

MAR 16 1978
STATE GOVERNMENT

HOUSE JOINT RESOLUTION 2005
By DANKER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

HOUSE JOINT RESOLUTION

1 A Joint Resolution proposing a constitutional amendment to
2 the Constitution of the State of Iowa to limit state and
3 local expenditures and to provide certain exemptions.
4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 Section 1. The following amendment to the Constitution
2 of the State of Iowa is hereby proposed.

3 The Constitution of the State of Iowa is hereby amended
4 by adding as Article seven (VII) the following new section:

5 NEW SECTION.

6 1. For purposes of this section:

7 a. "Expenditures" shall mean all sums spent from any state
8 fund or in the case of a local government, all sums spent
9 from any fund of the local government but shall not include
10 any sums spent which were received from the federal govern-
11 ment or for capital improvements.

12 b. "Local government" shall mean all taxing districts
13 in the state including but not limited to townships, school
14 districts, cities and counties.

15 2. There is hereby established a state and local govern-
16 ment expenditure limit as computed in subsection three (3)
17 of this section for each fiscal year starting with the first
18 fiscal year beginning after the effective date of this amend-
19 ment.

20 3. The state or local government expenditure limit for
21 any fiscal year shall be the dollar amount derived by multi-
22 plying the state or local government per capita expenditures,
23 as the case may be, for the previous fiscal year, adjusted
24 by the product of the per capita expenditures and the increase
25 in the consumer price index for the previous fiscal year,
26 as determined by the United States department of labor or
27 successor agency, by the estimated state or local government
28 population, as the case may be, for the coming fiscal year.

29 4. The state or local government expenditure limit may
30 be increased or decreased by a designated dollar amount upon
31 a majority vote of the people at a statewide or local election,
32 as the case may be, approving a measure placed on the ballot
33 by resolution of both houses of the general assembly during
34 the same session or by resolution of the local governing body,
35 as the case may be. A measure so approved shall take effect

1 on the day after the election, unless the measure otherwise
2 provides. The measure shall provide for the fiscal years
3 for which the increase or decrease shall apply. Any increase
4 or decrease shall not be used in computing any subsequent
5 fiscal year's expenditure limit.

6 5. The general assembly may provide that the state or
7 local government expenditure limit can be exceeded as a result
8 of an emergency situation. However, the law shall provide
9 that the limit can only be exceeded upon the declaration by
10 the governor that an emergency situation exists and the
11 affirmative vote of two-thirds of the members of each house
12 of the general assembly or in the case of a local government,
13 upon the declaration by the chief executive officer, if one
14 exists, of the local government that an emergency situation
15 exists and the affirmative vote of two-thirds of the
16 legislative body of the local government.

17 The authority to exceed the expenditure limit because of
18 the declared emergency situation shall be applicable for one
19 fiscal year and any sums exceeding the expenditure limit shall
20 not be used in computing any subsequent year's expenditure
21 limit.

22 6. The general assembly shall not mandate to any local
23 government any new program or increase in the level of service
24 under an existing program unless the costs of such mandated
25 program or level of service is paid for by the state.

26 If the general assembly reduces local property tax relief
27 by decreasing the specific unit amount, rate or percentage
28 established by statute for payments made under a formula to
29 local governments from that in effect on the effective date
30 of this article, the state expenditure limit shall be reduced
31 for each fiscal year in an amount equal to the decrease in
32 such payments in that fiscal year.

33 7. For the purpose of maintaining the credit rating of
34 the state or local government, the principal and interest
35 payments on all bonds shall constitute priority expenditures.

1 If the total of the principal and interest payments exceed
2 the state or local government expenditure limit, as the case
3 may be, the limit shall be exceeded to satisfy the principal
4 and interest payments. Any sums which exceed the expenditure
5 limit under this section shall not be used in computing any
6 subsequent fiscal year's expenditure limit. Bonds hereafter
7 approved shall not be used to finance operating expenses.

8 EXPLANATION

9 This is a constitutional amendment which limits both state
10 and local expenditures. The limit is based upon the previous
11 years per capita expenditures adjusted by the increase in
12 the Consumer Price Index.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35