

STORAGE NAME: hjr0337a.rre

DATE: March 18, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
Rules, Resolutions & Ethics
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HJR 337

RELATING TO: Constitutional Amendments; Voter Approval of New Taxes

SPONSOR(S): Feeney

STATUTE(S) AFFECTED:

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) Rules, Resolutions & Ethics YEAS 5 NAYS 5
- (2) Election Reform
- (3) Finance & Taxation
- (4)
- (5)

I. SUMMARY:

The joint resolution proposes an amendment to the Constitution in order to require voter approval of new or increased taxes or deletion of existing exemptions from taxes.

This joint resolution will have no fiscal impact.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Under current law, there are two ways of increasing state and local taxes. First, state and local taxes may be increased legislatively by a majority vote of a county or municipality governing body, or by the legislature.

Second, taxes may be raised through a voter referendum. On the state level, tax increases approved by a voter initiative are added as amendments to the Constitution (e.g. the sugar tax initiative in 1996). On the local level, property and sales tax

increases

are often decided through the ballot process (e.g. local option sales tax increases for the construction of public schools).

B. EFFECT OF PROPOSED CHANGES:

The Constitutional amendment proposed by this joint resolution would, in effect, limit the Legislature's ability to increase taxes by requiring any increase in taxes or fees by state or local governments to be approved through a ballot initiative. In this proposed amendment to the Constitution, an increase in taxes is defined as an initiation of a new tax, an increase of a rate of an existing tax, or the removal of an existing exemption from a tax.

Taxes could only be raised by a municipality, county or state legislative body by a three-fourths vote.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. The amendment may increase the workload for election supervisors.

(3) any entitlement to a government service or benefit?

No

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No

b. Does the bill require or authorize an increase in any fees?

No

c. Does the bill reduce total taxes, both rates and revenues?

No

d. Does the bill reduce total fees, both rates and revenues?

No

e. Does the bill authorize any fee or tax increase by any local government?

No

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

The Constitutional amendment proposed in this joint resolution would allow citizens to have greater control over government's ability to increase taxes.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

No

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

This joint resolution would not have any non-recurring effects on state agencies or state funds.

2. Recurring Effects:

This joint resolution would not have any recurring effects on state agencies or state funds.

3. Long Run Effects Other Than Normal Growth:

This joint resolution would not have any long run effects on state agencies or state funds.

4. Total Revenues and Expenditures:

This joint resolution would not have any effect total revenues and expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

This joint resolution would not have any non-recurring effects on local governments.

2. Recurring Effects:

This joint resolution would not have any recurring effects on local governments.

3. Long Run Effects Other Than Normal Growth:

This joint resolution would not have any long run effects on local governments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

This joint resolution would not have any direct private sector costs.

2. Direct Private Sector Benefits:

This joint resolution would not have any direct private sector benefits.

3. Effects on Competition, Private Enterprise and Employment Markets:

This joint resolution would not have any effects on competition, private enterprise and employment markets.

D. FISCAL COMMENTS:

None

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

While this resolution will have no direct fiscal impact, the proposed constitutional amendment would reduce the authority of municipalities and counties to raise revenues as provided in Article VII of the Florida Constitution.

STORAGE NAME: hjr0337a.rre

DATE: March 18, 1997

PAGE 7

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

This analysis concludes that the resolution will have no fiscal impact. The proposed constitutional amendment, however, would limit the authority of municipalities, counties and the state legislature to initiate a new tax, increase the rate of an existing tax, or remove an existing tax exemption.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON Rules, Resolutions & Ethics:

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