

**Committee Name:**  
**Senate Committee –**  
**Judiciary, Corrections and Privacy**  
**(SC–JCP)**

**Appointments**

03hr\_SC–JCP\_Appt\_pt00

**Committee Hearings**

03hr\_SC–JCP\_CH\_pt00

**Committee Reports**

03hr\_SC–JCP\_CR\_pt00

**Clearinghouse Rules**

03hr\_SC–JCP\_CRule\_03–

**Executive Sessions**

03hr\_SC–JCP\_ES\_pt00

# Hearing Records

03hr\_ab0000

## 03hr\_sjr0015

**Misc.**

03hr\_SC–JCP\_Misc\_pt00

**Record of Committee Proceedings**

03hr\_SC–JCP\_RCP\_pt00



## POSITION PAPERS

From Wayne Corey, Executive Director

March 4, 2003

### **SJR 15: STATE MUST FIX FINANCES FIRST**

The State of Wisconsin must put its fiscal house in order. While Wisconsin Independent Businesses appreciates efforts to restrain state taxes, we believe that the first order of business must be adequate fiscal management. Although it appears that the administration and legislature are finally committed to more sound budgeting techniques, others want proof. WIB understands that those outside our state will have difficulty believing Wisconsin is now holding state spending within the limitations of our financial resources until the state is operating under a budget that provides proof.

Passage of Senate Joint Resolution 15 may suggest to the bond markets that our legislature remains unwilling or unable to deal with our most serious issue. For too many years smoke and mirrors have been Wisconsin's chief budgeting technique. The bond markets recognize the smoke and mirrors. Wisconsin pays higher interest rates on bonds because the markets don't believe we are willing to deal with our spendthrift habits. Those higher interest rates are paid for with state tax revenue. The legislature should put our fiscal house in order and prove the bond markets wrong. But until then, SJR 15 may send the wrong message at this time.

#### **PREPARED FOR :**

**The Senate Committee on Judiciary,  
Corrections & Privacy**

SJR 15 has another critical weakness that can be repaired by amendment. SJR 15 requires a two-thirds "super majority" vote to increase sales or income tax rates. However, the proposal as drafted fails to include **expansion of the sales tax base** in the super majority requirement. Without including expansion of the sales tax base, that avenue becomes the path of least resistance for an administration or legislature seeking more tax revenue.

Expansion of the sales tax base is *targeted taxation*. Serious new revenue can come from only two sources : business services and farm necessities. Small businesses and family farms will be the exclusive source of new tax revenue under that scenario. WIB believes that is unfair and unacceptable. SJR 15 must be amended to include expansion of the sales tax base in the super majority vote requirement.

We appreciate your interest in these issues.

*In our 26th year, WIB serves 52,000 people with ownership interest in 16,000 businesses and 9,000 farms. For more information, contact*

*Wayne Corey 608-255-0373  
800-362-9644*

Vote Record

Committee on Judiciary, Corrections and Privacy

Date: 3/11/03

Moved by: Fitz

Seconded by: Stepp

AB SB Clearinghouse Rule
AJR SJR 15 Appointment
AR SR Other

A/S Amdt
A/S Amdt to A/S Amdt
A/S Sub Amdt
A/S Amdt to A/S Sub Amdt
A/S Amdt to A/S Amdt to A/S Sub Amdt

- Be recommended for:
Passage Adoption Confirmation Concurrence Indefinite Postponement
Introduction Rejection Tabling Nonconcurrence

"as amended"

Table with columns: Committee Member, Aye, No, Absent, Not Voting. Rows include Senator David Zien, Senator Scott Fitzgerald, Senator Cathy Stepp, Senator Gary George, Senator Tim Carpenter.

Totals: 3 2

**Vote Record**

**Committee on Judiciary, Corrections and Privacy**

Date: 3/11/03

Moved by: Steph

Seconded by: Fitz

AB \_\_\_\_\_ SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR ~~\_\_\_\_\_~~ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt ~~IRS 5 0026~~ to SJR 15  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

<u>Committee Member</u>	<u>Roll Call</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator David Zien	✓	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Scott Fitzgerald	✓	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Cathy Stepp	✓	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Gary George	OPEN	<input type="checkbox"/>	<input checked="" type="checkbox"/> Polky	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Tim Carpenter	✓	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>4</u>				
<b>Totals:</b>		<u>4</u>	<u>1</u>		



**CHAIRPERSON**  
 COMMITTEE ON JUDICIARY, CORRECTIONS AND PRIVACY  
**VICE CHAIRPERSON**  
 COMMITTEE ON HOMELAND SECURITY, VETERANS AND MILITARY AFFAIRS AND GOVERNMENT REFORM  
**MEMBER**  
 COMMITTEE ON SENATE ORGANIZATION  
 COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES  
 COMMITTEE ON LABOR, SMALL BUSINESS DEVELOPMENT AND CONSUMER AFFAIRS  
 SENTENCING COMMISSION  
 COUNCIL ON TOURISM

**MEMORANDUM**

**TO:** Senator Gary George, Member, Senate Committee on Judiciary, Corrections & Privacy  
**FR:** Senator Dave Zien, Chair, Senate Committee on Judiciary, Corrections & Privacy  
**DT:** March 11, 2003  
**RE:** Paper Ballot for Senate Joint Resolution 15

Please review the attached copy of Senate Joint Resolution 15 and Senate Substitute Amendment LRBs0026 and vote on the motions below. Return this ballot to Senator Dave Zien no later than 1:00pm today, March 11, 2003. Ballots not received by the deadline will be marked absent.

**Senate Joint Resolution 15**

Relating to: the vote on bills that would increase certain tax rates (first consideration).

By Senators Welch, Harsdorf, Kanavas, Kedzie, A. Lasee, Leibham, Reynolds, Stepp and Zien; cosponsored by Representatives Suder, Albers, Bies, J. Fitzgerald, Gielow, Grothman, Gunderson, Hines, Jensen, Krawczyk, Kreibich, Ladwig, F. Lasee, McCormick, D. Meyer, Musser, Nass, Nischke, Owens, Petrowski, Stone, Towns, Vukmir, Ward, J. Wood and Ziegelbauer.

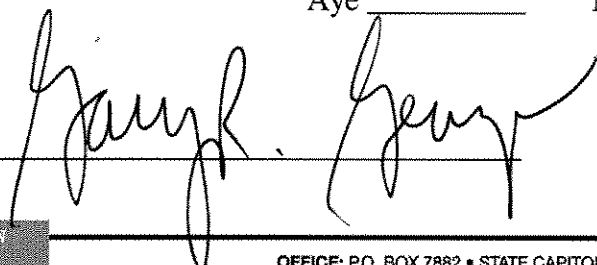
Please consider the following motions:

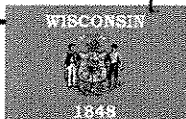
- Introduction and adoption of Senate Substitute Amendment LRBs0026 to Senate Joint Resolution 15, moved by Senator Stepp, seconded by Senator Fitzgerald:

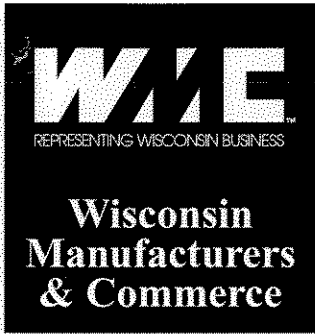
Aye \_\_\_\_\_ No  \_\_\_\_\_

- Adoption of Senate Joint Resolution 15 as amended, moved by Senator Fitzgerald, seconded by Senator Stepp:

Aye \_\_\_\_\_ No  \_\_\_\_\_

Signature 





**Memo**

**TO:** Members of the Senate Committee on Judiciary, Corrections and Privacy

**FROM:** Joan Hansen, Director, Tax & Corporate Policy

**DATE:** March 11, 2003

**RE:** 2003 Senate Joint Resolution 15  
Two-Thirds Majority to Pass Tax Rate Increases

Wisconsin Manufacturers and Commerce (WMC) supports 2003 Senate Joint Resolution 15 that requires a two-thirds vote by the Legislature to pass a sales, individual income or corporate income tax rate increase.

It's well known that Wisconsin faces many economic challenges in the months and years to come:


The economy, although growing has still not significantly recovered; January's unemployment rate was 5.4%, which is slightly lower than December's, but much higher than those experienced in the 1990's; last year Wisconsin lost 20,000 manufacturing jobs and is scheduled to lose another 5,000 in 2003; job growth is not expected until the final quarter of 2003 and net job growth is not expected until the end of 2006.

Furthermore, the state is facing a \$3 billion budget deficit crisis due in large part to Wisconsin's historically high level of government spending. Government spending in Wisconsin has been increasing at rates well above inflation, as well as personal income growth.

Because government spending has not been reined in either by requiring spending to be based on an economic indicator, such as inflation or growth in personal income; or by controlled tax restraints such as SJR 15, Wisconsin has ranked 3<sup>rd</sup>, 4<sup>th</sup>, or 5<sup>th</sup> highest every year in state and local tax burden since 1990. According to the most recent data published by the Wisconsin Taxpayers Alliance, Wisconsin's state-local tax burden was 4<sup>th</sup> highest at 12.94% of personal income; and personal income taxes ranked 5<sup>th</sup> highest. Taxes make up a larger piece of personal budgets than ho using, food, health care and entertainment.

If approved, this Constitutional amendment is a step in the right direction toward addressing Wisconsin's high tax burden and hopefully, it will begin to bring state and local taxes in line with citizens' ability to pay.

This is important for many reasons - the most obvious being that our citizens are taxed far beyond their means. Their state and local tax burden is fourth highest in the nation, trailing only New York, Maine and Alaska, yet incomes are 4% below the national average. Clearly, citizens pay too much for government in Wisconsin. In fact, in a WMC poll, 82% said we should require a 2/3 vote of the Legislature to exceed state spending caps or increase taxes.



Secondly, if Wisconsin is to remain competitive globally, tax and spending issues must be resolved in order to keep our high-paying manufacturing jobs in the state, as well as to encourage the expansion of those existing businesses. And - equally important to maintaining our strong industrial base is to provide incentives to attract new businesses to Wisconsin - competitive tax rates will definitely assist this effort.

There is no doubt the tax and spending climate in states affects personal and business decisions about how and where to earn, invest and spend. And those decisions impact a state's economic well being. If Wisconsin does not maintain a competitive business climate; we will lose more Wisconsin companies, jobs and ultimately the tax base.

For these reasons, WMC urges the committee to support SJR 15.

April 15, 1998

# Supermajority: A Super Idea

by Dean Stansel

*Dean Stansel is a fiscal policy analyst at the Cato Institute in Washington, D.C., and author of The Hidden Burden of Taxation: How Government reduces Take-Home Pay.*

If the people's elected representatives want to take more money out of their constituents' pockets, they will have to reach a broader consensus before they can do so. That is really all that a supermajority requirement for tax increases says, although critics say it is radical and draconian. In her State of the State address, Gov. Christine Whitman endorsed the idea of requiring a 2/3 supermajority for state tax hikes in New Jersey. On Tuesday April 14, she will unveil her formal proposal. State Senator Walter Kavanaugh and State Assemblyman Guy Gregg have proposed a less restrictive 3/5 supermajority requirement.

Requiring a broader consensus to raise taxes is a no-brainer in a high-tax state like New Jersey. Despite the recent income tax cuts, New Jerseyites still face one of the highest state tax burdens in the nation. Only 12 states have a higher per capita state tax burden than New Jersey. When local taxes are included, New Jersey is fourth highest (16th highest as a percentage of income). At 6.37 percent, the top income tax rate is still much higher than it was in 1990 (3.5 percent) before Gov. Jim Florio's record-breaking tax hike. And since 1980, per capita state spending in New Jersey has gone up faster than in every other state in the nation except one. Only Connecticut has increased per capita spending faster than New Jersey.

Some critics of a supermajority requirement say it is a risky measure that would not work in New Jersey. However, 13 other states already have such requirements. Nine of those states have stiffer requirements than the 3/5 measure being considered in the legislature--seven have a 2/3 requirement, like Gov. Whitman has endorsed, and two have a 3/4 requirement.

Other states have gone even further. Five states now require voter approval for tax increases, a substantially more difficult barrier. In Florida, where taxes are already much lower than in New Jersey, tax hikes must be approved by a supermajority of the voters.

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A supermajority requirement does not mandate a tax cut, nor does it prohibit tax increases. Supermajority requirements merely ask legislators to reach a broader consensus when they want to take more money out of their constituents' pockets.

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There is some evidence that supermajority requirements have at least helped to restrain the growth of taxes. From 1980 to 1996, state tax burdens as a share of personal income increased by 1.1 percent in states with supermajority requirements. Taxes rose five times faster in states without such requirements.

In 10 states, residents face higher top personal income tax rates today than they did in 1990. None of those states require supermajority approval for tax hikes. None of the 13 supermajority states have



higher top rates today than they did in 1990, and three of them have lowered their top rate in the 1990s.

In Arizona, before the supermajority requirement was enacted in 1992, taxes had been raised eight times in the previous nine years. Since then taxes have been cut five years in a row.

Opponents of supermajority requirements for tax increases often claim that they are radical, reckless measures that will require draconian cuts in government spending on schools, roads, children and the poor. For instance, the New Jersey Education Association recently told a state Senate committee that a supermajority requirement "threatens the future of public education."

While supermajority requirements can provide a modest amount of tax relief by making it less likely that tax hikes will be imposed, make no mistake, those requirements are truly modest measures. The idea that requiring more than a simple majority to increase taxes will gut the budget is ridiculous. A supermajority requirement does not mandate a tax cut, nor does it prohibit tax increases. Supermajority requirements merely ask legislators to reach a broader consensus when they want to take more money out of their constituents' pockets.

Furthermore, since the supermajority requirements proposed in the legislature and by the governor are in the form of constitutional amendments, they would have to be approved by the voters before taking effect. Therefore, enacting those measures will not by itself impose a supermajority requirement. Instead, it would merely give New Jersey taxpayers an opportunity to decide whether or not they want to make it more difficult for their elected representatives to increase their taxes. What could be more reasonable? Why not let the voters decide? After all, it is their money.

Today Americans have to spend more on taxes than they do on food, clothing, shelter and transportation combined. Other states with lower taxes than New Jersey are prohibiting their legislatures from raising taxes without the explicit permission of the voters, a much stiffer restriction than a supermajority requirement. Is it really too much to ask that more than a simple majority of the legislature be required to raise New Jersey's tax burden even higher?

# States with laws requiring "supermajority" of legislature to raise taxes



Those states that have a 3/5 "supermajority" are: Delaware, Mississippi and Oregon. States that require a 3/4 "supermajority" include Arkansas and Oklahoma. Colorado voters must approve of all tax increases. Others are 2/3 "supermajority." Washington State and Montana taxpayers passed a 2/3 supermajority law that was struck down by the Courts. Louisiana had a supermajority law but it has an emergency escape clause that often renders its bill useless. Source: Americans for Tax Reform, Tax Limitation Project, Ryan Horn, Director.

- States with 2/3, 3/5 or 3/4 "Supermajority" requirement to raise taxes (10)
- No Special Requirement to raise taxes (40)

Arizona	
Supermajority?	<p>Yes. Art. IX, §22(A) Requires 2/3 of each state House plus signature of governor to increase state revenues (a new tax, an increase in tax rate, or a reduction/elimination of a tax deduction, exemption, exclusion, credit or other tax exemption feature in computing tax liability). If governor vetoes, the constitution requires ¾ approval from each House. However, Art. IX, §22(C) ¶1-3 gives three "loopholes" that allow an increase in revenues, not subject to the process outlined in (A): 1) effects of inflation and increasing assessed valuation or any other similar effects; 2) fees and assessments that are authorized by statute, but are not prescribed by formula, amount or limit, and are set by a state officer or agency; and 3) Taxes, fees or assessments that are imposed by counties, cities, towns and other political subdivisions of the state (see below for particulars). <b>Supermajority is constitutional law but the limit on revenue is only applicable to the state and not the counties, cities, towns or other political subdivisions.</b></p>
Enacted: 1992	
Taxes Increases Affected: All	
Method: Citizen Initiative	
Deferring to the counties, cities, towns and other political subdivisions of the state:	<p>Each political subdivision has an "economic estimates commission" (as does the state for state level expenditure determination) consisting of three members. This commission is responsible for determining the expenditure limitation for the following fiscal year for their particular subdivision. The expenditure limit is determined by adjusting the actual amount of actual payments of local revenues for fiscal year 1979-1980 to reflect the changes in population and cost of living. Art. IX, §20(9): <b>A supermajority of 2/3 is required by the governing board of the subdivision to increase the expenditure limitation and must be approved by a simple majority of voters at an election prior to the fiscal year in which the expenditure limit is to take effect.</b> Subsequently, if voters approve of the expenditure limitation increase, it will hold for the following 4 fiscal years and an increase in expenditure limit cannot be put to the people again within the 4 years. If they reject it, calculation of expenditure limit must rely on the formula of Art. IX, §1 and voters cannot be approached again for at least two years asking for an increase in the expenditure limit.</p>
Emergency Clause?	<p>Yes – only at the county, city and town level. Requires a 2/3 approval from the governing board for money to go directly to aid in response to a man-made or natural disaster (if the governor declares an emergency) and is only applicable to the current or the succeeding fiscal year. If the governor does not declare an emergency, 70% approval of the governing board for an increase in expenditure and a reduction in expenditures (below the limit) in the following fiscal year. Or, a simple majority approval by the voters to allow an increase in expenditure. If the voters do not approve the increase, the governing board must reduce expenditures below the limit in the following fiscal year.</p>
Initiative & Referenda Requirements (Art. IV, §1)	<ul style="list-style-type: none"> <li>• Initiative: To have any measure put on the ballot (non-constitutional) requires the signatures of 10% of qualified electors. Requires the signatures of 15% of the qualified electors to propose an amendment to the constitution and requires a majority of the voters to approve its passage. <ul style="list-style-type: none"> <li>◦ Must be filed at least four months prior to when the proposed measure will on the ballot.</li> </ul> </li> <li>• Referendum: Requires signatures of 5% of qualified voters to put the measure on the ballot challenging/amending any measure, or item, section, or part of any measure, enacted by the Legislature except laws immediately necessary for the preservation of the public peace, health, or safety, or for the support and maintenance of the departments of the state government and state institutions. Must be filed within 90 days following the adjournment of the legislative session in which the act was enacted. If a portion of a bill, act, or law is contested, the remainder of that measure will not be held up due to the referendum. Requires a majority of the voters approving for it to pass.</li> <li>• Veto by governor not allowed on initiatives or referendum approved by the majority of voters.</li> <li>• Legislature not allowed to repeal an initiative or referendum measure approved by the voters.</li> <li>• Legislature can amend an approved initiative or referendum only if the amending legislation furthers the purposes of the initial measure and it requires ¾ supermajority vote of each House for approval.</li> <li>• <u>Local</u> matter initiative: Requires the signatures of 15% of the qualified electors to propose a measure.</li> <li>• <u>Local</u> matter referendum: Requires the signatures of 10% of the qualified electors to propose the referendum on legislation enacted within and by such city, town, or county.</li> </ul>
Recent History	<p>2002 – Proposal brought forth to Legislature to propose a constitutional cap on state spending (based on population growth and inflation) and required a popular vote of the Legislature to increase taxes. Proposal failed by one vote in the House (4/10/02).</p> <p>2000 – Arizona Supreme Court threw out a ballot measure (Taxpayers Protection Act, Proposition</p>

	107) that would have abolished state income and sales tax over a four-year phase out plan and required a majority of voters to approve tax increases. Court determined that is violated the "one issue" rule (can only have one issue per proposed measure). 1992 – Initiative that passed the 2/3 majority constitutional requirement for tax increases (became §22 of Article IX).
<b>Arkansas</b>	
Supermajority?	Yes. Art. V §31 states that "No state tax shall be allowed, or appropriation of money made, except to raise means for the payment of the just debts of the State, for defraying the necessary expenses of government, to sustain common schools, to repel invasion and suppress insurrection, except by a majority of 2/3 of both Houses of the General Assembly." Also, Art. V §38(2) states that rate increases for property, excise, privilege or personal taxes requires approval of the voters except in the case of emergency. §39(3) also allows an increase in expenditure limit (above and beyond the \$2.5 million limit) with a ¾ majority approval by both Houses. <b>Supermajority is constitutional.</b>
Enacted: 1934	
Taxes Increases Affected: All except alcohol & sales	
Method: Legislative Referendum	
Emergency Clause?	Yes. Art. V §38(2) allows an increase in taxes due to an "emergency" with a ¾ approval of both Houses. Voter approval not required. Any emergency is whatever the General Assembly at the time dictates it is, as long as it is explained.
Initiative & Referenda (Amendment 7)	<ul style="list-style-type: none"> <li>• Initiative: Requires signature of 8% of legal voters (based on the total number of votes cast for the office of Governor in the preceding election) to propose any law and 10% for a constitutional amendment. Must be filed with the secretary of state not less than 4 months prior to the election in which the measure is to be voted on. Publication of the measure is at the cost of the petitioner and the constitution requires that the measure be published at least once in some paper of general circulation at least 30 days before the filing.</li> <li>• Referendum: Requires the signatures of 6% of legal voters (based on the total number of votes cast for the office of Governor in the preceding election) to, by petition, order the referendum against any act, or any item of an appropriation bill, or measure passed by the General Assembly. Must be filed within 90 days of adjournment of the session that passed the act, bill or measure.</li> </ul>
<b>California</b>	
Supermajority?	Yes. Proposition 13 passed in 1978 provided the constitutional amendment (Art. 13 §3). Forces a 2/3 supermajority approval in both Houses to raise any and all taxes. However, a loop hole was created by the lawmakers by exempting local governments that enact "assessments" and "fees" from supermajority requirements. In 1996, Proposition 218 was passed by the majority of voters, creating Art. XIII C. Art. XIII C§2(b): Requires that local government receive a majority approval to impose, extend, or increase any general tax. §2(c) requires a 2/3 majority approval by the electorate to impose, extend, or increase any special tax. <b>Supermajority is constitutional.</b>
Enacted: 1978	
Taxes Increases Affected: All	
Method: Citizen Initiative	
Initiative & Referenda	<ul style="list-style-type: none"> <li>• Art. II §8(b) Initiative: Requires signatures of 5% of the voters for all gubernatorial candidates in the previous election to propose or amend a statute. To propose a constitutional amendment, signatures of 8% of the voters for all gubernatorial candidates in the previous election is required.</li> <li>• Majority approval of voters is required to pass either.</li> <li>• Art. II §9(a) Referendum: Allow for voters to approve or reject statutes (or parts thereof) and requires signatures of 5% of the voters for all gubernatorial candidates in the previous election.</li> <li>• Art. II §10(c) allows the Legislature to amend or repeal referendum statutes. However, it can only amend or repeal the statutes by proposing another statute and it receives a majority approval by the electorate unless the original statute permits amendment or repeal without the consent of the voters.</li> </ul>
Recent History	Governor Davis to release his "Budget Plan" on Tuesday, May 14, 2002. Expected increase in taxes to fix the shortfall. Items such as increases in the vehicle license fee, the SUV tax (\$3,500) and the "twinkie tax" are all to be decided on when the budget comes forth.
<b>Colorado</b>	
Supermajority?	No, but requires majority of voters approval for any tax increase. Art. X §20 is the Taxpayers Bill of Rights (a.k.a. TABOR). This is an amendment to the <b>constitution</b> that took effect in 1992. §20(4)(a) requires voter approval for "any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase for a property class, or extension of an expiring tax, or a tax policy change directly causing a net tax revenue gain to any district. §20(7)(a) limits the increase in expenditure limit to inflation + % change in state population. Adjusted revenue changes must be approved by the voters as well. <b>Supermajority is constitutional.</b>
Enacted: 1992	
Taxes Increases Affected: All	
Method: Citizen Initiative	
Deferring to the Counties, Cities, and Towns	Art. X §7 allows the state to defer taxation power to the county, city, town or other municipal incorporations.

Emergency Clause?	Yes. However, in Art. X, §20(2)(c), the emergency clause excludes economic conditions, revenue shortfalls, or district salary or fringe benefit increases. §20(6)(a) also requires a 2/3 supermajority of each House or local district board to declare an emergency and to impose a tax for the emergency.
Initiative & Referenda Requirements (Art. V)	<ul style="list-style-type: none"> <li>• Initiative (§2): Requires 5% of votes cast for all candidates for the secretary of state in the preceding election to propose a petition. This must be filed at least 3 months prior to the general election in which the initiative is to be voted upon.</li> <li>• Referendum (§3): A petition for a referendum can be proposed by the people or the general assembly for any law (or part thereof) passed by the Legislature (with the exception of laws necessary for the immediate preservation of the public peace, health or safety, and appropriations for the support and maintenance of the departments of state and state institutions. Requires 5% of votes cast for all candidates for the office of secretary of state in the preceding election to propose the petition. <ul style="list-style-type: none"> <li>○ Must be filed within 90 days following the adjournment of the legislative session in which the law was enacted.</li> </ul> </li> <li>• §4 – Governor cannot veto any measures initiated or referred by or to the people. A majority vote of voters is required to pass a measure.</li> <li>• §9 – Cities, towns, and municipalities referendum and initiative requires 10% of registered voters for the referred measure to be placed on the ballot, 15% of registered voter to place the initiative measure.</li> </ul>
Recent History	Gov. Owens encouraging the initiative process at the local/regional level to put a tax increase on the ballot for voter approval. This would be helped by reducing the number of signatures required from 80,000 to 5,000 for regional measures which tend to be less well funded.
<b>Delaware</b>	
Supermajority?	Yes. Art. 8 §10(a) of the <b>constitution</b> requires 3/5 approval of each House to any increase in tax or license fee.
Enacted: 1980	§11(a) requires 3/5 approval of each House to levy any new tax or license fee. <b>Supermajority is constitutional.</b>
Taxes Increases Affected: All rate increases	
Method: Legislative Referendum	
LOOPHOLE:	If the state cannot pay the principal and/or the interest that is due for debt on any given fiscal year, the limitation of sections 10(a) and 11(a) do not apply.
Initiative & Referenda	<ul style="list-style-type: none"> <li>• Art. XVI §1 – Constitutional Amendment requires 2/3 majority approval by each House. The secretary of state is required to publish the proposed amendment in at least 3 newspapers in each county (in which the papers are published) 3 months prior to the general election. A 2/3 majority approval is required by the new Legislature (each House) to approve the constitutional amendment.</li> <li>• No other I &amp; R exists in the state constitution.</li> </ul>
<b>Florida</b>	
Supermajority?	Yes – but not on all taxes. Art. VII §5(b) requires a 3/5 approval majority of each House to raise income taxes by more than 5% of individual net income. In 1996, “Ballot Measure One” amended Art. XI §7 stating that. “No new State tax or fee shall be imposed on or after November 8, 1993 by any amendment to this constitution unless the proposed amendment is approved by not fewer than 2/3 of the voters voting in the election in which such proposed amendment is considered.” In March 2001, State Sen. Posey (R) introduced sb1414 that would add to Art. 7 §1(d) a 3/5 supermajority requirement to raise taxes. However, the bill died in committee on May 4, 2001. <b>Supermajority is constitutional.</b>
Enacted: 1971/1996	
Taxes Increases Affected: Individual net income	
Method: Legislative Referendum	
Initiative & Referenda	<ul style="list-style-type: none"> <li>• Art. XI §3 Initiative (this is an amendment that is to take effect January 7, 2003): The people can propose an amendment to the constitution except on a subject that will limit the power to raise revenue. To place an amendment on the ballot, a petition signed by a number of electors in each of ½ of the congressional districts of the state, and of the state as a whole, equal to 8% of the votes cast in each of such districts respectively and in the state as a whole in the last preceding election in which presidential electors were chosen.</li> <li>• Referenda is generated from the Legislature for “special laws.”</li> </ul>
<b>Louisiana</b>	
Supermajority?	Yes. Art. VII §2 requires a 2/3 majority approval by both Houses to levy a new tax, increase an existing tax, or repeal an existing tax exemption. §2.1(A) states that any new fee or civil fine or increase in an existing fee or civil fine imposed or assessed by the state or a local board, department or agency also requires a 2/3 approval majority by each House. However, §2.1(B) makes an exception: “. . . shall not apply to any department which is constitutionally created and headed by an officer who is elected by majority vote of the electorate of the state.” <b>Supermajority is constitutional.</b>
Enacted: 1966	
Taxes Increases Affected: All rate increases	
Method: Legislative Referendum	

Deferring to the localities	Art. VII §4(C) prohibits a political subdivision from levying a severance tax, income tax, inheritance tax, or tax on motor fuel.
Emergency Clause?	No.
Initiative & Referenda?	No.
<b>Mississippi</b>	
Supermajority?	Yes. Art. IV §70 states that "no revenue bill, or any bill providing for assessments of property for taxation, shall become a law except by a vote of at least 3/5 of the members of each House present and voting." <b>Supermajority is constitutional.</b>
Enacted: 1970	
Taxes Increases Affected: All	
Method: Legislative Referendum	
Emergency Clause?	No.
Initiative (no referenda)	<ul style="list-style-type: none"> <li>• Art. XV §273(2) Constitutional Amendment proposed by the Legislature requires 2/3 majority approval and then must be referred to the voters for approval (requires simple majority of the voters).</li> <li>• Art. XV §273(3) Constitutional Amendment proposed by the people requires the signature of 12% of the voters that cast votes in the last gubernatorial election. Signatures from any one congressional district shall not exceed 1/5 of the total number of signatures required to place the amendment on the ballot.</li> <li>• Art. XV §273(11) – If an amendment to the Constitution via initiative petition is rejected by the majority of the voters, another petition of the same subject matter cannot be proposed within the two years following the election in which the original was voted on.</li> </ul>
<b>Missouri</b>	
Supermajority?	No. However, Art. X §18(e)(1) requires voter approval of revenue increase if the increase in revenue will exceed \$50 million or 1%. This was passed in 1996. In 1994, a more stringent requirement did not receive voter approval. According to the Allegheny Institute report, "Tax Limitation Measure Across the United States" this requirement failed because Missourians felt "they might lose funding for schools and law enforcement. They also did not want to be bothered with going to the polls every time a fee increase was proposed." <b>Supermajority is constitutional.</b>
Emergency Clause?	Yes. Art. X §18(e)(3) allows the general assembly to increase taxes, licenses or fees for one year beyond the limit (\$50 million or 1%). 2/3 majority of each House is required to declare an emergency.
Deferring to the localities	Art. X §22 requires majority approval by the voters to increase the current levy of an existing tax, license or fees.
<b>Montana</b>	
Supermajority?	No, but they did have one. In 1998, a ballot measure (CI-75) requiring voter approval for all tax increases passed with popular support. However, the Montana Supreme Court ruled the measure unconstitutional (based on the single-issue rule) and it did not take effect. Currently, a simple majority approval of each House is required to raise taxes. A ¾ supermajority is required to take money out of certain funds (i.e., the coal trust fund). According to the Allegheny Institute Policy report, "Tax Limitation Measures Across the United States," Legislators in Montana have promised to re-introduce legislation with the same effect as CI-75. Any significant action has not been taken to date. CI-75 was put on the ballot via citizen initiative.
Initiative and Referenda	<ul style="list-style-type: none"> <li>• Art. III §4(1) – Initiative: "People may enact laws by initiative on all matters <u>except</u> appropriations of money and local or special laws." §4(2) requires at least 5% of the qualified electors in each of at least 1/3 of the legislative representative districts and the total number of signatures must make up at least 5% of the total number of qualified electors in the state.</li> <li>• Art. III §5(1) – Referendum: "People may approve or reject by referendum any act of the Legislature except an appropriation of money." A referendum can be called by the Legislature or by petition of the people (requires 5% of the qualified electors in each of at least 1/3 of the legislative representative districts and the total number of signers must be 5% of the total qualified electors of the state. Must be filed within 6 months following the adjournment of the Legislature which passed the act.</li> <li>• Art. XIV §8 – Constitutional Amendment by the Legislature: Can be submitted by any member of the Legislature and requires 2/3 supermajority approval by the Legislature. Upon legislative approval, the amendment is submitted to the people and must be approved by the majority of the voters.</li> <li>• Art. XIV §9(1) – Constitutional Amendments by initiative: Requires 10% of the qualified electors in the state and must include 10% of the qualified electors in each of 2/5 of the legislative districts. Also requires a majority approval by the voters at a general election.</li> </ul>
<b>Nevada</b>	
Supermajority?	Yes. A <b>constitutional</b> requirement (Art. IV, §18[2]) of 2/3 supermajority vote of each House to pass a bill or joint resolution which creates, generates, or increases any public revenue, including but not limited to taxes, fees, assessments, and rates, or changes in the computation bases for taxes, fees, assessments and rates. Art. IV, §19(2)
Enacted: 1996	

Taxes Increases Affected: All	assessments, and rates, or changed in the computation bases for taxes, fees, assessments and rates. Art. IV §18(3) requires a majority of Legislators in each House to refer a measure to increase, etc. to the voters for approval in the next general election and requires the majority of voters for approval. <b>Supermajority is constitutional.</b>
Method: Citizen Initiative	
Initiative & Referenda Requirements	<ul style="list-style-type: none"> <li>• Art. XVI §1 – Requires 2 successive majority approvals by the legislative assembly and the voters for ratification of a constitutional amendment. Must be filed with the secretary of state no sooner than September 1 of the year preceding the year of the general election in which the measure is to be voted on. Petition must be complete (with required signatures) no later than 90 days prior to the general election.</li> <li>• Art. XIX §1(1) – Referendum: Requires the petitioner to file with the secretary of state <u>prior</u> to circulation the petition for signature. The purpose of the petition is to submit to the people for a vote, challenging a statute or resolution (or any part thereof) enacted by the Legislature. §1(2) Requires 10 of the voters from the last election to file with the secretary of state to have the measure put on the ballot. Must be filed 4 months prior to the general election in which the measure will be voted on. §1(3) Requires the majority of the voters for approval and the approved change can only be changed (in the future) by the people via a ballot measure put forth by the Legislature or the people.</li> <li>• Art. XIX §2(2) – To propose an initiative to the secretary of state requires 10% of the voters of those who voted in the last general election in not less than 75% of the counties. Requires signatures of 10% of the voters in the last general election in the entire state for the circulated petition (after approval by the secretary of state).</li> <li>• Art. XIX §2(3) – Earliest time to file for an enactment or amendment to a statute is on Jan. 1 of the year preceding the year of a regular legislative session. Must be filed with the secretary of state not less than 30 days prior to the regular legislative session. Legislature has 40 days to pass or reject the measure. If passed, becomes law (but subject to referendum), if rejected, put forth the voters for a vote. If majority of voters approve, it becomes law and cannot be “touched” for the following 3 years.</li> </ul>
Recent History	Governor’s Task Force on Tax Policy convened in December 2001. They are considering taxes on gross receipts, mining, property, sales or services, business profits, slot route operators, car rental companies, fuel, and energy. They are also considering taxes on franchise fees, business employee taxes, and sales tax exemptions. The recommendations are due 11/15/02 and will be used by the 2003 Legislature when devising the biennial budget. This task force will be meeting again in 2002 to solidify their recommendations for 11/15/02.
<b>Oklahoma</b>	
Supermajority?	Yes. Art. V §33(C) requires that any bill for raising revenue must be submitted to the voters for approval (requires a simple majority for approval). §33(D) states that a bill that raises revenue is not subject to voter approval if approved by ¾ of each House. Any bill that falls under the requirements of (D) will not be subject to the emergency measure provision in Art. V §58. <b>Supermajority is constitutional.</b>
Enacted: 1992	
Taxes Increases Affected: All	
Method: Citizen Initiative	
Emergency Clause?	Yes. Art. V §58 dictates that no act shall take effect until 90 days after the adjournment of the legislative session in which it was passed. The exceptions to this rule are enactments passed by initiative and referendum, a general appropriation bill, or if the language of the act itself states that the act must exempt itself from the 90 day rule. An act that states exempts itself from the 90 day rule must be passed with a 2/3 majority in both Houses. Emergency measures: “shall include only such measures as are immediately necessary for the preservation of the public peace, health, or safety . . .” If vetoed by the Governor, an “emergency measure” requires ¾ majority of each House to override the veto.
Deferring to the localities	Art. X §20 allows counties, cities, towns or other municipal corporations to assess and collect taxes for services in the respective locality.
Initiative & Referenda	<ul style="list-style-type: none"> <li>• Art. XXIV §1 Enables the Legislature to propose amendments to the constitution. If approved by a simple majority of each House, the amendment will be submitted for voter approval (requires simple majority of voters for approval).</li> <li>• Art. V §4 Allows the voters to demand a referendum against one or more items, sections, or parts of any act of the Legislature.</li> <li>• Art. V §6 states that any measure rejected by the people through the powers of initiative and referendum cannot be proposed by the initiative within three years after by less than 25% of the legal voters.</li> <li>• Art. V §2 to propose an initiative - requires signatures of 8% of the number of voters that cast votes in the last general election (based on the state office receiving the highest number of votes at that particular election) to propose a legislative measure.</li> <li>• Art. V §2 to order a referendum – requires signatures of 5% of the number of voters that cast votes in the last general election (based on the state office receiving the highest number of votes at that particular election) to propose a legislative measure.</li> <li>• Art. V §2 to propose an amendment to the constitution - requires signatures of 15% of the number of voters</li> </ul>

	that cast votes in the last general election (based on the state office receiving the highest number of votes at that particular election) to propose a legislative measure.
<b>Oregon</b>	
Supermajority?	Yes. Art. IV, §25(2) states that a 3/5 supermajority vote is required in both Houses of the Legislative Assembly to raise revenue beyond current budget requirements and must be adopted by the majority of the voters. Also, the Oregon Bill of Rights (32) states that "No tax or duty shall be imposed without the consent of the people or their representatives in the Legislative Assembly. . ." <b>Supermajority is constitutional law.</b>
Enacted: 1996	
Taxes Increases Affected: All	
Method: Legislative Referendum	
Emergency Clause?	Yes. Art. III, § 3 states that the Legislative Assembly is authorized to establish a joint committee (with members of both Houses) while the Assembly as a whole is out of session (Oregon is a biennial Legislature). This committee can declare an emergency and allow spending by affected agencies in excess of their apportioned funds from the previously approved budget. If the full Assembly is in session, a 2/3 approval is required to declare an emergency and to increase spending in response to the emergency (Art. IX, §14[6][a]). However, Art. IX, §1(a) states that the Legislative Assembly cannot declare an emergency in an act regulating taxation or exemption. One dangerous avenue is that the Joint Committee is authorized to approve, or revise and approve spending and funding for new activity that comes into existence when the Assembly as a whole is out of session. Also, the definition of (or what constitutes an emergency) an emergency is up to the discretion of the Legislative Assembly (Art. III, §3[c][2])
Initiative & Referenda Requirements (Art. IV, §1)	<ul style="list-style-type: none"> <li>To place an <u>initiative to amend a law</u> on a ballot requires signatures equal to (at least) 6% of the total number of voters in the most recent, regular, gubernatorial election.</li> <li>To place an <u>initiative for a constitutional amendment</u> on a ballot requires signatures equal to (at least) 8% of the total number of voters in the most recent, regular, gubernatorial election.</li> <li>Amendments to the constitution may be proposed by either House of the Assembly and requires only a <u>simple majority</u> of each House and a <u>simple majority</u> of the voters (Art. XVII, § 1)</li> <li><b>Initiatives proposing a supermajority requirement of voters for approval of increased taxes requires an equal supermajority of voters to pass that initiative (i.e., to pass a 2/3 requirement of voters for approval, you need 2/3 voters to approve this requirement), (Art. II, § 23) – this was adopted in 1998 as reaction to initiative measure #2 (June 1998 for general election in 2000) asking for a 2/3 voter approval for most new, increased taxes, and fees.</b></li> <li>Initiatives must be filed with the Secretary of State not less than 4 months prior to the election in which it will be voted on.</li> <li>Typically, an initiative or referendum will be voted on in a general election unless a special election is called by the Legislative Assembly.</li> <li>A <u>referendum</u> contesting an Act (or part thereof) must be filed within 90 days immediately following the end of the session in which that particular Act was passed. Signatures equally at least 4% of the number of voters from the last gubernatorial race are required to put a referendum on a ballot. <i>A loophole here is that a referendum cannot be placed on a ballot if it (the Act) became effective within the 90 days immediately following the end of session during which the Act was passed).</i></li> <li>Bills ordering a referendum (by the Legislature) and bills on which a referendum is ordered are not subject to gubernatorial veto.</li> <li>Signature Gatherers: Individual signature gatherers must be registered voters in the state of Oregon. Signature gathering businesses must be licensed by the Secretary of State (Art. II, § 26).</li> <li>The Legislative Assembly may pass a law prohibiting the payment of signature gatherers if it finds that it has led to fraud or abuse.</li> </ul>
Recent History	The Legislative Assembly is required to balance a budget during the 2002 session. Among the proposed solutions was to increase the cigarette tax by \$0.30 per pack and \$0.05 per beer and wine drink ( <a href="http://www.governor.state.or.us/governor/budget01-03/rebalance/rebalance.pdf">www.governor.state.or.us/governor/budget01-03/rebalance/rebalance.pdf</a> ). The budget with these increases did not receive the supermajority vote of the Assembly. The Assembly will return in June for a 3 <sup>rd</sup> special session to address the budget shortfall and the increase in tobacco and alcohol taxes will once again be brought up for a vote.
<b>South Dakota</b>	
Supermajority?	Yes. In 1996, South Dakota adopted Constitutional Amendment B. Art. XI §13, requires a 2/3 majority approval by each House or by a simple majority approval by people via the initiative process to increase certain tax rates or valuations. This applies to personal, corporate, sales or services taxes as well as the determining percentage basis on real or personal property taxes. Art. XI §14 requires 2/3 majority approval of each House or by simple majority voter approval by initiative. <b>Supermajority is constitutional.</b>
Enacted: 1996	
Taxes Increases Affected: All rate increases	



Method: Legislative Referendum	
Deferring to the Localities	Art. IX §1 requires majority approval by the voters for any change within county boundaries when those changes directly affect (and affect only) the voters of that county.
Initiative & Referenda	<ul style="list-style-type: none"> <li>• Article III §1: The people are allowed the right to propose new measures to be submitted to the voters for approval. Also, may propose measures that force enactments of the Legislature to be submitted to the voters for approval before going into effect. Signatures of 5% of the qualified voters are required to submit initiatives or referenda. Measures approved by the voters shall not be subject to the veto power of the Executive.</li> <li>• Art. XIII §1 Constitutional Amendments: Can be proposed by a majority of the Legislature or by the people. Proposals by the people require the signatures of 10% of the voters that voted for all candidates in the last gubernatorial election. Art. XIII §3: Approval of the majority of the voters is required to ratify an amendment.</li> <li>• A constitutional amendment must be filed at least 1 year before the general election in which the measure is to be voted on.</li> </ul>
<b>Washington</b>	
Supermajority?	Yes, but is temporarily suspended. Initiative 601 required 2/3 vote of the Legislature to increase state (only general fund) revenue, such as a tax increase. Requires 2/3 vote of the Legislature + voter approval for expenditure level increase. Fee increases are also limited to the "fiscal growth" (three-year average of the rates of population growth and inflation) factor ( <b>Supermajority is statutory</b> ).
Enacted: 1993	
Taxes Increases Affected: All	
Method: Citizen Initiative	Art. VII, §2(a): Tax increases in specific taxing districts (i.e., any political subdivision, municipal corporation, district or other governmental agency authorized to levy taxes) requires a 3/5 majority of voter approval (provided that at least 40% of those who vote in that election cast a vote on the measure).
Emergency Clause?	Yes. Initiative 207, § 3(a): "The expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed 24 months by a law approved by a 2/3 vote of each House of the Legislature and signed by the governor. The law shall set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than 24 months following the declaration of the emergency and only for the purposes contained in the emergency declaration. § 3(b) <b>"The Legislature shall not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted."</b>
Initiative & Referenda Requirements (Art. II, §1)	<ul style="list-style-type: none"> <li>• To place an <u>initiative to amend an act, law, bill or any part thereof</u> requires the signatures of at least 8% of the legal votes cast in the most recent election for the office of governor.</li> <li>• Must be filed at least four months prior to the election in which the initiative is to be voted on or not less than 10 days before any regular session of the Legislature.</li> <li>• Initiatives filed with the secretary of state take precedence over all other measures in front of the Legislature (with the exception of appropriation bills). <ul style="list-style-type: none"> <li>○ The Legislature can either enact the initiative (without any changes) or reject the initiative. If enacted, it is subject to the referendum petition, or enacted and referred to the people for approval or rejection (in the next regular general election).</li> <li>○ If rejected by the Legislature (or not acted upon at all), the secretary of state shall submit it to the people for approval or rejection at next regular general election. However, if the Legislature rejects the initiative submitted to the people, the Legislature can propose their own version (on the same subject) and both will be submitted to the people for rejection or approval at the next regular general election. A simple majority of the voters is required for either measure (<i>provided that at least 1/3 of the voters voting even voted on the initiatives</i>). If a majority is not achieved on either proposal, both fail. If the majority of the people say they will approve either proposal, then the proposal receiving the majority of the votes becomes law.</li> </ul> </li> <li>• <b>Referendum</b> – may be ordered on any act, bill, law or any part thereof passed by the Legislature <b>EXCEPT laws that may be necessary for the immediate preservation of the public peace, health or safety, support of the state government and its existing public institutions.</b></li> <li>• The Legislature cannot order a referendum on any initiative measure enacted by the Legislature - as described in subsection (a).</li> <li>• Signatures totaling 4% of the number of legal votes in the last gubernatorial election is required in order to file a referendum. A majority of voters is required to approve the referendum (<i>provided that at least 1/3 of the voters voting even voted on the measure</i>). Referendum petitions against measures <i>passed</i> by the Legislature must be filed within 90 days following the adjournment of the legislative session that passed the measure that is disputed in the petition.</li> </ul>

	<ul style="list-style-type: none"> <li>• No act, bill or law approved by the majority of the voters can be amended or repealed by the Legislature within 2 years of the enactment <b>EXCEPT</b> if 2/3 of the Legislature approves an <u>amendment</u> (not repeal) and this amendment shall not be subject to referendum but may be amended or repealed at any general or special election by the voters.</li> <li>• If a referendum is in progress on a part of an act, bill or law, it will not delay the remainder of the sections.</li> <li>• The governor cannot veto measures initiated by or referred to the people.</li> <li>• Constitutional amendments can only be proposed by the Legislature (either House) and requires 2/3 supermajority to pass and must be submitted to the people for ratification.</li> </ul>
Recent History	<p>2002 Budget (S.B. 6819) temporarily suspended the requirements dictated by Initiative 601 (1993) that placed a 2/3 majority vote + voter approval to raise expenditure limits. Temporarily suspended the requirements of I601 because of budget shortfalls and will expire in 2003.</p> <p>2000 – Initiative 207 – Removed spending limitations for public schools imposed by I601 in 1993 and required 2/3 majority in both Houses to increase expenditure limit (three-year average of the rates of population growth and inflation).</p>

SJR-15

B. Wayne Corey "include expense of tax base" and

WMC will testify (John Hansen) Tues 3/11

Anne (Sunder) has and (ASA & ASR17)

Newhouse (Welch) propose Amend?