

FILED FEB 5 1998

STATE GOVERNMENT

SENATE FILE 2126

BY REHBERG

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act requiring by statute a three-fifths majority vote for
2 passage of state tax legislation.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2126

1 Section 1. NEW SECTION. 2.34 THREE-FIFTHS MAJORITY TO
2 INCREASE TAXES.

3 1. A bill that contains provisions relating to taxes
4 imposed by the state in which the aggregate fiscal impact of
5 these provisions equals a net increase in state tax revenues
6 shall require the affirmative votes of at least three-fifths
7 of the members of each house of the general assembly for
8 passage.

9 A lawsuit challenging the proper enactment of a bill
10 pursuant to this section shall be filed no later than one year
11 following the end of the regular or extraordinary session
12 during which the bill was enacted. Failure to file a lawsuit
13 challenging the proper enactment of a bill pursuant to this
14 section within the one-year time limit shall negate the three-
15 fifths majority requirement of this section as it applies to
16 that bill.

17 2. For purposes of this section, unless the context
18 otherwise requires:

19 a. "Provisions relating to taxes" means a provision
20 enacting, amending, or repealing a state tax, tax rate, tax
21 exemption, tax deduction, tax exclusion, or tax credit, or a
22 fee constituting a tax. "Provisions relating to taxes" does
23 not include provisions relating to real property taxation.

24 b. "Fee constituting a tax" means an assessment made by
25 the state that is prescribed in statute by formula, amount, or
26 limit and that has as its primary purpose the raising of
27 revenue, or an assessment made by the state that clearly and
28 materially exceeds the cost of regulation of the activity for
29 which the assessment is made.

30 3. In determining whether the aggregate fiscal impact of
31 the provisions relating to taxes equals a net increase in
32 state tax revenues, the fiscal impact of each of these
33 provisions shall be annualized and only those changes caused
34 by an affirmative act of the general assembly shall be
35 considered. The provisions relating to taxes shall be

1 annualized on the basis of five fiscal years beginning with
2 the fiscal year following adjournment of the regular or
3 extraordinary session in which the bill was enacted. However,
4 if the latest date of implementation of a provision relating
5 to taxes contained in a bill is later than five years after
6 adjournment of the regular or extraordinary session in which
7 the bill was enacted, the aggregate fiscal impact shall also
8 include one full fiscal year following the latest date of
9 implementation.

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EXPLANATION

11 This bill provides in statute that any bill containing
12 provisions relating to state taxes, or fees constituting a
13 tax, which would result in a net increase in state revenues
14 must pass each house of the general assembly by a three-fifths
15 majority.

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