



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 646** HLS 26RS 1208
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 6, 2026	12:30 PM	Author: BEAULLIEU
Dept./Agy.: Statewide		
Subject: Government Growth Limit		Analyst: Noah O'Dell

APPROPRIATIONS OR SEE FISC NOTE GF EX Page 1 of 1
 (Constitutional Amendment) Limits the amount of state general fund that may be appropriated in a fiscal year

Current Constitution requires the Division of Administration to provide for the determination of an Expenditure Limit, prohibits appropriations from the state general fund and dedicated funds from exceeding the official forecast at the time the appropriations are made, establishes timing and content requirements for the governor's annual proposed budget, and prohibits the proposed budget from exceeding the lesser of the official forecast or the Expenditure Limit for the fiscal year being appropriated.

Proposed Constitutional Amendment establishes, for FY 28 and each year thereafter, a Government Growth Limit, provides that the legislature shall establish procedures by law for the calculation, provides for changes to the limit, sets the limit in FY 28, and provides for exclusions from the limit.

To be submitted to the electors at the statewide election to be held on November 3, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

Proposed Constitutional Amendment would serve to restrict the legislature's ability and flexibility to appropriate the entirety of state revenues available for expenditure. Beginning in FY 28, the Revenue Estimating Conference (REC) would establish the Government Growth Limit no later than the first quarter of the calendar year for the next fiscal year based on the calculation submitted by the Commissioner of Administration. Appropriations from State General Fund (Direct) above this limit can only be made (up to the Expenditure Limit or official revenue forecast) for certain nonrecurring purposes.

The calculation procedure for the Government Growth Limit shall be established in law by the legislature.

If the amount of recurring revenue available for appropriation exceeds the Government Growth Limit but remains under the Expenditure Limit, those revenues may only be appropriated for nonrecurring expenditures. These are defined in the measure as expenses which are not of a continuing or recurring character and are not expected to be necessary for approximately the same amounts each year during the normal course of administration. **Note: the expenditures defined as nonrecurring in this measure are not the same as the six restricted uses for revenues recognized as nonrecurring by the REC found in the current Constitution under Article VII Section 10 (D)(2).**

Proposed Constitutional Amendment provides that the Government Growth Limit may be changed by a favorable vote of two-thirds of the elected members of each house through a specific legislative instrument. However, the Government Growth Limit may only be changed in years in which the growth factor in any of the three immediately preceding fiscal years was less than two and one-half percent.

Note: The Secretary of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Secretary of State may require additional SGF resources in FY 27 for the November 3, 2026, statewide election.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. State General Fund (Direct) forecasted above the Government Growth Limit and below the Expenditure Limit may only be appropriated for nonrecurring expenses. The measure defines "nonrecurring expenses" as one that is not of a continuing or recurring character and is not expected to be necessary in approximately the same amounts each year during the normal course of administration.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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 Legislative Fiscal Officer