

2020 -- H 8119

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LC005528  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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JOINT RESOLUTION

TO APPROVE AND PUBLISH AND SUBMIT TO THE ELECTORS A PROPOSITION OF  
AMENDMENT TO THE CONSTITUTION OF THE STATE (LIMITATIONS ON STATE  
SPENDING)

Introduced By: Representatives Mattiello, and Abney

Date Introduced: July 27, 2020

Referred To: House Finance

1           WHEREAS, The budget reserve account, also known as "the rainy day fund", was made  
2 part of the state constitution through voter referendum in 1992 to ensure adequate cash and  
3 budget reserves for unanticipated revenue shortfalls; and

4           WHEREAS, The constitution limits appropriations for any fiscal year to ninety-seven  
5 percent of estimated revenues and requires the three percent difference to be deposited into the  
6 budget reserve account until the account reaches five percent of said revenues; and

7           WHEREAS, Experience has demonstrated that the five percent cap results in insufficient  
8 funding of the reserve account; and

9           WHEREAS, The viability of the reserve account will be restored by limiting  
10 appropriations from ninety-seven percent of estimated revenues to ninety-five percent of  
11 estimated revenues and allowing the cap on the budget reserve account to be expanded from five  
12 percent to ten percent of revenues; and, now, therefore be it

13           RESOLVED, That a majority of all members elected to each house of the general  
14 assembly voting therefore, an amendment to section 16 of Article IX of the Constitution of the  
15 state shall be proposed to the qualified electors of the state for their approval in accordance with  
16 the provisions of Article XIV of the Constitution, and upon such approval, the amended section  
17 16 of Article IX, set forth below, shall be included in the Constitution; and that said proposition  
18 of amendment shall be submitted to the electors for their approval or rejection at the next  
19 statewide general election, and said proposition of amendment shall appear on the ballots and



1 (a) No appropriation, supplemental appropriation or budget act shall cause the aggregate  
2 state general revenue appropriations enacted in any given fiscal year to exceed ~~ninety-seven~~  
3 ~~percent (97%)~~ ninety-five percent (95%) of the estimated state general revenues for such fiscal  
4 year from all sources, including estimated unencumbered general revenues to the new fiscal year  
5 remaining at the end of the previous fiscal year. Estimated unencumbered general revenues are  
6 calculated by taking the estimated general revenue cash balance at the end of the fiscal year less  
7 estimated revenue anticipation bonds or notes, estimated general revenue encumbrances,  
8 estimated continuing general revenue appropriations and the amount of the budget reserve  
9 account at the end of said fiscal year.

10 (b) The amount between the applicable percentage in (a) and one hundred percent (100%)  
11 of the estimated state general revenue for any fiscal year as estimated in accordance with  
12 subsection (a) of this section shall be appropriated in any given fiscal year into the budget reserve  
13 account; provided, however, that no such payment will be made which would increase the total of  
14 the budget reserve account to more than ~~five percent (5%)~~ ten percent (10%) of only the  
15 estimated state general revenues as set by subsection (a) of this section. In the event that the  
16 payment to be made into the budget reserve account would increase the amount in said account to  
17 more than ~~five percent (5%)~~ ten percent (10%) of estimated state general revenues that said  
18 amount shall be transferred to the Rhode Island Capital Plan fund to be used solely for funding  
19 capital projects.

20 (c) Within forty-five (45) days after the close of any fiscal year, all unencumbered  
21 general revenue in the year end surplus account from the said fiscal year shall be transferred to  
22 the general fund.

23 RESOLVED, That the said proposition of amendment shall be submitted to the electors  
24 for their approval or rejection at the next statewide general election. The voting places in the  
25 several cities and towns shall be kept open during the hours required by law for voting therein;  
26 and be it further

27 RESOLVED, That the secretary of state shall cause said proposition of amendment to be  
28 published as a part of this resolution in the newspapers of the state prior to the date of the said  
29 meetings of the said electors; and the said proposition shall be inserted in the warrants or notices  
30 to be issued previous to said meetings of the electors for the purpose of warning the town, ward,  
31 or district meetings, and said proposition shall be read by the town, ward or district clerks to the  
32 electors in the town, ward, or district meetings to be held as aforesaid; and be it further

33 RESOLVED, That the town, ward, or district meetings to be held aforesaid shall be  
34 warned, and the list of voters shall be canvassed and made up, and the said town, ward, or district

1 meetings shall be conducted in the same manner as now provided by law for the town, ward, and  
2 district meetings for the statewide general election.

3 This joint resolution shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

J O I N T R E S O L U T I O N

TO APPROVE AND PUBLISH AND SUBMIT TO THE ELECTORS A PROPOSITION OF  
AMENDMENT TO THE CONSTITUTION OF THE STATE (LIMITATIONS ON STATE  
SPENDING)

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- 1           This joint resolution proposes to submit to the electors a proposition to amend the
- 2           constitution by increasing funding of the budget reserve account, also known as the "Rainy Day
- 3           Fund", and limiting state spending.

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