

By Senator Lee

23-1056-00

See HJR 441

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Senate Joint Resolution

A joint resolution proposing amendments to Section 1 of Article VII and Section 21 of Article XII of the State Constitution relating to a limitation on state appropriations.

Be It Resolved by the Legislature of the State of Florida:

That the following amendments to Section 1 of Article VII and Section 21 of Article XII of the State Constitution are agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

SECTION 1. Taxation; appropriations; state expenses; state appropriations ~~revenue~~ limitation.--

(a) No tax shall be levied except in pursuance of law. No state ad valorem taxes shall be levied upon real estate or tangible personal property. All other forms of taxation shall be preempted to the state except as provided by general law.

(b) Motor vehicles, boats, airplanes, trailers, trailer coaches and mobile homes, as defined by law, shall be subject to a license tax for their operation in the amounts and for the purposes prescribed by law, but shall not be subject to ad valorem taxes.

(c) No money shall be drawn from the treasury except in pursuance of appropriation made by law.

1 (d) Provision shall be made by law for raising
2 sufficient revenue to defray the expenses of the state for
3 each fiscal period.

4 (e)(1) State appropriations for any fiscal year shall
5 be limited to state appropriations for the prior fiscal year
6 plus an adjustment for growth. For purposes of calculating
7 such state appropriations limitation, "state appropriations"
8 shall not include any portion of state appropriations spent or
9 to be spent from receipt of federal funds.

10 (2) The "adjustment for growth" shall be an amount
11 expressed as a percentage equal to the sum of the average
12 annual rate of growth in median household income in Florida
13 over the most recent five years plus the rate of growth of the
14 population of Florida projected for the fiscal year. Median
15 household income in Florida shall be that established and
16 published by the United States Department of Commerce or its
17 successor, and the population of Florida shall be that
18 estimated by the legislature's Office of Economic and
19 Demographic Research or its successor. State appropriations
20 for the prior fiscal year shall be multiplied by the growth
21 percentage and that product added to the prior fiscal year's
22 state appropriations to establish the state appropriations
23 limitation for the fiscal year. The state appropriations
24 limitation established under this subsection is calculated by
25 the following formula:

$$26 \quad \text{SAL} = \{ \text{SAPFY} \times (\text{MHIGR}\% + \text{PGR}\%) \} + \text{SAPFY}$$

27
28
29 Where:

30 SAL = state appropriations limitation.

31 SAPFY = state appropriations for the prior fiscal year.

1 MHIGR% = median household income growth rate
2 percentage, averaged over the most recent five years.

3 PGR% = population growth rate percentage, projected for
4 the fiscal year.

5
6 (3) State revenues collected for any fiscal year in
7 excess of the state appropriations limitation shall be
8 transferred to the budget stabilization fund until the fund
9 reaches the maximum balance specified in Section 19(g) of
10 Article III and thereafter shall be refunded to taxpayers as
11 provided by general law. For purposes of this subsection,
12 "state revenues" includes general revenue and trust fund
13 receipts, but does not include federal fund receipts.

14 (4) The state appropriations limitation required by
15 this subsection shall not apply in any fiscal year in which
16 the governor declares a state financial emergency on the order
17 of a war, a natural catastrophe, an economic depression, or
18 any event of similar magnitude. However, the legislature must
19 agree by a three-fourths vote of the membership of each house
20 in a separate bill that contains no other subject to suspend
21 the state appropriations limitation for that year. ~~Except as~~
22 ~~provided herein, state revenues collected for any fiscal year~~
23 ~~shall be limited to state revenues allowed under this~~
24 ~~subsection for the prior fiscal year plus an adjustment for~~
25 ~~growth. As used in this subsection, "growth" means an amount~~
26 ~~equal to the average annual rate of growth in Florida personal~~
27 ~~income over the most recent twenty quarters times the state~~
28 ~~revenues allowed under this subsection for the prior fiscal~~
29 ~~year. For the 1995-1996 fiscal year, the state revenues~~
30 ~~allowed under this subsection for the prior fiscal year shall~~
31 ~~equal the state revenues collected for the 1994-1995 fiscal~~

1 ~~year. Florida personal income shall be determined by the~~
2 ~~legislature, from information available from the United States~~
3 ~~Department of Commerce or its successor on the first day of~~
4 ~~February prior to the beginning of the fiscal year. State~~
5 ~~revenues collected for any fiscal year in excess of this~~
6 ~~limitation shall be transferred to the budget stabilization~~
7 ~~fund until the fund reaches the maximum balance specified in~~
8 ~~Section 19(g) of Article III, and thereafter shall be refunded~~
9 ~~to taxpayers as provided by general law. State revenues~~
10 ~~allowed under this subsection for any fiscal year may be~~
11 ~~increased by a two-thirds vote of the membership of each house~~
12 ~~of the legislature in a separate bill that contains no other~~
13 ~~subject and that sets forth the dollar amount by which the~~
14 ~~state revenues allowed will be increased. The vote may not be~~
15 ~~taken less than seventy-two hours after the third reading of~~
16 ~~the bill. For purposes of this subsection, "state revenues"~~
17 ~~means taxes, fees, licenses, and charges for services imposed~~
18 ~~by the legislature on individuals, businesses, or agencies~~
19 ~~outside state government. However, "state revenues" does not~~
20 ~~include: revenues that are necessary to meet the requirements~~
21 ~~set forth in documents authorizing the issuance of bonds by~~
22 ~~the state; revenues that are used to provide matching funds~~
23 ~~for the federal Medicaid program with the exception of the~~
24 ~~revenues used to support the Public Medical Assistance Trust~~
25 ~~Fund or its successor program and with the exception of state~~
26 ~~matching funds used to fund elective expansions made after~~
27 ~~July 1, 1994; proceeds from the state lottery returned as~~
28 ~~prizes; receipts of the Florida Hurricane Catastrophe Fund;~~
29 ~~balances carried forward from prior fiscal years; taxes,~~
30 ~~licenses, fees, and charges for services imposed by local,~~
31 ~~regional, or school district governing bodies; or revenue from~~

1 ~~taxes, licenses, fees, and charges for services required to be~~
2 ~~imposed by any amendment or revision to this constitution~~
3 ~~after July 1, 1994. An adjustment to the revenue limitation~~
4 ~~shall be made by general law to reflect the fiscal impact of~~
5 ~~transfers of responsibility for the funding of governmental~~
6 ~~functions between the state and other levels of government.~~
7 ~~The legislature shall, by general law, prescribe procedures~~
8 ~~necessary to administer this subsection.~~

9 ARTICLE XII

10 SCHEDULE

11 SECTION 21. State appropriations revenue
12 limitation.--The amendment to Section 1 of Article VII
13 limiting state appropriations, if adopted at the general
14 election in November 2000, revenues shall take effect January
15 1, 2001 ~~1995~~, and shall first be applicable to state fiscal
16 year 2001-2002 ~~1995-1996~~.

17 BE IT FURTHER RESOLVED that the following statement be
18 placed on the ballot:

19 CONSTITUTIONAL AMENDMENT

20 ARTICLE VII, SECTION, 1 AND ARTICLE XII,

21 SECTION 21

22 LIMITATION ON STATE APPROPRIATIONS.--Proposing an
23 amendment to the State Constitution, effective January 1,
24 2001, to replace the revenue limitation with an appropriations
25 limitation indexed to the growth rate in median household
26 income and the projected population growth rate; transfer
27 excess revenues to the Budget Stabilization Fund, until
28 funded, and refund the rest; and suspend the limitation in
29 years of major financial emergency declared by the Governor
30 and approved by the Legislature by extraordinary vote in a
31 separate bill.