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House 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 amendments to Section 1 of Article VII and Section 21 of Article XII of the State Constitution set forth below are agreed to and shall be submitted to the electors of Florida for approval or rejection at the general election to be held in November 2002:

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.

(d) Provision shall be made by law for raising sufficient revenue to defray the expenses of the state for 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 average annual rate of  
9 growth in median household income in Florida over the most  
10 recent five years. Median household income in Florida shall  
11 be that established and published by the United States  
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  
15 state appropriations to establish the state appropriations  
16 limitation for the fiscal year. The state appropriations  
17 limitation established under this subsection is calculated by  
18 the following formula:

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

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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  
30 transferred to the budget stabilization fund until the fund  
31 reaches the maximum balance specified in Section 19(g) of

1 Article III and thereafter shall be refunded to taxpayers as  
2 provided by general law. For purposes of this subsection,  
3 "state revenues" includes general revenue and trust fund  
4 receipts, but does not include federal fund receipts.

5 (4) The state appropriations limitation required by  
6 this subsection shall not apply in any fiscal year in which  
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  
10 agree by a two-thirds vote of the membership of each house in  
11 a separate bill that contains no other subject to suspend the  
12 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~~  
15 ~~subsection for the prior fiscal year plus an adjustment for~~  
16 ~~growth. As used in this subsection, "growth" means an amount~~  
17 ~~equal to the average annual rate of growth in Florida personal~~  
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~~  
21 ~~allowed under this subsection for the prior fiscal year shall~~  
22 ~~equal the state revenues collected for the 1994-1995 fiscal~~  
23 ~~year. Florida personal income shall be determined by the~~  
24 ~~legislature, from information available from the United States~~  
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~~  
29 ~~fund until the fund reaches the maximum balance specified in~~  
30 ~~Section 19(g) of Article III, and thereafter shall be refunded~~  
31 ~~to taxpayers as provided by general law. State revenues~~

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

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## ARTICLE XII

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SCHEDULE

SECTION 21. State appropriations revenue limitation.--The amendment to Section 1 of Article VII limiting state appropriations, if adopted at the general election in November 2002,~~revenues~~ shall take effect January 1, 2003 ~~1995~~, and shall first be applicable to state fiscal year 2003-2004 ~~1995-1996~~.

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

LIMITATION ON STATE APPROPRIATIONS

Replaces the state revenue limitation with an appropriations limitation that limits state appropriations for any fiscal year to state appropriations for the prior fiscal year plus a growth adjustment. Bases the growth adjustment on Florida median household income rather than on the aggregate personal income of Floridians. Continues transfer of excess revenues to the Budget Stabilization Fund, until fully funded, and refund of the rest to taxpayers pursuant to general law. Suspends the limitation in fiscal years of major financial emergency declared by the Governor and approved by the Legislature by extraordinary vote in a separate bill containing no other subject.