

# **The Experiences of Other States – A Comparison of Spending Limits**

**Source: National Conference of State Legislatures**

**<http://www.ncsl.org/programs/fiscal/tels2005.htm>**

**State Tax and Expenditure Limits 2005**

<b>State</b>	<b>Year Adopted</b>	<b>Constitution or Statute</b>	<b>Type of Limit</b>	<b>Main Features of the Limit</b>
<b>Alaska</b>	<b>1982</b>	<b>Constitution</b>	<b>Spending</b>	<b>A cap on appropriations grows yearly by the increase in population and inflation.</b>
<b>Arizona</b>	<b>1978</b>	<b>Constitution</b>	<b>Spending</b>	<b>Appropriations cannot be more than 7.41% of total state personal income.</b>
<b>California</b>	<b>1979</b>	<b>Constitution</b>	<b>Spending</b>	<b>Annual appropriations growth linked to population growth and per capita personal income growth.</b>
<b>Colorado</b>	<b>1991</b>	<b>Statute</b>	<b>Spending</b>	<b>General fund appropriations limited to the lesser of a) 5% of total state personal income or b) 6% over the previous year's appropriation.</b>
	<b>1992</b>	<b>Constitution</b>	<b>Revenue &amp; Spending</b>	<b>Most revenues limited to population growth plus inflation. Changes to spending limits or tax increases must receive voter approval.</b>
<b>Connecticut</b>	<b>1991</b>	<b>Statute</b>	<b>Spending</b>	<b>Spending limited to average of growth in personal income for previous five years or previous year's increase in inflation, whichever is greater.</b>

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	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 effect.
Delaware	1978	Constitution	Appropriations to Revenue Estimate	Appropriations limited to 98% of revenue estimate.
Florida	1994	Constitution	Revenue	Revenue limited to the average growth rate in state personal income for previous five years.
Hawaii	1978	Constitution	Spending	General fund spending must be less than the average growth in personal income in previous three years.
Idaho	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.
Indiana	2002	Statute	Spending	State spending cap per fiscal year with growth set according to formula for each biennial period.

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<b>Iowa</b>	<b>1992</b>	<b>Statute</b>	<b>Appropriations</b>	<b>Appropriations limited to 99% of the adjusted revenue estimate.</b>
<b>Louisiana</b>	<b>1993</b>	<b>Constitution</b>	<b>Spending</b>	<b>Expenditures limited to 1992 appropriations plus annual growth in state per capita personal income.</b>
<b>Maine</b>	<b>2005</b>	<b>Statute</b>	<b>Spending</b>	<b>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.</b>
<b>Massachusetts</b>	<b>1986</b>	<b>Statute</b>	<b>Revenue</b>	<b>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.</b>
<b>Michigan</b>	<b>1978</b>	<b>Constitution</b>	<b>Revenue</b>	<b>Revenue limited to 1% over 9.49% of the previous year's state personal income.</b>
<b>Mississippi</b>	<b>1982</b>	<b>Statute</b>	<b>Appropriations</b>	<b>Appropriations limited to 98% of projected revenue. The statutory limit can be amended</b>

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				by majority vote of legislature.
<b>Missouri</b>	<b>1980</b>	<b>Constitution</b>	<b>Revenue</b>	<b>Revenue limited to 5.64% of previous year's total state personal income.</b>
<b>Missouri, continued</b>	<b>1996</b>	<b>Constitution</b>	<b>Revenue</b>	<b>Voter approval required for tax hikes over approximately \$77 million or 1% of state revenues, whichever is less.</b>
<b>Montana</b>	<b>1981</b>	<b>Statute</b>	<b>Spending</b>	<b>Spending is limited to a growth index based on state personal income.</b>
<b>Nevada</b>	<b>1979</b>	<b>Statute</b>	<b>Spending</b>	<b>Proposed expenditures are limited to the biennial percentage growth in state population and inflation.</b>
<b>New Jersey</b>	<b>1990</b>	<b>Statute</b>	<b>Spending</b>	<b>Expenditures are limited to the growth in state personal income.</b>
<b>North Carolina</b>	<b>1991</b>	<b>Statute</b>	<b>Spending</b>	<b>Spending is limited to 7% or less of total state personal income.</b>
<b>Oklahoma</b>	<b>1985</b>	<b>Constitution</b>	<b>Spending</b>	<b>Expenditures are limited to 12% annual growth adjusted for inflation.</b>

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	1985	Constitution	Appropriations	Appropriations are limited to 95% of certified revenue.
Oregon	2000	Constitution	Revenue	Any general fund revenue in excess of 2% of the revenue estimate must be refunded to taxpayers.
	2001	Statute	Spending	Appropriations growth limited to 8% of projected personal income for biennium.
Rhode Island	1992	Constitution	Appropriations	Appropriations limited to 98% of projected revenue.
South Carolina	1980 1984	Constitution	Spending	Spending growth is limited by either the average growth in personal income or 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.
Tennessee	1978	Constitution	Spending	Appropriations limited to the growth in state personal income.
Texas	1978	Constitution	Spending	Biennial appropriations limited to the growth in state personal income.

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<b>Utah</b>	<b>1989</b>	<b>Statute</b>	<b>Spending</b>	<b>Spending growth is limited by formula that includes growth in population, and inflation.</b>
<b>Washington</b>	<b>1993</b>	<b>Statute</b>	<b>Spending</b>	<b>Spending limited to average of inflation for previous three years plus population growth.</b>
<b>Wisconsin</b>	<b>2001</b>	<b>Statute</b>	<b>Spending</b>	<b>Spending limit on qualified appropriations (some exclusions) limited to personal income growth rate.</b>

**Source: National Conference of State Legislatures, 2005.**