Florida House of Representatives - 2001 By Representative Wallace

House Joint Resolution 1 2 A joint resolution proposing amendments to 3 Section 1 of Article VII and Section 21 of Article XII of the State Constitution relating 4 5 to a limitation on state appropriations. 6 7 Be It Resolved by the Legislature of the State of Florida: 8 That the amendments to Section 1 of Article VII and 9 Section 21 of Article XII of the State Constitution set forth 10 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 2002: 14 ARTICLE VII 15 FINANCE AND TAXATION 16 SECTION 1. Taxation; appropriations; state expenses; 17 state appropriations revenue limitation .--(a) No tax shall be levied except in pursuance of law. 18 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, trailer coaches and mobile homes, as defined by law, shall be 23 subject to a license tax for their operation in the amounts 24 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 sufficient revenue to defray the expenses of the state for 30 31 each fiscal period.

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(e)(1) State appropriations for any fiscal year shall 1 2 be limited to state appropriations for the prior fiscal year plus an adjustment for growth. For purposes of calculating 3 4 such state appropriations limitation, "state appropriations" 5 shall not include any portion of state appropriations spent or б 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 average annual rate of 9 growth in median household income in Florida over the most recent five years. Median household income in Florida shall 10 be that established and published by the United States 11 12 Department of Commerce or its successor. State appropriations 13 for the prior fiscal year shall be multiplied by the growth 14 percentage and that product added to the prior fiscal year's state appropriations to establish the state appropriations 15 limitation for the fiscal year. The state appropriations 16 limitation established under this subsection is calculated by 17 the following formula: 18 19 20 SAL = (SAPFY x MHIGR%) + SAPFY 21 22 Where: 23 SAL = state appropriations limitation. 24 SAPFY = state appropriations for the prior fiscal year. 25 MHIGR% = median household income growth rate 26 percentage, averaged over the most recent five years. 27 28 (3) State revenues collected for any fiscal year in 29 excess of the state appropriations limitation shall be transferred to the budget stabilization fund until the fund 30 reaches the maximum balance specified in Section 19(g) of 31

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Article III and thereafter shall be refunded to taxpayers as 1 provided by general law. For purposes of this subsection, 2 "state revenues" includes general revenue and trust fund 3 receipts, but does not include federal fund receipts. 4 5 (4) The state appropriations limitation required by this subsection shall not apply in any fiscal year in which 6 7 the governor declares a state financial emergency on the order 8 of a war, a natural catastrophe, an economic depression, or 9 any event of similar magnitude. However, the legislature must agree by a three-fourths vote of the membership of each house 10 in a separate bill that contains no other subject to suspend 11 12 the state appropriations limitation for that year. Except as 13 provided herein, state revenues collected for any fiscal year 14 shall be limited to state revenues allowed under this subsection for the prior fiscal year plus an adjustment for 15 growth. As used in this subsection, "growth" means an amount 16 equal to the average annual rate of growth in Florida personal 17 18 income over the most recent twenty quarters times the state 19 revenues allowed under this subsection for the prior fiscal 20 year. For the 1995-1996 fiscal year, the state revenues allowed under this subsection for the prior fiscal year shall 21 22 equal the state revenues collected for the 1994-1995 fiscal year. Florida personal income shall be determined by the 23 legislature, from information available from the United States 24 25 Department of Commerce or its successor on the first day of 26 February prior to the beginning of the fiscal year. State 27 revenues collected for any fiscal year in excess of this 28 limitation shall be transferred to the budget stabilization fund until the fund reaches the maximum balance specified in 29 Section 19(q) of Article III, and thereafter shall be refunded 30 to taxpayers as provided by general law. State revenues 31

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allowed under this subsection for any fiscal year may be 1 increased by a two-thirds vote of the membership of each house 2 3 of the legislature in a separate bill that contains no other subject and that sets forth the dollar amount by which the 4 5 state revenues allowed will be increased. The vote may not be taken less than seventy-two hours after the third reading of 6 7 the bill. For purposes of this subsection, "state revenues" 8 means taxes, fees, licenses, and charges for services imposed by the legislature on individuals, businesses, or agencies 9 outside state government. However, "state revenues" does not 10 11 include: revenues that are necessary to meet the requirements 12 set forth in documents authorizing the issuance of bonds by 13 the state; revenues that are used to provide matching funds 14 for the federal Medicaid program with the exception of the revenues used to support the Public Medical Assistance Trust 15 16 Fund or its successor program and with the exception of state matching funds used to fund elective expansions made after 17 July 1, 1994; proceeds from the state lottery returned as 18 prizes; receipts of the Florida Hurricane Catastrophe Fund; 19 20 balances carried forward from prior fiscal years; taxes, licenses, fees, and charges for services imposed by local, 21 22 regional, or school district governing bodies; or revenue from taxes, licenses, fees, and charges for services required to be 23 imposed by any amendment or revision to this constitution 24 25 after July 1, 1994. An adjustment to the revenue limitation 26 shall be made by general law to reflect the fiscal impact of 27 transfers of responsibility for the funding of governmental 28 functions between the state and other levels of government.

29 The legislature shall, by general law, prescribe procedures

30 necessary to administer this subsection.

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ARTICLE XII

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1 SCHEDULE 2 SECTION 21. State appropriations revenue limitation .-- The amendment to Section 1 of Article VII 3 4 limiting state appropriations, if adopted at the general 5 election in November 2002, revenues shall take effect January 6 1, 2003 1995, and shall first be applicable to state fiscal 7 year 2003-2004 1995-1996. BE IT FURTHER RESOLVED that in accordance with the 8 requirements of section 101.161, Florida Statutes, the title 9 and substance of the amendments proposed herein shall appear 10 11 on the ballot as follows: LIMITATION ON STATE APPROPRIATIONS 12 13 Replaces the state revenue limitation with an 14 appropriations limitation that limits state appropriations for 15 any fiscal year to state appropriations for the prior fiscal year plus a growth adjustment. Bases the growth adjustment on 16 Florida median household income rather than on the aggregate 17 personal income of Floridians. Continues transfer of excess 18 19 revenues to the Budget Stabilization Fund, until fully funded, 20 and refund of the rest to taxpayers pursuant to general law. Suspends the limitation in fiscal years of major financial 21 22 emergency declared by the Governor and approved by the Legislature by extraordinary vote in a separate bill 23 24 containing no other subject. 25 26 27 28 29 30 31

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