

By Senator Haridopolos

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Senate Joint Resolution No. \_\_\_\_

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 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 average annual rate of  
12 growth in median household income in Florida over the most  
13 recent five years. Median household income in Florida shall  
14 be that established and published by the United States  
15 Department of Commerce or its successor. State appropriations  
16 for the prior fiscal year shall be multiplied by the growth  
17 percentage and that product added to the prior fiscal year's  
18 state appropriations to establish the state appropriations  
19 limitation for the fiscal year. The state appropriations  
20 limitation established under this subsection is calculated by  
21 the following formula:

$$22 \quad \quad \quad \text{SAL} = (\text{SAPFY} \times \text{MHIGR}\%) + \text{SAPFY}$$

23  
24  
25 Where:

26 SAL = state appropriations limitation.

27 SAPFY = state appropriations for the prior fiscal year.

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

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

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

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

1 ~~functions between the state and other levels of government.~~  
2 ~~The legislature shall, by general law, prescribe procedures~~  
3 ~~necessary to administer this subsection.~~

4 ARTICLE XII

5 SCHEDULE

6 SECTION 21. State appropriations revenue  
7 limitation.--The amendment to Section 1 of Article VII  
8 limiting state appropriations, if adopted at the general  
9 election in November 2004, revenues shall take effect January  
10 1, 2005 ~~1995~~, and shall first be applicable to state fiscal  
11 year 2005-2006 ~~1995-1996~~.

12 BE IT FURTHER RESOLVED that the following statement be  
13 placed on the ballot:

14 CONSTITUTIONAL AMENDMENT

15 ARTICLE VII, SECTION 1

16 ARTICLE XII, SECTION 21

17 LIMITATION ON STATE APPROPRIATIONS.--Proposing  
18 amendments to the State Constitution to replace the state  
19 revenue limitation with an appropriations limitation that  
20 limits state appropriations for any fiscal year to state  
21 appropriations for the prior fiscal year plus a growth  
22 adjustment; basing the growth adjustment on Florida median  
23 household income rather than on the aggregate personal income  
24 of Floridians; continuing the transfer of excess revenues to  
25 the Budget Stabilization Fund, until fully funded, and refund  
26 of the rest to taxpayers pursuant to general law; and  
27 suspending the limitation in fiscal years of major financial  
28 emergency declared by the Governor and approved by the  
29 Legislature by extraordinary vote in a separate bill  
30 containing no other subject.

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