

2026 -- H 7251

LC003654

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO PUBLIC FINANCE -- STATE BUDGET

Introduced By: Representatives Chippendale, Nardone, Place, Santucci, Paplauskas, J. Brien, Quattrocchi, Hopkins, and Fascia  
Date Introduced: January 21, 2026  
Referred To: House Finance

It is enacted by the General Assembly as follows:

- 1           SECTION 1. Chapter 35-3 of the General Laws entitled "State Budget" is hereby amended
- 2   by adding thereto the following section:
- 3           **35-3-28. State spending growth limit.**
- 4           (a) Definitions. For purposes of this section:
- 5           (1) "State spending" means the total amount of appropriations authorized by the general
- 6   assembly from all sources of revenue in the annual state budget.
- 7           (2) "Inflation rate" means the percentage change in the Consumer Price Index for All Urban
- 8   Consumers (CPI-U) for the most recent calendar year, as published by the U.S. Bureau of Labor
- 9   Statistics.
- 10          (3) "Personal income growth rate" means the percentage change in Rhode Island personal
- 11   income for the most recent calendar year, as published by the U.S. Bureau of Economic Analysis
- 12   or other reliable source designated by the director of administration.
- 13          (b) Spending growth limit. The total state spending authorized by the general assembly for
- 14   any fiscal year shall not exceed the total state spending authorized for the previous fiscal year
- 15   increased by the greater of:
- 16          (1) The inflation rate for the most recent calendar year; or
- 17          (2) The personal income growth rate for the most recent calendar year.
- 18          (c) Exceptions. The spending limit set forth in subsection (b) of this section shall not apply
- 19   to:

- 1           (1) Expenditures for debt service payments or retirement of principal on bonds;  
2           (2) Federal funds received by the state and required to be spent under federal law;  
3           (3) Emergency expenditures declared by the governor and approved by a two-thirds (2/3)  
4 vote of the general assembly; and  
5           (4) Any other exceptions as the general assembly may prescribe by law.  
6           (d) Reporting. The director of administration shall annually publish a report comparing  
7 actual state spending growth with the limits set forth in this section and submit it to the governor  
8 and the general assembly.  
9           (e) Enforcement. If the general assembly authorizes spending that exceeds the limits in  
10 subsection (b) of this section, the governor shall provide a plan to reduce expenditures in the  
11 following fiscal year to comply with the limits.

12           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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- 1           This act would limit growth in state spending from exceeding the amount of growth in
- 2   inflation or personal income growth, whichever is greater.
- 3           This act would take effect upon passage.

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