### A BILL FOR AN ACT

PROPOSING AN AMENDMENT TO ARTICLE III, SECTION 15, OF THE HAWAII STATE CONSTITUTION TO ENACT A SUPERMAJORITY VOTING REQUIREMENT FOR PASSAGE OF LEGISLATION PROPOSING TO RAISE OR CREATE TAXES.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that the process of
- 2 passing legislation to increase taxes to resolve budget problems
- 3 is too cursory, and results in a significant burden to the
- 4 people of Hawaii. The prime example was a 2011 proposed tax on
- 5 pensions, which the people of Hawaii are contractually promised,
- 6 have planned to receive, and expect that it not be diminished or
- 7 impaired in any way.
- 8 The legislature also finds that Hawaii has the highest
- 9 "sales" tax equivalent in the nation, has the third highest
- 10 marginal personal income tax rate, and is listed as 39.2 per
- 11 cent for combined federal and corporate tax and state corporate
- 12 tax, which is only 2.4 per cent below Iowa, which ranks the
- worst nationally.
- 14 The legislature also finds that increasing the difficulty
- 15 for passing taxes may serve as a mechanism for reducing wasteful
- 16 government spending.

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- 1 The purpose of this Act is to propose an amendment to
- 2 Article III, section 15, of the Constitution of the State of
- 3 Hawaii to enact a two-thirds supermajority requirement for
- 4 passage of legislation proposing to raise taxes or create new
- 5 taxes.
- 6 SECTION 2. Article III, section 15, of the Constitution of
- 7 the State of Hawaii is amended to read as follows:
- 8 "PASSAGE OF BILLS
- 9 Section 15. No bill shall become law unless it shall pass
- 10 three readings in each house on separate days. No bill shall
- 11 pass third or final reading in either house unless printed
- 12 copies of the bill in the form to be passed shall have been made
- 13 available to the members of that house for at least forty-eight
- 14 hours.
- 15 Every bill when passed by the house in which it originated,
- 16 or in which amendments thereto shall have originated, shall
- 17 immediately be certified by the presiding officer and clerk and
- 18 sent to the other house for consideration.
- 19 Any bill pending at the final adjournment of a regular
- 20 session in an odd-numbered year shall carry over with the same
- 21 status to the next regular session. Before the carried-over

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- 1 bill is enacted, it shall pass at least one reading in the house
- 2 in which the bill originated.
- 3 Passage of legislation proposing to increase the rates for
- 4 any tax collected by the State or to enact a new tax to be
- 5 collected by the State shall require a two-thirds vote of all
- 6 members to which each house is entitled."
- 7 SECTION 3. The question to be printed on the ballot shall
- 8 be as follows:
- 9 "Shall the Constitution be amended to include a two-thirds
- supermajority voting requirement for the legislature to pass
- 11 laws that would raise taxes or create new taxes?"
- 12 SECTION 4. New constitutional material is underscored.
- 13 SECTION 5. This amendment shall take effect upon
- 14 compliance with Article XVII, section 3, of the Constitution of
- 15 the State of Hawaii.

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INTRODUCED BY:

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### Report Title:

Constitutional Amendment; Bill Passage; Supermajority

#### Description:

Proposes a constitutional amendment to include a two-thirds supermajority voting requirement for the legislature to pass laws that raise taxes or create new taxes.

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