

**Table 5: Procedures When the Appropriations Act Is Not Passed by the Beginning of the Fiscal Year**

| Jurisdiction | Legislature Passes a Temporary Budget | Some or All Payments Are Continuous | Other Provision or Procedures | No Provision/ No Test ** | Government Shuts Down |
|--------------|---------------------------------------|-------------------------------------|-------------------------------|--------------------------|-----------------------|
| Alabama      | --                                    | --                                  | --                            | --                       | X                     |
| Alaska       | --                                    | --                                  | --                            | --                       | X                     |
| Arizona      | --                                    | X*                                  | --                            | --                       | X                     |
| Arkansas     | --                                    | --                                  | X*                            | --                       | --                    |
| California   | --                                    | X*                                  | X*                            | --                       | --                    |
| Colorado     | --                                    | --                                  | --                            | --                       | X                     |
| Connecticut  | X*                                    | --                                  | --                            | --                       | --                    |
| Delaware     | --                                    | --                                  | --                            | X                        | --                    |
| Florida      | --                                    | --                                  | --                            | X                        | --                    |
| Georgia      | --                                    | X*                                  | --                            | --                       | X                     |
| Hawaii       | --                                    | X*                                  | --                            | --                       | X                     |
| Idaho        | --                                    | --                                  | --                            | --                       | X                     |
| Illinois     | --                                    | X*                                  | X*                            | --                       | X*                    |
| Indiana      | --                                    | X*                                  | --                            | --                       | X                     |
| Iowa         | --                                    | --                                  | --                            | --                       | X                     |
| Kansas       | --                                    | --                                  | --                            | --                       | X                     |
| Kentucky     | --                                    | X*                                  | --                            | X                        | --                    |
| Louisiana    | --                                    | --                                  | --                            | X                        | --                    |
| Maine        | --                                    | --                                  | --                            | --                       | X                     |

|                |    |    |    |    |    |
|----------------|----|----|----|----|----|
| Maryland       | -- | -- | x* | -- | -- |
| Massachusetts  | x* | -- | -- | -- | -- |
| Michigan       | x* | -- | -- | -- | -- |
| Minnesota      | -- | x* | -- | -- | x* |
| Mississippi    | -- | -- | -- | -- | x  |
| Missouri       | -- | x* | -- | x  | -- |
| Montana        | -- | x* | -- | -- | x  |
| Nebraska       | -- | -- | -- | x  | -- |
| Nevada         | -- | -- | -- | x* | -- |
| New Hampshire  | x  | -- | -- | -- | -- |
| New Jersey     | -- | -- | x* | -- | x* |
| New Mexico     | -- | -- | -- | -- | x  |
| New York       | x* | -- | -- | -- | -- |
| North Carolina | x* | -- | -- | -- | -- |
| North Dakota   | -- | -- | -- | -- | x  |
| Ohio           | x* | -- | -- | -- | -- |
| Oklahoma       | -- | x  | -- | -- | x  |
| Oregon         | x* | -- | -- | -- | -- |
| Pennsylvania   | x* | x* | -- | -- | -- |
| Rhode Island   | -- | x* | -- | -- | -- |
| South Carolina | x  | -- | -- | -- | -- |
| South Dakota   | -- | -- | -- | x  | -- |
| Tennessee      | x* | -- | -- | -- | -- |

|                               |    |    |    |    |    |
|-------------------------------|----|----|----|----|----|
| Texas                         | -- | -- | -- | -- | X  |
| Utah                          | -- | -- | -- | X* | -- |
| Vermont                       | -- | -- | -- | -- | X  |
| Virginia                      | -- | -- | -- | X  | -- |
| Washington                    | -- | -- | -- | X* | -- |
| West Virginia                 | -- | -- | X* | -- | -- |
| Wisconsin                     | -- | -- | X* | -- | -- |
| Wyoming                       | -- | -- | -- | -- | X  |
| American Samoa (N/R)          | -- | -- | -- | -- | -- |
| District of Columbia (N/R)    | -- | -- | -- | -- | -- |
| Guam                          | -- | -- | X* | -- | -- |
| Northern Mariana Islands      | X* | -- | -- | -- | -- |
| Puerto Rico                   | -- | -- | X* | -- | -- |
| U.S. Virgin Islands (N/R)     | -- | -- | -- | -- | -- |
| Total: States                 | 11 | 13 | 7  | 11 | 22 |
| Total: States and Territories | 12 | 13 | 9  | 11 | 22 |

**Key:**

\*\* = State law does not directly address this issue and because the budget has always been passed on time, it is unknown what would occur if the budget was not passed on time.

N/R = No response

Source: NCSL surveys of legislative fiscal officers, 1998, 2008.

---

**\*Notes:**

**Arizona** --Dedicated revenue fund expenditures can continue.

**Arkansas**-- Each agency must have an appropriation to operate at the beginning of the fiscal year in order to spend any available funds. In regard to the distribution of general revenue, a provision exists authorizing the ongoing allocation of general revenue to various funds and fund accounts into the next fiscal year at the same level as the previous year.

**California**—Courts have allowed continued payment of certain expenses (some federally funded programs and state compensation related to the Fair Labor Standards Act). Due to administrative interpretation of court rulings, a large portion of state spending continues despite lack of appropriations.

**Connecticut** --Using "Special Acts," Connecticut passes two-week budgets to keep the state operating if the budget has not been enacted by the beginning of the fiscal year.

**Georgia** --Payments for debt service are continuous and dedicated revenue fund expenditures can continue.

**Hawaii** --Expenditures from revolving and trust funds and funds established to provide services by any state department or establishment, to other state departments or establishments, or to any political subdivision of the state, may be made without appropriation or allotment.

**Illinois** --A majority vote in each house is required to pass the budget until June 1. After that date, the required vote increases to a three-fifths majority. This provision was implemented to encourage timely passage of the budget. In the absence of an enacted budget, pensions contributions, debt service payments and certain mass transit distributions would continue. A government shutdown is possible.

**Indiana**--The following payments can continue: 1) all psychiatric hospitals, 2) School for the Deaf, 3) School for the Blind, 4) Veterans' Home, 5) Boys' School.

**Kentucky** --Constitutional obligations continue.

**Maryland**--The constitution requires that the budget be enacted by the 83rd day of the 90-day legislative session. If the budget is not enacted by midnight of the 90th day, all other pending legislation dies and only the budget can be considered. Although the governor has had to extend the session for this purpose, the budget has always been passed by July 1.

**Massachusetts** --The legislature must pass special acts to continue funding if the appropriations act is not enacted before the new fiscal year begins.

**Michigan**—In 2007, the Legislature did not enact a budget by the time the new fiscal year began on October 1, and enacted a 30-day appropriations bill until the full budget was in place.

**Minnesota**--Some open and standing appropriations and special or federal revenues for some portions of government would continue. There is no legal authority to spend money unless it has been appropriated (MN Constitution, Article N1, Section 1). In 2005, agency operations for essential services continued under a court order.

**Missouri**--Road fund expenditures can continue.

---

**Montana** --Several programs do not receive an appropriation, or receive statutory funding. These programs would remain in operation.

**Nebraska**-- State law does not directly address this issue and because the budget has always been passed on time, it is not known what would occur if the budget was not passed. The presumption is that government would shut down.

**Nevada**--The state has never experienced this situation, but probably temporary appropriations would have to be enacted.

**New Jersey**—The state experienced a partial government shut down in July 2006, because there was no budget in place. The governor invoked emergency powers to keep parts of state government operating.

**New York**--The state uses two-, four- and six-week interim budgets to meet payroll and other state obligations. The interim budgets maintain previously authorized levels of spending. Such continuing resolutions or emergency appropriations must be submitted by the governor, or the Legislature cannot act on them.

**North Carolina**—Although it is not legally obligated to pass a continuing resolution (CR), the General Assembly always has. The state operates under a biennial budget. A CR is not needed to continue government operations for the second year of the biennium, but is needed to appropriate certain items such as federal block grant funds. At the end of the second year of the biennium, the General Assembly routinely passes a CR authorizing the director of the budget to continue expenditures for the operation of government at the level in effect on June 30 of the fiscal year just ended. At that time, the CR is needed to continue state operations, may be in effect for 30 days, and can be extended until the appropriations act goes into effect.

**Ohio**--The General Assembly must pass an interim budget. Otherwise there would be no authority for any agency to spend money for any purpose.

**Oregon**--The legislature passes a continuing resolution for a period such as one month to allow agencies whose budget has not been adopted at the beginning of the fiscal year to spend at the same rate as in the last quarter of the prior biennium. The amounts that can be spent while the continuing resolution is in effect are set by the Department of Administrative Services and can be adjusted to reflect pending legislation.

**Pennsylvania**--Expenditures, including employees' salaries and wages, halt, pending a continuing resolution or stop-gap funding. The governor has no executive authority to continue payment of salaries and wages.

**Rhode Island**—According to state law, "In an emergency caused by a failure of the General Assembly to pass the annual appropriations bill, the same amounts appropriated in the previous fiscal year shall be available for each department and division thereof, subject to monthly or quarterly allotments."

**Tennessee**—In 2000, the attorney general clarified what happens when a budget is not enacted by June 30 of each year. The opinion led the General Assembly to enact a continuation budget on the last day of the fiscal year, and to return to session two weeks later to enact a budget for the new fiscal year.

**Utah**--Legislative rule stipulates that a "base budget" appropriation, equal to the previous year's ongoing appropriation, must be passed by both chambers within the first 10 days of the annual general session. In most cases, the base budget appropriation is sufficient to operate state government for one year.

---

**Washington**--Statutes make failure to pass a budget at least 30 days before the new biennium a misdemeanor, although no penalty has ever been applied. The Legislature has been late three times since the provision was enacted in 1959.

**West Virginia**--The session is automatically extended if budget has not passed by day 57 of the 60-day session. During this extended session, only the budget can be considered. The 60-day session is January through March; the fiscal year ends June 30.

**Wisconsin**--Agencies automatically receive the previous year's level of funding until the new budget goes into effect

**Guam** --Agencies automatically receive some level of funding until the budget is passed.

**Northern Mariana Islands**--The Commonwealth Constitution and its enabling statute, P.L. 3-68, provides that a continuing resolution becomes effective if a budget is not enacted at the beginning of the new fiscal year. The government operates at the funding level of the year just ended until a new budget passes.

**Puerto Rico**--The constitution provides for the previous year's budget to remain in effect until a new budget goes into effect.