

JAN 31 1995
STATE GOVERNMENT

HOUSE JOINT RESOLUTION 3
BY WISE, WARNSTADT, NELSON of
Pottawattamie, BRAMMER, COHOON,
LARKIN, DREES, McCOY, and
KREIMAN

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

HOUSE JOINT RESOLUTION

1 A Joint Resolution proposing an amendment to the Constitution of
2 the State of Iowa establishing a state general fund
3 expenditure limitation.

4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HJR 3

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

3 Article VII, Constitution of the State of Iowa, is amended
4 by adding the following new section:

5 STATE GENERAL FUND EXPENDITURE LIMITATION. Sec. 9. An
6 expenditure limitation is established for the general fund of
7 the state in accordance with this section.

8 Prior to the convening of the annual regular session of the
9 General Assembly, designees of the executive and legislative
10 departments shall agree to an estimate of the revenues to be
11 deposited in the general fund of the state in the next fiscal
12 year. The revenue estimate shall be adjusted by subtracting
13 estimated tax refunds payable from the estimated revenue and
14 by adding any new revenues which may be considered to be
15 eligible for deposit in the general fund of the state. The
16 adjusted revenue estimate shall be used by the Governor and
17 the General Assembly in the budget process for that fiscal
18 year. However, if the designees agree to a different estimate
19 at a later meeting during the regular session of the General
20 Assembly which projects a lesser amount of revenue than the
21 initial estimate amount, the lesser amount shall be adjusted
22 in the same manner as the initial estimate amount. The
23 Governor and the General Assembly shall then use the adjusted
24 lesser amount as the adjusted revenue estimate in the budget
25 process for that fiscal year.

26 The adjusted revenue estimate for a fiscal year shall be
27 used to calculate the state general fund expenditure
28 limitation for that fiscal year. The state general fund
29 expenditure limitation shall be ninety-nine percent of the
30 adjusted revenue estimate. The state general fund expenditure
31 limitation for a fiscal year shall be used by the Governor and
32 the General Assembly in the budget process for that fiscal
33 year. If a new revenue source is established and implemented
34 for a fiscal year, the state general fund expenditure
35 limitation for that year shall be readjusted to include the

1 estimated revenue from that new source less projected refunds
2 from the new source, multiplied by ninety-five percent.

3 A cash reserve shall be maintained by the state and moneys
4 in the cash reserve shall be separate from the general fund of
5 the state and shall not be considered part of the general fund
6 of the state except in determining the cash position of the
7 state. Moneys in the cash reserve may be used for cash flow
8 purposes provided that any moneys so allocated during a fiscal
9 year are returned to the cash reserve by the end of that
10 fiscal year.

11 The amount of moneys to be maintained in the cash reserve
12 shall be five percent of the adjusted revenue estimate for the
13 general fund of the state for that fiscal year. However, this
14 paragraph shall not be construed to require more than one
15 percent of the adjusted revenue estimate for the general fund
16 of the state to be set aside for these purposes in any one
17 fiscal year.

18 Moneys in the cash reserve may be appropriated by the
19 General Assembly only for use in the fiscal year in which the
20 appropriation is made. The moneys shall only be appropriated
21 in a bill or joint resolution in which the appropriation is
22 the only subject matter of the bill or joint resolution and
23 which contains a statement of the reasons why the
24 appropriation is necessary. In addition, moneys shall not be
25 appropriated from the cash reserve unless the bill or joint
26 resolution making the appropriation is approved by a vote of
27 at least three-fifths of the members of each chamber of the
28 General Assembly and approved by the Governor.

29 This section applies to fiscal years commencing on or after
30 July 1, 1999.

31 Sec. 2. The foregoing proposed amendment to the
32 Constitution of the State of Iowa is referred to the General
33 Assembly to be chosen at the next general election for members
34 of the General Assembly and the Secretary of State is directed
35 to cause it to be published for three consecutive months

1 previous to the date of that election as provided by law.

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EXPLANATION

3 This joint resolution proposes an amendment to the
4 Constitution of the State of Iowa establishing a state general
5 fund expenditure limitation.

6 The joint resolution requires designees of the legislative
7 and executive departments of government to agree to an
8 estimate of revenues to be deposited in the general fund of
9 the state in the next fiscal year. This estimate is to be
10 agreed to prior to the convening of the regular session of the
11 general assembly. The estimate is to be adjusted by
12 subtracting estimated refunds and adding estimated new
13 revenues. The adjusted revenue estimate is to be used in the
14 state budgeting process by the governor and the general
15 assembly.

16 If a later meeting of the designees during a regular
17 session of the general assembly projects a lesser revenue
18 amount than the initial revenue estimate, the lesser revenue
19 is to be used as the basis for a new adjusted revenue
20 estimate.

21 The adjusted revenue estimate is used to calculate the
22 state general fund expenditure limitation for a fiscal year.
23 The limitation is calculated as 99 percent of the adjusted
24 revenue estimate. If a new revenue source is implemented, the
25 expenditure limitation is readjusted to incorporate 95 percent
26 of the net new revenue.

27 A cash reserve requirement is established. The amount of
28 moneys to be maintained in the cash reserve is 5 percent of
29 the adjusted revenue estimate for a fiscal year.

30 Moneys in the cash reserve may be used for cash flow
31 purposes provided that any moneys so allocated are returned to
32 the cash reserve by the end of the fiscal year. Moneys in the
33 cash reserve may be appropriated by the general assembly only
34 for use in the fiscal year in which the appropriation is made.
35 Moneys appropriated must be contained in a bill or joint

1 resolution in which the appropriation is the only subject
2 matter of the bill or joint resolution and which contains a
3 statement of the reasons why the appropriation is necessary.
4 In addition, moneys shall not be appropriated from the cash
5 reserve unless the bill or joint resolution making the
6 appropriation is approved by a vote of at least three-fifths
7 of the members of each chamber of the general assembly and
8 approved by the governor.

9 The resolution, if adopted, would be referred to the next
10 general assembly before being submitted to the electorate for
11 ratification.

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