

**2026 -- H 7251**

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LC003654

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**S T A T E   O F   R H O D E   I S L A N D**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2026**

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**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  
A N A C T  
RELATING TO PUBLIC FINANCE -- STATE BUDGET

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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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