposed amendment to the Constitution shall be published and submitted as
 12 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
 13 above proposed amendment shall have written or printed thereon the following:

14 "() YES Shall the Constitution be amended so as to provide new limits on state
 15 () NO government taxing and spending powers?"

16 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

17 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
 18 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
 19 become a part of the Constitution of this state.