

# Senate Joint Resolution 9 - Reprinted

SENATE JOINT RESOLUTION 9  
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(As Amended and Passed by the Senate March 16, 2017)

## SENATE JOINT RESOLUTION

1 A Joint Resolution proposing an amendment to the Constitution  
2 of the State of Iowa relating to the state budget by  
3 creating a state general fund expenditure limitation.  
4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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 a new Article:

5 ARTICLE \_\_\_\_.

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 revenue  
10 estimate determined before January 1, or a later and lower  
11 revenue estimate determined before adjournment of the regular  
12 session of the general assembly, for the general fund for the  
13 following fiscal year, as determined by the revenue estimating  
14 conference, adjusted by subtracting estimated refunds payable  
15 from that estimated revenue. However, if the state general  
16 fund expenditure limitation is calculated based upon the  
17 adjusted revenue estimate and not based upon the net revenue  
18 estimate and the general assembly holds an extraordinary  
19 session prior to the commencement of the fiscal year to which  
20 the adjusted revenue estimate applies and if before or during  
21 the extraordinary session the revenue estimating conference  
22 determines a lower revenue estimate, the lower estimate shall  
23 be used for calculating the adjusted revenue estimate.

24 *b. "Current fiscal year"* means the fiscal year preceding  
25 the fiscal year to which the state general fund expenditure  
26 limitation applies.

27 *c. "General fund"* means the principal operating fund of the  
28 state.

29 *d. "Net revenue estimate"* means the most recent revenue  
30 estimate determined before January 1, or a later and lower  
31 estimate determined before adjournment of the regular  
32 session of the general assembly, for the general fund  
33 for the current fiscal year, as determined by the revenue  
34 estimating conference, and adjusted by subtracting estimated  
35 refunds payable from that estimated revenue. However, if

1 the state general fund expenditure limitation is calculated  
2 based upon the net revenue estimate and not based upon the  
3 adjusted revenue estimate and the general assembly holds an  
4 extraordinary session prior to the completion of the fiscal  
5 year to which the net revenue estimate applies and if before  
6 or during the extraordinary session the revenue estimating  
7 conference determines a lower revenue estimate for the current  
8 fiscal year, the lower estimate shall be used for calculating  
9 the net revenue estimate for the general fund.

10 *e.* "New revenue" means moneys received by the general fund  
11 due to increased tax rates or fees or newly created taxes or  
12 fees over and above those moneys received by the general fund  
13 due to state taxes or fees in effect as of January 1 following  
14 the most recent meeting of the revenue estimating conference.  
15 "New revenue" also includes moneys received by the general  
16 fund due to new transfers to the general fund over and above  
17 those moneys received by the general fund due to transfers in  
18 effect as of January 1 following the most recent meeting of the  
19 revenue estimating conference.

20 2. A state general fund expenditure limitation is created,  
21 as calculated in subsection 3, for each fiscal year beginning  
22 on or after July 1 following ratification by the voters of this  
23 amendment to the Constitution of the State of Iowa.

24 3. The state general fund expenditure limitation for a  
25 fiscal year shall be the lesser of the following amounts:

26 *a.* Ninety-nine percent of the adjusted revenue estimate for  
27 the following fiscal year for the general fund.

28 *b.* One hundred four percent of the current fiscal year net  
29 revenue estimate for the general fund.

30 4. The state general fund expenditure limitation shall be  
31 used by the governor in the preparation and approval of the  
32 budget and by the general assembly in the budget process.

33 5. If a new revenue source is proposed, the budget revenue  
34 projection used for that new revenue source for the period  
35 beginning on the effective date of the new revenue source and

1 ending in the fiscal year in which that source is included in  
2 the adjusted revenue estimate or the net revenue estimate,  
3 as applicable, shall be ninety-five percent of the amount  
4 remaining after subtracting estimated refunds payable from the  
5 projected revenue from that source.

6 6. If a revenue decrease is proposed, the projection for the  
7 revenue source used for that revenue decrease for the period  
8 beginning on the effective date of the revenue decrease and  
9 ending in the fiscal year in which that decrease is included in  
10 the adjusted revenue estimate or the net revenue estimate, as  
11 applicable, shall be one hundred percent of the amount of the  
12 projected revenue decrease from that source.

13 7. The scope of the state general fund expenditure  
14 limitation calculated in accordance with this section shall not  
15 include federal funds, donations, constitutionally dedicated  
16 moneys, and moneys expended from a state retirement system.

17 8. The governor shall submit and the general assembly shall  
18 pass a budget which does not exceed the state general fund  
19 expenditure limitation. The governor shall not approve or  
20 disapprove appropriation bills or items of appropriation bills  
21 passed by the general assembly in a manner that would cause the  
22 final appropriations approved by the governor to exceed the  
23 state general fund expenditure limitation.

24 9. The governor shall not submit and the general assembly  
25 shall not pass a budget which in order to balance assumes  
26 reversion of any part of the total of the appropriations  
27 included in the budget.

28 10. The general assembly shall establish by law a general  
29 fund of the state and a revenue estimating conference. The  
30 general assembly shall enact laws to implement this section.

31 11. The general assembly may suspend the application of this  
32 article by passage of a joint resolution, subject to approval  
33 by the governor, by two-thirds of the members elected to each  
34 house of the general assembly.

35 Sec. 2. REFERRAL AND PUBLICATION. The foregoing amendment

1 to the Constitution of the State of Iowa is referred to the  
2 general assembly to be chosen at the next general election  
3 for members of the general assembly, and the secretary of  
4 state is directed to cause the same to be published for three  
5 consecutive months previous to the date of that election as  
6 provided by law.