

**CHAPTER 1181****PROPOSED CONSTITUTIONAL AMENDMENT  
— TAX OR FEE INCREASES***S.J.R. 2010**First Time Passed*

**A JOINT RESOLUTION** proposing an amendment to the Constitution of the State of Iowa to require approval by vote of the people before certain tax or fee increases take effect.

*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 sections to new Article XIII:

**ARTICLE XIII****PEOPLE'S RIGHT TO VOTE ON TAX OR FEE INCREASES**

**PEOPLE'S RIGHT TO VOTE ON TAX OR FEE INCREASES. SECTION 1.** If all tax and fee increases adopted in a fiscal year would produce new annual revenue exceeding one percent of total state general fund revenue received in the preceding fiscal year, excluding transfers from other state funds, the increases shall be submitted to the electors, starting with the largest increase and including increases in descending order, except the remaining increases that total one percent or less. All increases of any one tax or fee shall together be regarded as one increase. An adopted tax or fee increase required by this article to be submitted to the electors shall take effect only if submitted to the electors at the next state general election and approved by a majority of the electors voting thereon.

**APPLICATION. SEC. 2.** In this article:

1. "Local governments" includes all political subdivisions.
2. "Increase" includes, but is not limited to, imposing a new tax or fee; raising a rate or amount; repealing, reducing, or delaying an exemption, deduction, credit, exclusion, reduction, or indexing requirement; or broadening the base or scope of a tax or fee in any way.
3. "Increase" includes legislation that allows or requires one or more local governments, with or without approval by local electors, to impose or increase any tax on income, sales, or property, but excludes legislation in which the only subject matter is establishment of the state percentage of growth for school foundation aid.
4. "Increase" of property tax includes legislation that has the effect of reducing total state funds transferred to all local governments in a fiscal year in comparison with the preceding fiscal year, taking into account all legislation increasing or reducing such transfers.
5. "Increase" of property tax includes legislation that has the effect of requiring local governments to incur aggregate net cost increases in a fiscal year, after deducting increased transfers of state funds for the express purpose of offsetting those cost increases. Such increased transfers shall be deducted under this subsection and not under subsection 4.
6. "New annual revenue" means the estimated net increase over the fiscal year preceding adoption in total state general fund revenue produced by the total of all tax and fee increases adopted in a fiscal year, less estimated refunds payable as a result of the increases, all as estimated for the fiscal year in which all such increases are adopted, as if all such increases and refunds were fully effective and entirely implemented for that full fiscal year. Actual amounts, if known, shall be used instead of estimates.
7. "Adopted" or "adoption" means that after 2006, a bill has been passed and all requirements of article III have been met, so that the bill would become law except for the requirements of this article.

8. This article does not apply to taxes and fees subject to article VII, sections 5 and 8.

EMERGENCY. SEC. 3. A temporary exception to the preceding requirements of this article shall be allowed only to this extent and only if all these conditions are met: (1) the Governor requests the General Assembly to adopt an emergency tax increase for only one specified fiscal year; (2) the request specifically states the nature of the emergency, the expenditures needed to respond to the emergency, and the proposed tax increase to pay for the emergency expenditures for that year; and (3) a law declaring an emergency and providing an emergency tax increase in accordance with the Governor's specific request is passed by a vote of two-thirds of all the members elected to each branch of the General Assembly and is approved by the Governor. Such law shall not be passed more than four months prior to the fiscal year to which it applies. Such law must be enacted prior to obligating any requested emergency expenditures.

ENFORCEMENT. SEC. 4. Any citizen or taxpayer may, within two years after a tax or fee increase is adopted, bring suit to enforce compliance with this article. If no such suit is filed within the two-year period, the elector approval requirement for that tax or fee increase is negated. The Supreme Court shall have original jurisdiction of any such suit. The Supreme Court shall invalidate any increase which should have been, but was not, submitted to the electors as required by this article and shall order that the revenue collected in violation of this article be refunded or applied to reduce future taxes. A citizen or taxpayer who brings suit and prevails shall receive from the state the costs of the suit, including reasonable attorney fees.

IMPLEMENTATION. SEC. 5. This article shall be interpreted and implemented to achieve its purpose to increase the electors' control of taxes and fees. The General Assembly shall enact laws to implement this article.

Sec. 2. REFERRAL AND PUBLICATION. The foregoing proposed amendment to the Constitution of the State of Iowa is referred to the General Assembly to be chosen at the next general election for members of the General Assembly, and the Secretary of State is directed to cause it to be published for three consecutive months previous to the date of that election as provided by law.