

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes and Fees

Issue: Supermajority vote for state taxes and fees.

Bill Number(s): HJR 7001

Entire Bill

Partial Bill:

Sponsor(s): Ways & Means Committee; Representative Leek.

Month/Year Impact Begins: 01/2019

Date of Analysis: 11/13/2017

Section 1: Narrative

a. Current Law:

Under current law the Legislature has broad power to enact and modify the state's tax policy through legislation, subject to state and federal constitutional constraints. Such legislation is subject to the normal constitutional requirements for the enactment of general law. Passage of a bill requires a majority vote in each house of the Legislature, and presentation to the Governor for approval. The bill becomes a law if the Governor approves it, or fails to veto it within the timeframes prescribed in the state Constitution. Vetoes can be overcome by a two-thirds vote of each house of the Legislature.

b. Proposed Change:

The joint resolution proposes an amendment to the state Constitution that would provide that no state tax or fee may be imposed, authorized, or raised by the legislature, or authorized by the legislature to be raised except through legislation approved by two-thirds of the membership of each house of the legislature.

The joint resolution requires that any proposed state tax or fee imposition, authorization or increase must be contained in a separate bill that contains no other subject. The joint resolution also specifies that the proposed amendment does not authorize the imposition of any state tax or fee otherwise prohibited by the state Constitution, and does not apply to any tax or fee imposed by, or authorized to be imposed by, a county, municipality, school board, or special district.

Section 2: Description of Data and Sources

N/A

Section 3: Methodology (Include Assumptions and Attach Details)

The joint resolution proposes an amendment to the state constitution that requires voter approval. If voters do not approve the constitutional amendment, the revenue impact is zero. If the constitutional amendment is approved by the voters, the revenue impact is negative indeterminate. The proposed amendment would create a new constraint on the Legislature's ability to impose, authorize or increase state taxes or fees. The timing and magnitude of the negative revenue impact cannot be determined. To the extent that state taxes or fees shared with local governments are affected, there may also be negative indeterminate impacts on local government revenues.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(0/**)	(0/**)		
2019-20			(0/**)	(0/**)		
2020-21			(0/**)	(0/**)		
2021-22			(0/**)	(0/**)		
2022-23			(0/**)	(0/**)		

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 11/17/2017) The Conference adopted a zero impact. This is a joint resolution proposing a constitutional amendment to be submitted to the voters. Whether the constitutional amendment passes or not, the

