## §1534. General Fund appropriation limitation

- 1. Establishment of General Fund appropriation limitation. As of December 1st of each evennumbered year, there must be established a General Fund appropriation limitation for the ensuing biennium. The General Fund appropriation limitation applies to all General Fund appropriations, except that the additional cost for essential programs and services for kindergarten to grade 12 education under Title 20-A, chapter 606-B over the fiscal year 2004-05 appropriation for general purpose aid for local schools is excluded from the General Fund appropriation limitation until the state share of that cost reaches 55% of the total state and local cost.
  - A. For the first fiscal year of the biennium, the General Fund appropriation limitation is equal to the biennial base year appropriation multiplied by one plus the growth limitation factor in subsection 2. [PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]
- B. For the 2nd year of the biennium, the General Fund appropriation limitation is the General Fund appropriation limitation of the first year of the biennium biennial base year appropriation multiplied by one plus the growth limitation factor in subsection 2. [PL 2005, c. 621, §3 (AMD).] [PL 2005, c. 683, Pt. M, §1 (AMD).]
  - **2. Growth limitation factor.** The growth limitation factor is the average personal income growth.
  - A. [PL 2015, c. 267, Pt. L, §7 (RP).]
- B. [PL 2015, c. 267, Pt. L, §7 (RP).] [PL 2015, c. 267, Pt. L, §7 (AMD).]
- **3. Exceeding General Fund appropriation limitation; extraordinary circumstances.** The General Fund appropriation limitation established in subsection 1 may be exceeded for extraordinary circumstances only under the following circumstances.
  - A. The extraordinary circumstances must be circumstances outside the control of the Legislature, including:
    - (1) Catastrophic events such as natural disaster, terrorism, fire, war and riot;
    - (2) Unfunded or underfunded state or federal mandates;
    - (3) Citizens' initiatives or other referenda;
    - (4) Court orders or decrees; or
    - (5) Loss of federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation. [PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

- B. The appropriation limitation in subsection 1 may be exceeded only by a vote of both Houses of the Legislature in a separate measure that identifies the extraordinary circumstance and the intent of the Legislature to exceed the appropriation limitation. [PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]
- C. Exceeding the appropriation limitation established in subsection 1 permits appropriations to exceed the appropriation limitation only for the period necessary to address the extraordinary circumstance and does not increase the base for purposes of calculating the appropriation limitation for future years. [PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**4. Increase in appropriation limitation.** The appropriation limitation established in subsection 1 may be increased for other purposes only by a vote of both Houses of the Legislature in a separate measure that identifies the intent of the Legislature to exceed the appropriation limitation.

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

## SECTION HISTORY

PL 2005, c. 2, §A5 (NEW). PL 2005, c. 2, §A14 (AFF). PL 2005, c. 621, §3 (AMD). PL 2005, c. 636, §A4 (AMD). PL 2005, c. 683, §M1 (AMD). PL 2015, c. 267, Pt. L, §7 (AMD).

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