

**Assembly Constitutional Amendment**

**No. 11**

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**Introduced by Assembly Member Gorell**

March 18, 2013

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Assembly Constitutional Amendment No. 11—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 10 and 12 of, and by adding Section 12.5 to, Article IV thereof, relating to the state budget.

LEGISLATIVE COUNSEL'S DIGEST

ACA 11, as introduced, Gorell. State budget.

(1) The California Constitution authorizes the Governor, following the enactment of the budget bill for any fiscal year and based on a determination that General Fund expenditures will exceed General Fund revenues, to issue a proclamation declaring a fiscal emergency and to cause the Legislature to assemble in special session to enact legislation to address the emergency. If the Legislature fails to pass and send to the Governor a bill or bills to address the fiscal emergency by the 45th day following the issuance of the proclamation, the Constitution prohibits the Legislature from acting on any other bill or adjourning for a joint recess until a bill or bills to address the emergency have been passed and sent to the Governor.

This measure would require that a bill addressing a fiscal emergency in this context be passed in each house of the Legislature by a  $\frac{2}{3}$  vote. The measure would authorize the Governor, if the Legislature fails to act by the 45th day following the emergency proclamation as described above, to issue a proclamation reducing or eliminating one or more items of appropriation from the General Fund for the fiscal year in which the fiscal emergency is declared, and to suspend for that fiscal

year the operation of any statute to the extent that the operation of the statute is rendered infeasible by the reduction or elimination. The measure would prohibit the Governor from reducing or eliminating an item of appropriation if such action would have a substantially disproportionate impact on an identifiable geographic region within the state as compared to all other comparable geographic regions within the state. The measure would authorize the Legislature to cancel or amend an action taken by the Governor to reduce or eliminate an item of appropriation, or to suspend the operation of a statute, by a resolution passed in each house by a  $\frac{2}{3}$  vote.

(2) The California Constitution provides that the Budget Bill and other bills providing for appropriations related to the Budget Bill, as defined, take effect immediately upon being signed by the Governor after passage by a majority vote of each house of the Legislature.

This measure would delete all references to other bills providing for appropriations related to the Budget Bill and instead provide that bills that amend the Budget Bill and bills that implement the Budget Bill, as defined, take effect immediately upon being signed by the Governor after passage by a majority vote of each house of the Legislature. The measure would define “budget bill” as a single bill that, as passed for each fiscal year, makes a comprehensive set of appropriations for the support of state government for that fiscal year. The measure would also prohibit the Legislature from passing a Budget Bill, a bill that amends the Budget Bill, or a bill that implements the Budget Bill, if the bill was not published on the Internet for at least 72 hours prior to passage.

This measure would require the Legislature, from July 1 to July 31, inclusive, of each even-numbered year, to conduct oversight and review of state programs. The measure would prohibit the Legislature from acting on any bill during this period of time, except a bill that addresses a state of emergency, as defined, declared by the Governor, and that is passed by a  $\frac{2}{3}$  vote of both houses.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

- 1 *Resolved by the Assembly, the Senate concurring,* That the
- 2 Legislature of the State of California at its 2013–14 Regular
- 3 Session commencing on the third day of December 2012,
- 4 two-thirds of the membership of each house concurring, hereby

1 proposes to the people of the State of California that the  
2 Constitution of the State be amended as follows:

3 First—That Section 10 of Article IV thereof is amended to read:

4 SEC. 10. (a) Each bill passed by the Legislature shall be  
5 presented to the Governor. It becomes a statute if it is signed by  
6 the Governor. The Governor may veto it by returning it with any  
7 objections to the house of origin, which shall enter the objections  
8 in the journal and proceed to reconsider it. If each house then  
9 passes the bill by rollcall vote entered in the journal, two-thirds of  
10 the membership concurring, it becomes a statute.

11 (b) (1) Any bill, other than a bill which would establish or  
12 change boundaries of any ~~legislative, congressional, or other~~  
13 election district, passed by the Legislature on or before the date  
14 the Legislature adjourns for a joint recess to reconvene in the  
15 second calendar year of the biennium of the legislative session,  
16 and in the possession of the Governor after that date, that is not  
17 returned within 30 days after that date becomes a statute.

18 (2) Any bill passed by the Legislature before September 1 of  
19 the second calendar year of the biennium of the legislative session,  
20 and in the possession of the Governor on or after September 1,  
21 that is not returned on or before September 30 of that year becomes  
22 a statute.

23 (3) Any other bill presented to the Governor that is not returned  
24 within 12 days becomes a statute.

25 (4) If the Legislature by adjournment of a special session  
26 prevents the return of a bill with the veto message, the bill becomes  
27 a statute unless the Governor vetoes the bill within 12 days after  
28 it is presented by depositing it and the veto message in the office  
29 of the Secretary of State.

30 (5) If the 12th day of the period within which the Governor is  
31 required to perform an act pursuant to paragraph (3) or (4) ~~of this~~  
32 ~~subdivision~~ is a Saturday, Sunday, or holiday, the period is  
33 extended to the next day that is not a Saturday, Sunday, or holiday.

34 (c) Any bill introduced during the first year of the biennium of  
35 the legislative session that has not been passed by the house of  
36 origin by January 31 of the second calendar year of the biennium  
37 may no longer be acted on by the house. No bill may be passed  
38 by either house on or after September 1 of an even-numbered year  
39 except statutes calling elections, statutes providing for tax levies  
40 or appropriations for the usual current expenses of the State, ~~and~~

1 urgency statutes, and bills passed after being vetoed by the  
2 Governor.

3 (d) The Legislature may not present any bill to the Governor  
4 after November 15 of the second calendar year of the biennium of  
5 the legislative session.

6 (e) The Governor may reduce or eliminate one or more items  
7 of appropriation while approving other portions of a bill. The  
8 Governor shall append to the bill a statement of the items reduced  
9 or eliminated with the reasons for the action. The Governor shall  
10 transmit to the house originating the bill a copy of the statement  
11 and reasons. Items reduced or eliminated shall be separately  
12 reconsidered and may be passed over the Governor's veto in the  
13 same manner as bills.

14 (f) (1) If, following the enactment of the budget bill for ~~the~~  
15 ~~2004-05 fiscal year or any subsequent~~ fiscal year, the Governor  
16 determines that, for that fiscal year, General Fund revenues will  
17 decline substantially below the estimate of General Fund revenues  
18 upon which the budget bill for that fiscal year, as enacted, was  
19 based, or General Fund expenditures will increase substantially  
20 above that estimate of General Fund revenues, or both, the  
21 Governor may issue a proclamation declaring a fiscal emergency  
22 and shall thereupon cause the Legislature to assemble in special  
23 session for this purpose. The proclamation shall identify the nature  
24 of the fiscal emergency and shall be submitted by the Governor  
25 to the Legislature, accompanied by proposed legislation to address  
26 the fiscal emergency.

27 (2) If the Legislature fails to pass and send to the Governor a  
28 bill or bills to address the fiscal emergency by the 45th day  
29 following the issuance of the proclamation, ~~the both of the~~  
30 *following shall apply:*

31 *(A) The Governor may, by written proclamation, reduce or*  
32 *eliminate one or more items of appropriation from the General*  
33 *Fund for the fiscal year in which the fiscal emergency is declared.*  
34 *In a proclamation issued pursuant to this subparagraph, the*  
35 *Governor may also suspend for that fiscal year the operation of*  
36 *any statute to the extent that the operation of the statute is rendered*  
37 *infeasible by the reduction or elimination of an item of*  
38 *appropriation. The Governor shall not reduce or eliminate an item*  
39 *of appropriation pursuant to this subparagraph if that action would*  
40 *have a substantially disproportionate impact on an identifiable*

1 *geographic region within the state as compared to all other*  
2 *comparable geographic regions within the state. The Legislature*  
3 *may cancel or amend an action taken by the Governor pursuant*  
4 *to this subparagraph to reduce or eliminate an item of*  
5 *appropriation, or to suspend the operation of a statute, by a*  
6 *resolution passed in each house by rollcall vote entered in the*  
7 *journal, two-thirds of the membership concurring.*

8 (B) The Legislature may not act on any other bill, nor may the  
9 Legislature adjourn for a joint recess, until that bill or those bills  
10 have been passed and sent to the Governor.

11 (3) A bill addressing the fiscal emergency declared pursuant to  
12 this section shall contain a statement to that effect *and shall be*  
13 *passed in each house by rollcall vote entered in the journal,*  
14 *two-thirds of the membership concurring.*

15 Second—That Section 12 of Article IV thereof is amended to  
16 read:

17 SEC. 12. (a) Within the first 10 days of each calendar year,  
18 the Governor shall submit to the Legislature, with an explanatory  
19 message, a budget for the ensuing fiscal year containing itemized  
20 statements for recommended state expenditures and estimated state  
21 revenues. If recommended expenditures exceed estimated revenues,  
22 the Governor shall recommend the sources from which the  
23 additional revenues should be provided.

24 (b) The Governor and the Governor-elect may require a state  
25 agency, officer or employee to furnish whatever information is  
26 deemed necessary to prepare the budget.

27 (c) (1) The budget shall be accompanied by a budget bill  
28 itemizing recommended expenditures.

29 (2) The budget bill shall be introduced immediately in each  
30 house by the persons chairing the committees that consider the  
31 budget.

32 (3) The Legislature shall pass the budget bill by midnight on  
33 June 15 of each year.

34 (4) Until the budget bill has been enacted, the Legislature shall  
35 not send to the Governor for consideration any bill appropriating  
36 funds for expenditure during the fiscal year for which the budget  
37 bill is to be enacted, except emergency bills recommended by the  
38 Governor or appropriations for the salaries and expenses of the  
39 Legislature.

1 (d) No bill except the budget bill, *or a bill that amends the*  
2 *budget bill*, may contain more than one item of appropriation, and  
3 that for one certain, expressed purpose. Appropriations from the  
4 General Fund of the State, except appropriations for the public  
5 schools ~~and, appropriations in the budget bill and in other bills~~  
6 ~~providing for appropriations related to the budget bill,~~  
7 *appropriations in a bill that amends the budget bill, and*  
8 *appropriations in a bill that implements the budget bill*, are void  
9 unless passed in each house by rollcall vote entered in the journal,  
10 two-thirds of the membership concurring.

11 (e) ~~(1) Notwithstanding any other provision of law or of this~~  
12 ~~Constitution, the~~ *The budget bill and other bills providing for*  
13 ~~appropriations related to the budget bill may be, bills that amend~~  
14 *the budget bill, and bills that implement the budget bill, upon being*  
15 *passed in each house by rollcall vote entered in the journal, a*  
16 *majority of the membership concurring, to shall take effect*  
17 *immediately upon being signed by the Governor or upon a date*  
18 *specified in the legislation. Nothing in this subdivision shall affect*  
19 ~~the vote requirement for appropriations for the public schools~~  
20 ~~contained in subdivision (d) of this section and in subdivision (b)~~  
21 ~~of Section 8 of this article.~~

22 ~~(2) For purposes of this section, “other bills providing for~~  
23 ~~appropriations related to the budget bill” shall consist only of bills~~  
24 ~~identified as related to the budget in the budget bill passed by the~~  
25 ~~Legislature.~~

26 ~~(f)~~

27 (f) *For purposes of this section, the following terms have the*  
28 *following meanings:*

29 (1) *“Budget bill” means a single bill, except as provided in*  
30 *subdivision (c), that, as passed for each fiscal year, makes a*  
31 *comprehensive set of appropriations for the support of state*  
32 *government for that fiscal year.*

33 (2) *“Bill that amends the budget bill” means a bill that states*  
34 *in its title that it amends or augments the enacted budget bill, and*  
35 *embraces the same subject as a budget bill.*

36 (3) *“Bill that implements the budget bill” means a bill that*  
37 *makes statutory changes related to implementation of the budget*  
38 *bill, is in print in its final form when the budget bill is first voted*  
39 *on for passage in either house, is identified as a bill that*  
40 *implements the budget bill in the budget bill passed by the*

1 *Legislature, and is voted on for passage in either house within 5*  
2 *days of the final vote of the Legislature to pass the budget bill.*

3 *(g) Neither house of the Legislature shall pass a budget bill, a*  
4 *bill that amends the budget bill, or a bill that implements the budget*  
5 *bill unless the bill has been published in its final form on the*  
6 *Internet for at least 72 hours prior to passage. This subdivision*  
7 *does not apply to an urgency statute that addresses a state of*  
8 *emergency declared by the Governor due to an emergency as*  
9 *defined in paragraph (2) of subdivision (c) of Section 3 of Article*  
10 *XIII B.*

11 *(h) The Legislature may control the submission, approval, and*  
12 *enforcement of budgets and the filing of claims for all state*  
13 *agencies.*

14 ~~(g)~~

15 *(i) The Legislature may not send to the Governor for*  
16 *consideration, nor may the Governor sign into law, a budget bill*  
17 *that would appropriate from the General Fund, for that fiscal year,*  
18 *a total amount that, when combined with all appropriations from*  
19 *the General Fund for that fiscal year made as of the date of the*  
20 *budget bill's passage, and the amount of any General Fund moneys*  
21 *transferred to the Budget Stabilization Account for that fiscal year*  
22 *pursuant to Section 20 of Article XVI, exceeds General Fund*  
23 *revenues for that fiscal year estimated as of the date of the budget*  
24 *bill's passage. That estimate of General Fund revenues shall be*  
25 *set forth in the budget bill passed by the Legislature.*

26 ~~(h)~~

27 *(j) Notwithstanding any other provision of law or of this*  
28 *Constitution, including subdivision (c) of this section, Section 4*  
29 *of this article, and Sections 4 and 8 of Article III, in any year in*  
30 *which the budget bill is not passed by the Legislature by midnight*  
31 *on June 15, there shall be no appropriation from the current budget*  
32 *or future budget to pay any salary or reimbursement for travel or*  
33 *living expenses for Members of the Legislature during any regular*  
34 *or special session for the period from midnight on June 15 until*  
35 *the day that the budget bill is presented to the Governor. No salary*  
36 *or reimbursement for travel or living expenses forfeited pursuant*  
37 *to this subdivision shall be paid retroactively.*

38 *Third—That Section 12.5 is added to Article IV thereof, to read:*

39 *SEC. 12.5. From July 1 to July 31, inclusive, of each*  
40 *even-numbered year, the Legislature shall conduct oversight and*

1 review of state programs. The Legislature may not act on any bill  
2 during this period of time, except a bill that addresses a state of  
3 emergency declared by the Governor due to an emergency as  
4 defined in paragraph (2) of subdivision (c) of Section 3 of Article  
5 XIII B and is passed in each house by rollcall vote entered in the  
6 journal, two-thirds of the membership concurring.

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