

Substituted for NJR 1
(P. 241) 2/3/99

1/9/99 Do Pass
WAYS & MEANS
FILED JAN 13 1999

SENATE JOINT RESOLUTION 1

BY IVERSON, JOHNSON, BOETTGER,
JENSEN, DRAKE, MADDOX, McKIBBEN,
KING, RITTMER, REHBERG, REDWINE,
KRAMER, FREEMAN, LAMBERTI,
ANGELO, VEENSTRA, HEDGE, ZIEMAN,
McKEAN, MILLER, SEXTON, BEHN,
GASKILL, BARTZ, TINSMAN, McLAREN,
and SCHUERER

Passed Senate, Date 1/20/98
Vote: Ayes 32 Nays 16
Approved _____

Passed House, Date 2/3/99 (P. 247)
Vote: Ayes 57 Nays 40

SENATE JOINT RESOLUTION

1 A Joint Resolution proposing amendments to the Constitution of
2 the State of Iowa relating to the state budget by limiting
3 state general fund expenditures and restricting certain state
4 tax revenue changes.

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

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SJR 1
WAYS & MEANS

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

3 The Constitution of the State of Iowa is amended by adding
4 the following new section to new Article XIII:

5 ARTICLE XIII.

6 EXPENDITURE LIMITATION.

7 GENERAL FUND EXPENDITURE LIMITATION. Section 1.

8 1. For the purposes of this section:

9 a. "Adjusted revenue estimate" means the most recent
10 revenue estimate determined before January 1, or a later and
11 lesser revenue estimate determined before adjournment of the
12 regular session of the General Assembly, for the general fund
13 for the following fiscal year as determined by a revenue
14 estimating conference which shall be established by the
15 General Assembly by law, adjusted by subtracting estimated
16 refunds payable from that estimated revenue and adding any
17 available surplus in accordance with subsection 5.

18 b. "General fund" means the principal operating fund of
19 the state which shall be established by the General Assembly
20 by law.

21 c. "New revenues" means moneys which are received by the
22 state due to increased tax rates or fees or newly created
23 taxes or fees over and above those moneys which are received
24 due to state taxes or fees which are in effect as of January 1
25 following the most recent state revenue estimating conference.
26 "New revenues" also includes moneys received by the general
27 fund due to new transfers over and above those moneys received
28 by the general fund due to transfers which are in effect as of
29 January 1 following the most recent state revenue estimating
30 conference. The state revenue estimating conference shall
31 determine the eligibility of transfers to the general fund
32 which are to be considered as new revenue in determining the
33 state general fund expenditure limitation.

34 2. A state general fund expenditure limitation is created
35 and calculated in subsection 3, for each fiscal year beginning

1 on or after July 1 following the effective date of this
2 section.

3 3. Except as otherwise provided in this section, the state
4 general fund expenditure limitation for a fiscal year shall be
5 ninety-nine percent of the adjusted revenue estimate.

6 4. The state general fund expenditure limitation shall be
7 used by the Governor in the preparation of the budget and by
8 the General Assembly in the budget process. If a new revenue
9 source is proposed, the budget revenue projection used for
10 that new revenue source for the period beginning on the
11 effective date of the new revenue source and ending in the
12 fiscal year in which the source is included in the adjusted
13 revenue estimate shall be ninety-five percent of the amount
14 remaining after subtracting estimated refunds payable from the
15 projected revenue from that source. If a new revenue source
16 is established and implemented, the original state general
17 fund expenditure limitation amount provided for in subsection
18 3 shall be readjusted to include ninety-five percent of the
19 estimated revenue from that source.

20 5. Any surplus existing at the end of a fiscal year which
21 exceeds ten percent of the adjusted revenue estimate of that
22 fiscal year shall be included in the adjusted revenue estimate
23 for the following fiscal year. Any surplus equal to ten
24 percent or less of the adjusted revenue estimate of the fiscal
25 year may be included in the adjusted revenue estimate for the
26 following fiscal year if approved in a bill receiving the
27 affirmative votes of at least three-fifths of the whole
28 membership of each house of the General Assembly. For
29 purposes of this section, "surplus" means the cumulative
30 excess of revenues and other financing sources over
31 expenditures and other financing uses for the general fund at
32 the end of a fiscal year.

33 6. The scope of the expenditure limitation under
34 subsection 3 shall not include federal funds, donations,
35 constitutionally dedicated moneys, and moneys in expenditures

1 from a state retirement system.

2 7. The Governor shall submit and the General Assembly
3 shall pass a budget which does not exceed the state general
4 fund expenditure limitation.

5 8. The Governor shall not submit and the General Assembly
6 shall not pass a budget which in order to balance assumes
7 reversion of any part of the total of the appropriations
8 included in the budget.

9 9. The state shall use consistent standards, in accordance
10 with generally accepted accounting principles, for all state
11 budgeting and accounting purposes.

12 10. The General Assembly shall enact laws to implement
13 this section.

14 Sec. 2. The following amendment to the Constitution of the
15 State of Iowa is proposed:

16 The Constitution of the State of Iowa is amended by adding
17 the following new sections to new Article XIII:

18 ARTICLE XIII.

19 THREE-FIFTHS MAJORITY FOR TAX LAW CHANGES.

20 THREE-FIFTHS MAJORITY TO INCREASE TAXES. Section 1. A
21 bill containing provisions enacting, amending, or repealing
22 the state income tax or enacting, amending, or repealing the
23 state sales and use taxes, in which the aggregate fiscal
24 impact of those provisions relating to those taxes results in
25 a net increase in state tax revenues, as determined by the
26 General Assembly, shall require the affirmative votes of at
27 least three-fifths of the whole membership of each house of
28 the General Assembly for passage. This section does not apply
29 to income tax or sales and use taxes imposed at the option of
30 a local government.

31 THREE-FIFTHS MAJORITY TO ENACT NEW STATE TAX. Sec. 2. A
32 bill that establishes a new state tax to be imposed by the
33 state shall require the affirmative votes of at least three-
34 fifths of the whole membership of each house of the General
35 Assembly for passage.

1 ENFORCEMENT OF THREE-FIFTHS MAJORITY REQUIREMENT. Sec. 3.
2 A lawsuit challenging the proper enactment of a bill pursuant
3 to section 1 or 2 shall be filed no later than one year
4 following the enactment. Failure to file such a lawsuit
5 within the one-year time limit shall negate the three-fifths
6 majority requirement as it applies to the bill.

7 Each bill to which section 1 or 2 applies shall include a
8 separate provision describing the requirements for enactment
9 prescribed by section 1 or 2.

10 IMPLEMENTATION. Sec. 4. The General Assembly shall enact
11 laws to implement sections 1 through 3.

12 Sec. 3. The foregoing proposed amendments to the
13 Constitution of the State of Iowa, having been adopted and
14 agreed to by the Seventy-seventh General Assembly, 1998
15 Session, thereafter duly published, and now adopted and agreed
16 to by the Seventy-eighth General Assembly in this joint
17 resolution, shall be submitted to the people of the State of
18 Iowa at a special election called for that purpose to be held
19 on Tuesday, the 29th of June of the year 1999, in the manner
20 required by the Constitution of the State of Iowa and the laws
21 of the State of Iowa.

22 EXPLANATION

23 This resolution proposes two amendments within a new
24 Article XIII to the Constitution of the State of Iowa which
25 relate to state budgets.

26 The first amendment establishes a state general fund
27 expenditure limitation. The amount of the limitation is 99
28 percent of the adjusted revenue estimate. The amendment
29 defines adjusted revenue estimate and requires that that
30 estimate be determined by a revenue estimating conference
31 which is to be created by the General Assembly by law. The
32 amendment requires that the expenditure limitation be used by
33 the Governor in preparation of the Governor's budget and by
34 the General Assembly in the budget process. The amendment
35 also provides that, if a new revenue source is established and

1 implemented, 95 percent of the estimate of that new revenue
2 shall be included in the expenditure limitation.

3 The first amendment also provides that the amount of any
4 surplus which exceeds an amount equal to 10 percent of the
5 adjusted revenue estimate may be included in the adjusted
6 revenue estimate for the following fiscal year. Any surplus
7 which is equal to 10 percent or less of the amount of the
8 adjusted revenue estimate may be included in the following
9 year's adjusted revenue estimate if use of those funds is
10 approved by a three-fifths majority of each house of the
11 General Assembly. The amendment also requires the State to
12 use generally accepted accounting principles for state
13 budgeting and accounting purposes. The amendment provides
14 that the General Assembly shall enact laws to implement the
15 amendment.

16 The second amendment contained in the resolution requires a
17 three-fifths majority for certain tax law changes. The
18 amendment provides that any bill which enacts, amends, or
19 repeals the state income tax or the state sales and use tax,
20 and which causes, in the aggregate, an increase in state tax
21 revenues, as determined by the General Assembly must be
22 adopted by a three-fifths vote of the whole membership of each
23 house of the General Assembly. The amendment also requires a
24 three-fifths majority vote of each house of the General
25 Assembly in order to enact a new state tax to be imposed by
26 the state. A lawsuit challenging a bill pursuant to either
27 three-fifths majority passage requirement must be filed no
28 later than one year from the date of enactment of the bill.
29 Finally, the amendment provides that the General Assembly
30 shall enact laws to implement the amendment.

31 The resolution, if adopted, provides for both amendments to
32 be submitted to the voters for their decision on ratification
33 at a special election called for that purpose. As required by
34 the Iowa Constitution, the voters will vote separately for or
35 against each of the two amendments.

SENATE JOINT RESOLUTION 1

S-3001

1 Amend Senate Joint Resolution 1 as follows:
2 1. Page 4, by striking lines 18 and 19, and
3 inserting the following: "Iowa at the general
4 election to be held on Tuesday, the 7th of November of
5 the year 2000, in the manner".

By MIKE CONNOLLY

S-3001 FILED JANUARY 20, 1999

LOST

1/20/99

SENATE JOINT RESOLUTION 1

S-3002

1 Amend Senate Joint Resolution 1 as follows:
2 1. Page 4, by striking lines 18 and 19, and
3 inserting the following: "Iowa at the regular school
4 election to be held on Tuesday, the 14th of September
5 of the year 1999, in the manner".

By JOE BOLKCOM

PATRICIA HARPER

MIKE CONNOLLY

JOHNIE HAMMOND

BETTY A. SOUKUP

PATRICK J. DELUHERY

ELAINE SZYMONIAK

TOM FLYNN

MARK SHEARER

BILL FINK

ROBERT E. DVORSKY

EUGENE S. FRAISE

MICHAEL E. GRONSTAL

DENNIS H. BLACK

JOHN P. KIBBIE

DICK L. DEARDEN

WALLY E. HORN

S-3002 FILED JANUARY 20, 1999

LOST

1/20/99

SENATE JOINT RESOLUTION 1

H-1005

1 Amend Senate Joint Resolution 1, as passed by the
 2 Senate, as follows:
 3 1. Page 4, by striking lines 18 and 19, and
 4 inserting the following: "Iowa at the general
 5 election to be held on Tuesday, the 7th of November of
 6 the year 2000, in the manner".

By SHOULTZ of Black Hawk
 BELL of Jasper
 BUKTA of Clinton
 BURNETT of Story
 CATALDO of Polk
 CHAPMAN of Linn
 CHIODO of Polk
 COHOON of Des Moines
 CONNORS of Polk
 DODERER of Johnson
 DOTZLER of Black Hawk
 DREES of Carroll
 FALCK of Fayette
 FALLON of Polk
 FOEGE of Linn
 FORD of Polk
 FREVERT of Palo Alto
 HOLVECK of Polk
 HUSER of Polk
 JOCHUM of Dubuque
 KREIMAN of Davis

KUHN of Floyd
 LARKIN of Lee
 MASCHER of Johnson
 MAY of Worth
 MURPHY of Dubuque
 MYERS of Johnson
 O'BRIEN of Boone
 OSTERHAUS of Jackson
 PARMENTER of Story
 REYNOLDS of Van Buren
 RICHARDSON of Warren
 SCHERRMAN of Dubuque
 SCHRADER of Marion
 STEVENS of Dickinson
 TAYLOR of Linn
 THOMAS of Clayton
 WARNSTADT of Woodbury
 WEIGEL of Chickasaw
 WHITEAD of Woodbury
 WISE of Lee
 WITT of Black Hawk

H-1005 FILED FEBRUARY 2, 1999

Just 2/3/99
 (p. 242)

FEBRUARY 3, 1999

SENATE JOINT RESOLUTION 1

H-1004

1 Amend Senate Joint Resolution 1, as passed by the
2 Senate, as follows:

3 1. Page 4, line 21, by inserting after the word
4 "Iowa." the following:

5 "To ensure that the special election is conducted
6 in a manner that is most economically and
7 administratively feasible, the special election shall
8 be conducted by mail ballot only in every county of
9 the state pursuant to a mail ballot election plan for
10 conduct of the special election prepared by the
11 Secretary of State in that officer's capacity as state
12 commissioner of elections. The mail ballot election
13 on this matter shall be conducted in such a way that
14 will ensure the secrecy of voters' ballots and will
15 prevent any voter's ballot from being distinguished
16 from the ballots of other voters. To the extent
17 applicable, all statutes which generally apply to
18 elections shall apply to the special mail ballot
19 election conducted to submit to the people the
20 amendments contained in this resolution."

By JOCHUM of Dubuque

H-1004 FILED FEBRUARY 2, 1999

*Just 2/3/99
(p. 242)*

SENATE JOINT RESOLUTION 1

A JOINT RESOLUTION

PROPOSING AMENDMENTS TO THE CONSTITUTION OF THE STATE OF IOWA
RELATING TO THE STATE BUDGET BY LIMITING STATE GENERAL FUND
EXPENDITURES AND RESTRICTING CERTAIN STATE TAX REVENUE
CHANGES.

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

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

The Constitution of the State of Iowa is amended by adding the following new section to new Article XIII:

ARTICLE XIII.

EXPENDITURE LIMITATION.

GENERAL FUND EXPENDITURE LIMITATION. Section 1.

1. For the purposes of this section:

a. "Adjusted revenue estimate" means the most recent revenue estimate determined before January 1, or a later and lesser revenue estimate determined before adjournment of the regular session of the General Assembly, for the general fund for the following fiscal year as determined by a revenue estimating conference which shall be established by the General Assembly by law, adjusted by subtracting estimated refunds payable from that estimated revenue and adding any available surplus in accordance with subsection 5.

b. "General fund" means the principal operating fund of the state which shall be established by the General Assembly by law.

c. "New revenues" means moneys which are received by the state due to increased tax rates or fees or newly created taxes or fees over and above those moneys which are received due to state taxes or fees which are in effect as of January 1 following the most recent state revenue estimating conference. "New revenues" also includes moneys received by the general fund due to new transfers over and above those moneys received by the general fund due to transfers which are in effect as of January 1 following the most recent state revenue estimating conference. The state revenue estimating conference shall determine the eligibility of transfers to the general fund which are to be considered as new revenue in determining the state general fund expenditure limitation.

2. A state general fund expenditure limitation is created and calculated in subsection 3, for each fiscal year beginning on or after July 1 following the effective date of this section.

3. Except as otherwise provided in this section, the state general fund expenditure limitation for a fiscal year shall be ninety-nine percent of the adjusted revenue estimate.

4. The state general fund expenditure limitation shall be used by the Governor in the preparation of the budget and by the General Assembly in the budget process. If a new revenue source is proposed, the budget revenue projection used for that new revenue source for the period beginning on the effective date of the new revenue source and ending in the fiscal year in which the source is included in the adjusted revenue estimate shall be ninety-five percent of the amount remaining after subtracting estimated refunds payable from the projected revenue from that source. If a new revenue source is established and implemented, the original state general fund expenditure limitation amount provided for in subsection 3 shall be readjusted to include ninety-five percent of the estimated revenue from that source.

5. Any surplus existing at the end of a fiscal year which exceeds ten percent of the adjusted revenue estimate of that fiscal year shall be included in the adjusted revenue estimate for the following fiscal year. Any surplus equal to ten percent or less of the adjusted revenue estimate of the fiscal year may be included in the adjusted revenue estimate for the following fiscal year if approved in a bill receiving the affirmative votes of at least three-fifths of the whole membership of each house of the General Assembly. For purposes of this section, "surplus" means the cumulative excess of revenues and other financing sources over expenditures and other financing uses for the general fund at the end of a fiscal year.

6. The scope of the expenditure limitation under subsection 3 shall not include federal funds, donations, constitutionally dedicated moneys, and moneys in expenditures from a state retirement system.

7. The Governor shall submit and the General Assembly shall pass a budget which does not exceed the state general fund expenditure limitation.

8. The Governor shall not submit and the General Assembly shall not pass a budget which in order to balance assumes reversion of any part of the total of the appropriations included in the budget.

9. The state shall use consistent standards, in accordance with generally accepted accounting principles, for all state budgeting and accounting purposes.

10. The General Assembly shall enact laws to implement this section.

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

The Constitution of the State of Iowa is amended by adding the following new sections to new Article XIII:

ARTICLE XIII.

THREE-FIFTHS MAJORITY FOR TAX LAW CHANGES.

THREE-FIFTHS MAJORITY TO INCREASE TAXES. Section 1. A bill containing provisions enacting, amending, or repealing the state income tax or enacting, amending, or repealing the state sales and use taxes, in which the aggregate fiscal impact of those provisions relating to those taxes results in a net increase in state tax revenues, as determined by the General Assembly, shall require the affirmative votes of at least three-fifths of the whole membership of each house of the General Assembly for passage. This section does not apply to income tax or sales and use taxes imposed at the option of a local government.

THREE-FIFTHS MAJORITY TO ENACT NEW STATE TAX. Sec. 2. A bill that establishes a new state tax to be imposed by the state shall require the affirmative votes of at least three-fifths of the whole membership of each house of the General Assembly for passage.

ENFORCEMENT OF THREE-FIFTHS MAJORITY REQUIREMENT. Sec. 3. A lawsuit challenging the proper enactment of a bill pursuant to section 1 or 2 shall be filed no later than one year following the enactment. Failure to file such a lawsuit within the one-year time limit shall negate the three-fifths majority requirement as it applies to the bill.

Each bill to which section 1 or 2 applies shall include a separate provision describing the requirements for enactment prescribed by section 1 or 2.

IMPLEMENTATION. Sec. 4. The General Assembly shall enact laws to implement sections 1 through 3.

Sec. 3. The foregoing proposed amendments to the Constitution of the State of Iowa, having been adopted and agreed to by the Seventy-seventh General Assembly, 1998 Session, thereafter duly published, and now adopted and agreed to by the Seventy-eighth General Assembly in this joint resolution, shall be submitted to the people of the State of Iowa at a special election called for that purpose to be held on Tuesday, the 29th of June of the year 1999, in the manner

required by the Constitution of the State of Iowa and the laws of the State of Iowa.

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this resolution originated in the Senate and is known as Senate Joint Resolution 1, Seventy-eighth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate