

**STORAGE NAME:** h0689a.fpr.doc

**DATE:** March 14, 2001

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
FISCAL POLICY & RESOURCES  
ANALYSIS**

**BILL #:** HJR 689

**RELATING TO:** Limitation on Legislative Power to Impose or Increase Taxes

**SPONSOR(S):** Representative Wallace

**TIED BILL(S):** None

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

- (1) FISCAL POLICY & RESOURCES YEAS 8 NAYS 5
  - (2) JUDICIAL OVERSIGHT
  - (3) FISCAL RESPONSIBILITY COUNCIL
  - (4)
  - (5)
- 

I. SUMMARY:

This Joint Resolution would put before the electorate a proposal to amend s. 1(d), Art. VII, Fla. Const., to limit the power of the Legislature to impose or increase a tax, fee, penalty, or fine, or repeal an exemption to a tax, fee, penalty or fine. The proposal would prohibit that Legislature from imposing a tax, fee, penalty, or fine, expanding the base of a tax, increasing the rate of a tax, or repealing an exemption to a tax, fee, penalty or fine, unless such legislation is filed in a separate bill. The Legislature would have to enact such a bill by a three-fifths vote of the membership of each house.

This requirement would not apply to the "reclassification of criminal activity or the enactment of laws the result of which is to impose an already enacted fee, penalty, or fine to additional conduct."

The fiscal impact of the proposed constitutional amendment is indeterminate, but in all likelihood minimal.

If adopted by the voters of the State at the next general election, this amendment to the Florida Constitution would take effect January 1, 2003.

SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |                             |   |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

B. PRESENT SITUATION:

Section 1(d), Article VII, of the 1968 Fla., Const., (as amended), provides that the Legislature shall by law make provision for raising sufficient revenue to "defray the expenses of the state for each fiscal period." To this end, the Legislature has enacted various taxes and fees to fund the State's programs and activities. Additionally, the Legislature has enacted penalties and fines for instances of civil or criminal violations of the Florida Statutes or rules adopted thereunder.

The only constitutional restraint on the State's ability to raise revenue is that which is found in s. 1(e), Art. VII, of the 1968 Florida Constitution (as amended), which limits the growth of state revenues in any year to that which was authorized in the prior fiscal year plus an adjustment for growth.

Finally, The Legislature enacts an annual appropriation bill to authorize expenditures by the State government.

C. EFFECT OF PROPOSED CHANGES:

HJR 689 would put before the electorate a proposal to amend s. 1(d), Art. VII, Fla. Const., to limit the power of the Legislature to impose or increase a tax, fee, penalty, or fine, or repeal an exemption to a tax, fee, penalty or fine. The proposal would prohibit that Legislature from imposing a tax, fee, penalty, or fine, expanding the base of a tax, increasing the rate of a tax, or repealing an exemption to a tax, fee, penalty or fine, unless such legislation is filed in a separate bill. The Legislature would have to enact such a bill by a three-fifths vote of the membership of each house.

This requirement would not apply to the "reclassification of criminal activity or the enactment of laws the result of which is to impose an already enacted fee, penalty, or fine to additional conduct."

If adopted by the voters of the State at the next general election, this amendment to the Florida Constitution would take effect January 1, 2003.

D. SECTION-BY-SECTION ANALYSIS:

Section one. Amends s. 1(d), Art. VII, Fla. Const. (1968), to require a separate bill when the Legislature proposes to impose a tax, fee, penalty, or fines, expand the base of a tax, increase the rate of at tax, fee, penalty, or fine. Requires that three-fifths of each house vote to enact.

Creates s. 26, Art. XII, Fla. Const. (1968), to authorize the placement of the proposal on the ballot at the next general election, and provide for an effective date, if adopted, of January 1, 2003.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Indeterminate.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

The impact on the state's fiscal efforts is indeterminate. The presentation of tax or fee proposals in separate bills will provide greater notice of increases in taxes or fess imposed for the purpose of funding the State government not only the members of the Legislature but to the lay public. Additionally, the requirement of a three-fifths vote to enact such a bill will provide that the measure has the broad consensus of the Legislature.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

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

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

The Joint Resolution contains a proposal to amend the Florida Constitution. If adopted by the voters at the next general election, it would take effect on January 1, 2003.

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VI. SIGNATURES:

COMMITTEE ON FISCAL POLICY & RESOURCES:

Prepared by:

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