

By Representative Wallace

1                                   House Joint Resolution  
2           A joint resolution proposing amendments to  
3           Section 1 of Article VII and Section 21 of  
4           Article XII of the State Constitution relating  
5           to a limitation on state appropriations.  
6

7 Be It Resolved by the Legislature of the State of Florida:  
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9           That the amendments to Section 1 of Article VII and  
10          Section 21 of Article XII of the State Constitution set forth  
11          below are agreed to and shall be submitted to the electors of  
12          Florida for approval or rejection at the general election to  
13          be held in November 2000:

14                                   ARTICLE VII

15                                   FINANCE AND TAXATION

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

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

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

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

29           (d) Provision shall be made by law for raising  
30          sufficient revenue to defray the expenses of the state for  
31          each fiscal period.

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

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

$$23 \qquad \qquad \qquad \text{SAL} = \{ \text{SAPFY} \times (\text{MHIGR}\% + \text{PGR}\%) \} + \text{SAPFY}$$

24  
25  
26 Where:

27           SAL = state appropriations limitation.

28           SAPFY = state appropriations for the prior fiscal year.

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

1           PGR% = population growth rate percentage, projected for  
2 the fiscal year.

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

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

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

1 ~~after July 1, 1994. An adjustment to the revenue limitation~~  
2 ~~shall be made by general law to reflect the fiscal impact of~~  
3 ~~transfers of responsibility for the funding of governmental~~  
4 ~~functions between the state and other levels of government.~~  
5 ~~The legislature shall, by general law, prescribe procedures~~  
6 ~~necessary to administer this subsection.~~

7 ARTICLE XII

8 SCHEDULE

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

15 BE IT FURTHER RESOLVED that in accordance with the  
16 requirements of section 101.161, Florida Statutes, the title  
17 and substance of the amendments proposed herein shall appear  
18 on the ballot as follows:

19 LIMITATION ON STATE APPROPRIATIONS

20 Replaces the state's revenue limitation with an  
21 appropriations limitation indexed to the growth rate in state  
22 median household income and the projected growth rate in state  
23 population. Transfers excess revenues to the Budget  
24 Stabilization Fund, until fully funded, and refunds the rest  
25 to taxpayers. Suspends the limitation in fiscal years of  
26 major financial emergency declared by the Governor and  
27 approved by the Legislature by extraordinary vote in a  
28 separate bill containing no other subject.

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