

JAN 24 1997
STATE GOVERNMENT

HOUSE JOINT RESOLUTION 7
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MILLAGE, BODDICKER, HOLMES,
WEIDMAN, ARNOLD, JACOBS, HAHN,
GREIG, NELSON, MARTIN, KLEMME,
DRAKE, and BOGGESS

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 relating to the passage of certain state tax
3 laws.
4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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HSR 4

1 Section 1. Article VII of the Constitution of the State of
2 Iowa is amended by adding the following new section:

3 THREE-FIFTHS MAJORITY TO INCREASE TAXES. Sec. 9. A bill
4 that contains provisions relating to taxes imposed by the
5 state in which the aggregate fiscal impact of these provisions
6 equals a net increase in state tax revenues shall require the
7 affirmative votes of at least three-fifths of the members of
8 each house of the general assembly for passage. A lawsuit
9 challenging the proper enactment of a bill pursuant to this
10 section shall be filed no later than one year following the
11 end of the regular or extraordinary session during which the
12 bill was purported to have been enacted. Failure to file a
13 lawsuit challenging the proper enactment of a bill pursuant to
14 this section within the one-year time limit shall negate the
15 three-fifths majority requirement of this section as it
16 applies to that bill.

17 In determining whether the aggregate fiscal impact of the
18 provisions relating to taxes equals a net increase in state
19 tax revenues, the fiscal impact of each of these provisions
20 shall be annualized and only those changes caused by an
21 affirmative act of the general assembly shall be considered.
22 The provisions relating to taxes shall be annualized on the
23 basis of five fiscal years beginning with the fiscal year
24 following adjournment of the regular or extraordinary session
25 in which the bill was enacted. However, if the latest date of
26 implementation of a provision relating to taxes contained in a
27 bill is later than five years after adjournment of the regular
28 or extraordinary session in which the bill was enacted, the
29 aggregate fiscal impact shall also include one full fiscal
30 year following the latest date of implementation.

31 "Provisions relating to taxes" means a provision enacting,
32 amending, or repealing a state tax, tax rate, tax exemption,
33 tax deduction, tax exclusion, or tax credit, or a fee
34 constituting a tax. "Provisions relating to taxes" does not
35 include provisions relating to real property taxation.

1 "Fee constituting a tax" means an assessment made by the
2 state that is prescribed in statute by formula, amount, or
3 limit and that has as its primary purpose the raising of
4 revenue, or an assessment made by the state that clearly and
5 materially exceeds the cost of regulation of the activity for
6 which the assessment is made.

7 Sec. 2. The foregoing proposed amendment to the
8 Constitution of the State of Iowa is referred to the General
9 Assembly to be chosen at the next general election for members
10 of the General Assembly and the Secretary of State is directed
11 to cause the same to be published for three consecutive months
12 before the date of that election as provided by law.

13 EXPLANATION

14 This Joint Resolution proposes an amendment to the
15 Constitution of the State of Iowa providing that any bill
16 containing provisions relating to state taxes, or fees
17 constituting a tax, which would result in a net increase in
18 state tax revenues due to the change of the law in the bill
19 must pass each house of the general assembly by a three-fifths
20 majority.

21 The resolution, if adopted, would be referred to the next
22 general assembly for consideration.

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