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1   **SENATE JOINT RESOLUTION NO. 408**

2   Offered January 14, 2005

3 *Proposing an amendment to the Constitution of Virginia by adding in Article X a section numbered 7-B,*

4   *relating to limits on appropriations.*

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                          Patrons—Cuccinelli and O'Brien

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7   Referred to Committee on Privileges and Elections

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9   RESOLVED by the Senate, the House of Delegates concurring, a majority of the members elected to

10 each house agreeing, That the following amendment to the Constitution of Virginia be, and the same

11 hereby is, proposed and referred to the General Assembly at its first regular session held after the next

12 general election of members of the House of Delegates for its concurrence in conformity with the

13 provisions of Section 1 of Article XII of the Constitution of Virginia, namely:

14   Amend the Constitution of Virginia by adding in Article X a section numbered 7-B as follows:

15   ARTICLE X

16   TAXATION AND FINANCE

17 *Section 7-B. Limit on appropriations.*

18   *Beginning with the Commonwealth's fiscal year starting on July 1, 2008, the General Assembly shall*

19 *not make total appropriations for any fiscal year that exceed the total appropriations for the*

20 *immediately preceding fiscal year plus a percentage increase equal to (i) the percentage increase in the*

21 *rate of inflation for the most recently available year, plus (ii) the percentage increase in state*

22 *population, as both shall be defined by general law. For purposes of this section, "total appropriations"*

23 *means all appropriations except for any moneys appropriated that are received from the federal*

24 *government or an agency or unit thereof.*

25   *Beginning with the Commonwealth's fiscal year starting on July 1, 2008, any revenues collected by*

26 *the Commonwealth in excess of the limitation provided herein, but not including any revenues received*

27 *from the federal government or an agency or unit thereof, shall be (i) deposited to the Revenue*

28 *Stabilization Fund, (ii) deposited to the general fund, or (iii) returned to individual income taxpayers*

29 *liable for individual income taxes for the taxable year in which such fiscal year begins.*

30   *If the amount of revenues in excess of the limitation provided herein is equal to or less than one-half*

31 *of one percent of such limitation, the total excess shall be deposited to the Revenue Stabilization Fund*

32 *as established pursuant to Section 8 of this article. However, if the Fund's balance exceeds the*

33 *limitation established in Section 8 of this article, any remaining excess shall be paid into the general*

34 *fund after appropriation by the General Assembly.*

35   *If the amount of revenues in excess of the limitation provided herein is greater than one-half of one*

36 *percent of such limitation, all mandatory deposits to the Revenue Stabilization Fund required pursuant*

37 *to Section 8 of this article shall be made. The remainder of such excess, if any, shall be returned to*

38 *individual income taxpayers. For purposes of distributing the excess, one dollar shall be reserved for*

39 *each Virginia individual income tax return filed for the taxable year until the balance in the excess is*

40 *insufficient to reserve a full dollar for every return filed for the taxable year. In addition, the amount*

41 *reserved for any tax return shall not exceed the Virginia individual income tax liability of the person or*

42 *persons filing the return. Any remaining excess after reservations shall be paid into the general fund.*

43 *All amounts reserved for taxpayers shall be distributed to individual income taxpayers not later than 90*

44 *days after June 30 of the relevant fiscal year.*

45   *The General Assembly may make total appropriations in excess of the limitation provided herein only*

46 *by a vote equal to or greater than 60 percent of the members voting in each house, including a majority*

47 *of the members elected to that house. The name of each member voting and how he voted shall be*

48 *recorded in the journal of each house.*

49   *The General Assembly shall enact such laws as may be necessary to implement the provisions of this*

50 *section.*