



**97TH GENERAL ASSEMBLY**

**State of Illinois**

**2011 and 2012**

**HOUSE JOINT RESOLUTION**

**CONSTITUTIONAL AMENDMENT**

**HC0025**

Introduced , by Rep. Norine Hammond - Dwight Kay - Sandra M. Pihos - Patricia R. Bellock

**SYNOPSIS AS INTRODUCED:**

ILCON Art. IV, Sec. 8.1 new  
ILCON Art. VIII, Sec. 2.1 new  
ILCON Art. VIII, Sec. 2.2 new

Proposes to amend the Legislature Article of the Illinois Constitution concerning the passage of revenue bills. Provides that any bill resulting in the increase of revenue to the State by an increase of a tax on or measured by income or by an increase of a tax on or measured by the selling price of any item of tangible personal property may become law only by a vote of three-fifths of the members in each house of the General Assembly. Proposes to amend the Finance Article of the Illinois Constitution. Beginning in Fiscal Year 2014, limits aggregate appropriations and transfers from the State's general funds in a fiscal year. Allows the Governor to declare a fiscal emergency. If the Comptroller and Treasurer concur in the Governor's declaration, then the General Assembly, by a three-fifths vote, may authorize appropriations and transfers that exceed the limitation by law conditioned upon the approval of a majority of voters in the next general, primary, or special election. Requires excess revenues to be deposited into the Past Due Paydown Fund, State Budget Stabilization Fund, and the Taxpayer Relief Fund. Requires that, in each fiscal year, obligations of the State to retirement systems and pension funds created under the Illinois Pension Code must be met as provided in that Code. Effective upon being declared adopted.

LRB097 06481 AMC 46564 e

1 HOUSE JOINT RESOLUTION  
2 CONSTITUTIONAL AMENDMENT

3 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE  
4 NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE  
5 SENATE CONCURRING HEREIN, that there shall be submitted to the  
6 electors of the State for adoption or rejection at the general  
7 election next occurring at least 6 months after the adoption of  
8 this resolution a proposition to add Section 8.1 to Article IV  
9 and to add Sections 2.1 and 2.2 to Article VIII of the Illinois  
10 Constitution as follows:

11 ARTICLE IV  
12 THE LEGISLATURE

13 (ILCON Art. IV, Sec. 8.1 new)

14 SECTION 8.1. PASSAGE OF REVENUE BILLS

15 A bill that would result in the increase of revenue to the  
16 State by an increase of a tax on or measured by income or by an  
17 increase of a tax on or measured by the selling price of any  
18 item of tangible personal property may become law only with the  
19 concurrence of three-fifths of the members elected to each  
20 house of the General Assembly.

21 ARTICLE VIII  
22 FINANCE

1 (ILCON Art. VIII, Sec. 2.1 new)

2 SECTION 2.1. LIMITATIONS ON APPROPRIATIONS AND TRANSFERS

3 (a) For the fiscal year ending in 2014 and each fiscal year  
4 thereafter, aggregate appropriations and transfers from the  
5 general funds are limited as provided in this Section. "General  
6 funds" include the General Revenue Fund, the Common School  
7 Fund, the General Revenue Common School Special Account Fund,  
8 and the Education Assistance Fund and any fund utilized for  
9 general or operating expenses. "Appropriations and transfers"  
10 do not include (i) reappropriations from a previous fiscal  
11 year, (ii) those made for debt service payments, and (iii)  
12 those made to a budget stabilization fund.

13 (b) Aggregate fiscal year appropriations and transfers  
14 from the general funds may not exceed the limitation amount.  
15 For the fiscal year ending in 2014, the limitation amount is  
16 the aggregate amount of appropriations and transfers from the  
17 general funds in the fiscal year ending in 2010, as adjusted as  
18 provided in this subsection (b) for the fiscal years ending in  
19 2011, 2012, and 2013. For the fiscal year ending in 2015 and  
20 each fiscal year thereafter, the limitation amount is the  
21 aggregate amount of appropriations and transfers from the  
22 general funds in the previous fiscal year, as adjusted as  
23 provided in this subsection (b).

24 For the fiscal year after a fiscal emergency is declared  
25 under subsection (c) of this Section, the limitation amount is

1 the aggregate amount of appropriations and transfers from the  
2 general funds in the fiscal year in which the fiscal emergency  
3 is declared minus the specific dollar amount by which the  
4 limitation amount was increased for the fiscal emergency, as  
5 adjusted as provided in this subsection (b).

6 The adjustment is the average annual percentage change in  
7 the average per capita personal income for Illinois for the 5  
8 most recent calendar years for which data is available, as  
9 defined and reported by the United States Department of  
10 Commerce, or its successor.

11 (c) The Governor may declare a fiscal emergency by filing a  
12 declaration with the Secretary of State and copies with the  
13 Senate and House of Representatives. The declaration must be  
14 limited to only one State fiscal year, set forth compelling  
15 reasons for declaring a fiscal emergency, and request that the  
16 limitation amount for that fiscal year be increased by a  
17 specific dollar amount. If the Comptroller and Treasurer advise  
18 the General Assembly that they concur in the Governor's  
19 declaration, then by a record vote of three-fifths of the  
20 members elected to each house, the General Assembly, by law  
21 conditioned upon the approval of a majority of voters in the  
22 next general, primary, or special election, may authorize  
23 increased appropriations and transfers in a specific dollar  
24 amount that is no more than the increased amount requested by  
25 the Governor in the declaration. "Emergency" means  
26 extraordinary circumstances outside the control of the General

1 Assembly, including catastrophic events, such as a natural  
2 disaster, terrorism, fire, war, and riot, and court orders or  
3 decrees.

4 (d) If the general funds revenues for a fiscal year exceed  
5 the limitation amount for that fiscal year, then those excess  
6 revenues must be deposited into the Past Due Paydown Fund,  
7 State Budget Stabilization Fund, and the Taxpayer Relief Fund  
8 as provided in subsections (e), (f), and (g).

9 (e) The Past Due Paydown Fund is established as a special  
10 fund in the State treasury and must be administered for the  
11 purposes identified in this Section. At the close of the lapse  
12 period for each fiscal year beginning in 2011, the State  
13 Comptroller shall identify the amount of General Fund  
14 unappropriated surplus above the Spending Growth Index  
15 limitation and transfer to the fund any amount necessary up to  
16 the total past due operating debt owed by the State as of the  
17 close of fiscal year 2010.

18 The General Assembly may authorize transfers,  
19 appropriations, and allocations from the fund only to fund the  
20 costs of paying down the remaining past due debt until such  
21 debt is zero. Any remaining funds shall be transferred to the  
22 State Budget Stabilization Fund.

23 (f) The State Budget Stabilization Fund is established as a  
24 special fund in the State treasury and must be administered for  
25 the purposes identified in this Section. At the close of the  
26 lapse period of each fiscal year, the State Comptroller shall

1 identify the amount of General Fund unappropriated surplus  
2 above the expenditure limitation described in subsection (b) of  
3 this Section and above the amount necessary to fully fund and  
4 pay down the past due operating debt to zero. The fund may not  
5 exceed 8% of the total General Fund revenues received in the  
6 immediately preceding fiscal year.

7 The General Assembly may authorize transfers,  
8 appropriations, and allocations from the fund only to fund the  
9 costs of State government up to the expenditure limit  
10 calculated by law in years when State revenues are less than  
11 the amount necessary to finance the level of expenditures  
12 permitted by law. Transfers require a three-fifths  
13 supermajority vote of the General Assembly.

14 The money in the fund may be invested as provided by law,  
15 with the earnings credited to the fund. At the close of every  
16 month during which the fund is at the 8% limitation, the State  
17 Comptroller shall transfer the excess to the Taxpayer Relief  
18 Fund.

19 (g) The Taxpayer Relief Fund is established as a special  
20 fund in the State treasury and must be administered for the  
21 purposes identified in this Section. At the close of the lapse  
22 period of each fiscal year, the State Comptroller shall  
23 identify the amount of General Fund unappropriated surplus  
24 above the State expenditure limitation and above the amount  
25 necessary to fully fund the Past Due Paydown Fund and the  
26 Budget Stabilization Fund.

1       By September 1st annually, the State Comptroller shall  
2       notify the Commission on Government Forecasting and  
3       Accountability and the Department of Revenue of the amount in  
4       the fund as a result of the transfers.

5       If the amount in the fund exceeds 1% of General Fund  
6       expenditures, then the General Assembly shall, by September  
7       15th, enact legislation to provide for the refund to taxpayers  
8       of amounts in the fund. Refunds may take the form only of  
9       temporary or permanent broad-based tax rate reductions.

10       If the General Assembly does not enact legislation by  
11       September 15th to provide refunds, then the State Comptroller  
12       shall, by September 30th, notify the Department of Revenue of  
13       the amount in the fund. The Department of Revenue shall  
14       calculate a one-time bonus personal exemption refund. The  
15       amount of the personal exemption refund must be calculated by  
16       dividing the amount in the fund identified by the State  
17       Comptroller by the number of personal exemptions claimed on  
18       income tax returns filed for tax year beginning in the previous  
19       calendar year. The Department of Revenue shall issue a refund  
20       by October 30th to a taxpayer who filed an income tax return by  
21       April 15th of the same calendar year based on the number of  
22       exemptions claimed (times refund per exemption) on the  
23       taxpayer's return without regard to the taxpayer's tax  
24       liability for the year.

25       (ILCON Art. VIII, Sec. 2.2 new)

1 SECTION 2.2. OBLIGATIONS TO RETIREMENT SYSTEMS AND PENSION  
2 FUNDS

3 In each fiscal year, obligations of the State to retirement  
4 systems and pension funds created under the Illinois Pension  
5 Code must be met as provided in that Code.

6 SCHEDULE

7 This Constitutional Amendment takes effect upon being  
8 declared adopted in accordance with Section 7 of the Illinois  
9 Constitutional Amendment Act.