Table 11: Tax and Expenditure Limitations (TELs)

State	State has TEL	TEL description	Year TEL enacted	Created by voter initiative	Legal source C	Legal source S	Votes required to override TEL	State required to appropriate less than revenue estimate**	Votes required to pass a tax or revenue increase
Alabama*								X	Majority elected
Alaska*	X	Appropriation limited to growth of population and inflation since 7/1/81	1982		X		Other		Majority elected
Arizona	X	Constitutional expenditure limit of 7.41 percent of state personal income; no tax limit	1990		X		Two-thirds elected		Two-thirds elected
Arkansas*									Three-fourths elected
California	X	The State Appropriations Limit (SAL) limits the growth in the level of certain appropriations from tax proceeds to the level of the prior year's SAL as adjusted for changes in growth factors.	1979	X	X		Vote of the people		Two-thirds elected (tax) / Majority elected (other revenue)
Colorado*	X	A. Most General and Cash Fund revenues are limited to an index of population plus inflation growth over amounts from FY 2007–08. B. Annual General Fund expenditures may not exceed five percent of Colorado personal income.	1992	X	X		Vote of the people		Vote of the people
Connecticut	X	By law, growth in appropriations is limited to the greater of the five year average increase in personal income, or the rate of inflation. Exceptions to the appropriations to be included in the growth calculation are enumerated in statute.	1992		X	X	Three-fifths elected	X	Majority elected
Delaware								X	Three-fifths elected
Florida	X	Defined in Article VII Section I(e) Florida Constitution.	1994	X	X		Two-thirds elected		Majority elected
Georgia									Majority elected
Hawaii	X	Appropriation limited to 3 year average of personal income growth.	1980		X	X	Majority elected		Two-thirds elected
Idaho	X	Ongoing appropriation limited to 5.33 percent of personal income	1980			X	Majority elected		Majority elected
Illinois*	X	General funds expenditures are limited, only from FY2012–FY2015, by a statutory cap which if exceeded would trigger a roll back of income tax rates in effect prior to Public Act 96-1496.	2011			X	Other		Majority elected
Indiana	X	A state spending cap exists in statute. Our spending is far less than what is calculated by this formula in statute.	2002			X	Majority elected		Majority elected
Iowa	X	The Governor's budget recommendation and the Legislature's enacted budget can only appropriate 99 percent of the adjusted revenues for that specific year.	1992			X	Majority elected	X	Majority elected
Kansas									Majority elected
Kentucky									Majority elected
Louisiana	X	Expenditure limit only. The limit is set at the appropriations for 1991–1992 fiscal year plus a positive growth factor every year derived from the U.S. Department of Commerce data.	1990		X		Two-thirds elected		Two-thirds elected
Maine*	X	See footnote	2005			X	Majority elected		Majority elected
Maryland*									Majority elected
Massachusetts*	X	Chapter 62F of the General Laws establishes a state tax revenue growth limit for each fiscal year equal to the average positive rate of growth in total wages and salaries in the Commonwealth, as reported by the federal government, during the three calendar years immediately preceding the end of such fiscal year.	1986	X		X	Majority elected		Majority elected

* See Notes to Table 11 on page 75.
** See state-specific descriptions of requirement to appropriate less than revenue estimate on page 74.
Codes: C=Constitutional S=Statutory

Table continued on next page.

Table 11: Tax and Expenditure Limitations (TELs) (continued)

State	State has TEL	TEL description	Year TEL enacted	Created by voter initiative	Legal source		Votes required to override TEL	State required to appropriate less than revenue estimate**	Votes required to pass a tax or revenue increase
					C	S			
Michigan*	X	Article IX sections 25–32 of the Michigan Constitution (the "Headlee" Amendment) limits state revenue, limits state spending, and defines the fiscal relationship between state and local governments.	1978	X	X		Two-thirds elected		Majority elected
Minnesota									Majority elected
Mississippi	X	Appropriations not to exceed 98 percent of projected revenue.	1992			X	Majority elected	X	Three-fifths elected
Missouri*	X	Missouri's revenue is limited to 5.64 percent of the prior year's personal income. Also, taxes may not be increased by the legislature more than one percent of total state revenue — about $110M in 2020.	1980/ 1996	X	X		Vote of the people		Majority elected
Montana									Majority elected
Nebraska								X	Majority elected
Nevada*	X	The Governor may not propose General Fund spending that exceeds the 1975–77 biennium's spending, adjusted for inflation and population growth.	1979			X	Majority elected		Two-thirds elected
New Hampshire									Majority elected
New Jersey	X	Appropriations for State operations limited to personal income growth.	1990			X	Majority elected		Majority elected
New Mexico									Majority elected
New York									Majority elected
North Carolina*	X	Appropriations are limited to 7 percent of the state's personal income. Income tax capped at 7% of income	1991 and 2018	X	X	X	Other		Majority elected
North Dakota									Majority elected
Ohio*	X	See footnotes about Ohio's State Appropriation Limitation (SAL)	2006			X	Two-thirds elected		Majority elected
Oklahoma	X	Tax limit = requires vote of the people to increase taxes. Expenditure limit is 12 percent plus inflation.	1992	X	X		Three-fourths elected	X	Three-fourths elected
Oregon	X	Appropriations limited to personal income growth.	2001			X	Three-fifths elected		Two-thirds elected
Pennsylvania									Majority elected
Rhode Island								X	Two-thirds elected
South Carolina	X	Appropriations limited to personal income growth	1985		X	X	Other	X	Majority elected
South Dakota									Two-thirds elected
Tennessee	X	Appropriations are limited to personal income growth.	1979		X		Majority elected		Majority elected
Texas*								X	Majority elected
Utah*									Majority elected
Vermont									Majority elected
Virginia*									Majority elected
Washington*	X	The state has had an expenditure limit since adopted by voters in 1993. It affects only General Fund — State spending.	1993	X		X	Two-thirds elected		Two-thirds elected
West Virginia									Majority elected
Wisconsin*									Two-thirds elected
Wyoming									Majority elected
Total	**26**			**9**	**13**	**15**		**10**	
District of Columbia									Majority elected

* See Notes to Table 11 on page 75.
** See state-specific descriptions of requirement to appropriate less than revenue estimate on page 74.
Codes: C=Constitutional S=Statutory

Table 11: Additional Details and Notes

Description of Requirement to Appropriate Less than the Official Revenue Estimate

Alabama	Act # 2011–003 (HB 57, commonly cited as the Education Trust Fund Rolling Reserve Act)
Connecticut	CGS Sec. 2–33c.
Delaware	No appropriation, supplemental appropriation or budget act shall cause the aggregate State General Fund appropriations enacted for any given fiscal year to exceed 98 percent of the estimated State General Fund revenue for such fiscal year from all sources, including estimated unencumbered funds remaining at the end of the previous fiscal year. Del Constitution, Article VIII, Section 6.
Iowa	Iowa Code 8.54 establishes the General Fund expenditure limitation for which the Governor's budget recommendation and the Legislature's enacted budget can only appropriate 99% of the adjusted revenues for that specific year.
Mississippi	§ 27–103–211 The total sum appropriated by the Legislature from the State General Fund for any fiscal year shall not exceed ninety-eight (98%) of the general fund revenue estimate for that fiscal year developed by the Department of Revenue and the University Research Center and adopted by the Joint Legislative Budget Committee. (Exceptions for years 2010, 2011, 2012, 2016, 2017 and 2018).
Nebraska	Must maintain a 3% minimum General Fund Reserve by the end of the biennium.
Oklahoma	Oklahoma Constitution Article 10 Section x–21. Amounts certified as available for appropriation from each fund, as hereinbefore provided, shall be ninety-five percent (95%) of an itemized estimate made by the State Board of Equalization, which shall include all sources of revenue to each fund for the next ensuing fiscal year; provided, however, appropriated federal funds shall be certified for the full amount of the estimate. Said estimate shall consider any increase or decline in revenues that would result from predictable changes in the economy.
Rhode Island	Rhode Island can spend 97 percent of revenues; the remaining 3 percent goes to the Rainy Day Fund.
South Carolina	2% of annual budget is set-aside in the Capital Reserve Fund (CRF). The CRF must first be used to address a year-end deficit. If none, the CRF can be appropriated in the next fiscal year for capital and nonrecurring purposes.
Texas	Appropriation must be at or less than revenue estimate.

Notes to Table 11

Alabama The Fiscal Year Appropriation Cap for the Education Trust Fund shall be equal to the sum of all of the following:

(1) The total of recurring revenues deposited into the Education Trust Fund in the last completed fiscal year preceding the date on which the Fiscal Year Appropriation Cap is calculated.

(2) An amount equal to the amount in subdivision multiplied by the average annual percent of change in the recurring revenues deposited into the Education Trust Fund for the fifteen completed fiscal years preceding the date on which the Fiscal Year Appropriation Cap is calculated.

(3) An amount equal to forty percent of the increase in recurring revenues deposited into the Education Trust Fund for the last completed fiscal year over the recurring revenues deposited into the Education Trust Fund for the fiscal year immediately preceding the last completed fiscal year. The amount provided in this subdivision shall be added only if the percentage in the recurring revenues deposited into the Education Trust Fund for the last completed fiscal year exceeds the fifteen year average growth rate calculated in subdivision (b) (2).

(4) If new recurring revenue measures are enacted that will be deposited into the Education Trust Fund, or if existing revenue sources are amended to increase the amount of money deposited into the Education Trust Fund, for the first time during the year for which the Fiscal Year Appropriation Cap is being calculated, then ninety–five percent (95%) of the amount projected in the enacted fiscal note accompanying the legislative act creating the new recurring revenue shall be added as a part of the Fiscal Year Appropriation Cap. If a recurring revenue source is removed from the Education Trust Fund during the year for which the Fiscal Year Appropriation Cap is being calculated, the negative impact, based on the enacted fiscal note, of the removal of the recurring revenue shall be included in the calculation of the Fiscal Year Appropriation Cap.

(5) Nonrecurring revenue shall be added as a part of the Fiscal Year Appropriation Cap for the fiscal year in which the nonrecurring revenue is deposited into the Education Trust Fund.

Alaska The legislature may exceed this TEL limit in bills for appropriations to the Alaska permanent fund and in bills for appropriations for capital projects, whether of bond proceeds or otherwise, if each bill is approved by the governor, or passed by affirmative vote of three-fourths of the membership of the legislature over a veto or line-item veto, or becomes law without signature and is also approved by voters as prescribed by law. Otherwise this would require an amendment to the constitution which consists of a two-thirds vote of each house of the legislature. The lieutenant Governor shall then prepare a ballot title and proposition summarizing each proposed amendment, and shall place them on the ballot for the next general election. If a majority of the votes cast on the proposition favor the amendment, it shall be adopted.

Arkansas Article 1, Section 38 of the Arkansas Constitution states that “none of the rates for property, excise, privilege or personal taxes, now levied shall be increased by the General Assembly except after the approval of the qualified electors voting thereon at an election, or in case of emergency, by the votes of three-fourths of the members elected to each House of the General Assembly”.

Colorado A tax policy change that results in a revenue increase cannot be done without a vote of the people.

Illinois A new law requires a majority from January–May, or a 3/5ths otherwise, to be effective immediately.

Maine For fiscal years that the state and local tax burden ranks in the highest 1/3 of all states, the growth limitation factor is average real personal income growth, but no more than 2.75%, plus average population growth. For fiscal years when the state and local tax burden ranks in the middle 1/3 of all states, as determined by the State Tax Assessor, the growth limitation factor is average real personal income growth plus forecasted inflation plus average population growth. Majority of the elected members that are present for the vote.

Maryland The General Assembly recommends a spending affordability limit to the Governor each year. Revenue volatility is accounted for within the revenue estimate through a Revenue Stabilization Account that receives a share of nonwithholding General Fund revenues above a cap that is based on the 10–year average of General Fund revenue.

Massachusetts For more background, see here: https://www.mass.gov/audit/determination-of-whether-net-state-tax-revenues-exceeded-allowable-state-tax-revenues-1 and https://www.mass.gov/info-details/chapter-555-legislative-history-fy19

Michigan Article IX, section 26 of the Michigan Constitution limits the total amount of taxes imposed by the Legislature in any fiscal year. This revenue limit may be increased in one of two ways: 1) voter-approved amendment to the state constitution; or, 2) gubernatorial request to the legislature to declare an emergency, its nature, dollar amount, and method of funding, and the legislature declares an emergency consistent with this information by a two-thirds vote in each house. The Michigan Constitution also limits total state spending equal to the state revenue limitation plus federal aid plus any surplus from a prior year.

Missouri Amounts above the revenue limit must be approved by a majority vote of the people. The revenue limit was enacted in 1980 and the tax limit in 1996. The revenue limit was created by voter initiative; the tax limit was placed on the ballot by the legislature.

Nevada A majority vote would be needed to change the TEL; no procedure named for an override. Limitation on proposed expenditures: http://leg.state.nv.us/NRS/NRS-353.html#NRS-353Sec213. Exceptions to the TEL are "construction and reducing any unfunded accrued liability of the State Retirees' Health and Welfare Benefits Fund ..."

North Carolina To exceed the Constitutional Cap, an amendment is required, but we are not at the cap.

Ohio Ohio's statutory State Appropriation Limitation (SAL) limits, with certain exceptions, general revenue fund appropriation increases to 3.5 percent of prior fiscal year spending and allows for adjustments based on the consumer price index (CPI) and population growth.

Texas Texas has four constitutional limits on spending: the "pay-as-you-go," or balanced budget, limit; the limit on the rate of growth of appropriations from certain state taxes; the limit on welfare spending; and the limit on debt service.

Utah We do not have a tax and expenditure limitation but we do have an appropriations limitation.

Virginia 2/3 of the members present includes a majority of the elected members.

Washington 11.1 The 2020 Legislature has passed a bill eliminating the Expenditure Limit requirement. It is expected that the Governor will sign this bill sometime in late March 2020.

Wisconsin The two-thirds vote required to pass a tax increase applies to the state sales tax and any rates of the income or franchise taxes.