

HJR 0385

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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 2004:

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.

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

32 (e)(1) State appropriations for any fiscal year shall be
 33 limited to state appropriations for the immediately preceding
 34 fiscal year plus an adjustment for growth. For purposes of
 35 calculating such state appropriations limitation, "state
 36 appropriations" shall not include any portion of state
 37 appropriations spent or to be spent from receipt of federal
 38 funds.

39 (2) The "adjustment for growth" shall be an amount
 40 expressed as a percentage equal to the average annual rate of
 41 growth in median household income in Florida over the most
 42 recent five years. Median household income in Florida shall be
 43 that established and published by the United States Department
 44 of Commerce or its successor. State appropriations for the
 45 immediately preceding fiscal year shall be multiplied by the
 46 growth percentage and that product added to the immediately
 47 preceding fiscal year's state appropriations to establish the
 48 state appropriations limitation for the fiscal year. The state
 49 appropriations limitation established under this subsection is
 50 calculated by the following formula:

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

54 Where:

55 SAL = state appropriations limitation.

56 SAPFY = state appropriations for the immediately preceding
 57 fiscal year.

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

60
61 (3) State revenues collected for any fiscal year in excess
62 of the state appropriations limitation shall be transferred to
63 the budget stabilization fund until the fund reaches the maximum
64 balance specified in Section 19(g) of Article III and thereafter
65 shall be refunded to taxpayers as provided by general law. For
66 purposes of this paragraph, "state revenues" includes general
67 revenue and trust fund receipts, but does not include federal
68 fund receipts.

69 (4) The state appropriations limitation required by this
70 subsection shall not apply in any fiscal year in which the
71 governor declares a state financial emergency because of a war,
72 a natural catastrophe, an economic depression, or any event of
73 similar magnitude. However, the legislature must agree by a
74 three-fourths vote of the membership of each house in a separate
75 bill that contains no other subject to suspend the state
76 appropriations limitation for that year. ~~Except as provided~~
77 herein, state revenues collected for any fiscal year shall be
78 limited to state revenues allowed under this subsection for the
79 prior fiscal year plus an adjustment for growth. As used in this
80 subsection, "growth" means an amount equal to the average annual
81 rate of growth in Florida personal income over the most recent
82 twenty quarters times the state revenues allowed under this
83 subsection for the prior fiscal year. For the 1995-1996 fiscal
84 year, the state revenues allowed under this subsection for the
85 prior fiscal year shall equal the state revenues collected for
86 the 1994-1995 fiscal year. Florida personal income shall be
87 determined by the legislature, from information available from

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88 ~~the United States Department of Commerce or its successor on the~~
 89 ~~first day of February prior to the beginning of the fiscal year.~~
 90 ~~State revenues collected for any fiscal year in excess of this~~
 91 ~~limitation shall be transferred to the budget stabilization fund~~
 92 ~~until the fund reaches the maximum balance specified in Section~~
 93 ~~19(g) of Article III, and thereafter shall be refunded to~~
 94 ~~taxpayers as provided by general law. State revenues allowed~~
 95 ~~under this subsection for any fiscal year may be increased by a~~
 96 ~~two-thirds vote of the membership of each house of the~~
 97 ~~legislature in a separate bill that contains no other subject~~
 98 ~~and that sets forth the dollar amount by which the state~~
 99 ~~revenues allowed will be increased. The vote may not be taken~~
 100 ~~less than seventy-two hours after the third reading of the bill.~~
 101 ~~For purposes of this subsection, "state revenues" means taxes,~~
 102 ~~fees, licenses, and charges for services imposed by the~~
 103 ~~legislature on individuals, businesses, or agencies outside~~
 104 ~~state government. However, "state revenues" does not include:~~
 105 ~~revenues that are necessary to meet the requirements set forth~~
 106 ~~in documents authorizing the issuance of bonds by the state;~~
 107 ~~revenues that are used to provide matching funds for the federal~~
 108 ~~Medicaid program with the exception of the revenues used to~~
 109 ~~support the Public Medical Assistance Trust Fund or its~~
 110 ~~successor program and with the exception of state matching funds~~
 111 ~~used to fund elective expansions made after July 1, 1994;~~
 112 ~~proceeds from the state lottery returned as prizes; receipts of~~
 113 ~~the Florida Hurricane Catastrophe Fund; balances carried forward~~
 114 ~~from prior fiscal years; taxes, licenses, fees, and charges for~~
 115 ~~services imposed by local, regional, or school district~~
 116 ~~governing bodies; or revenue from taxes, licenses, fees, and~~
 117 ~~charges for services required to be imposed by any amendment or~~

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118 ~~revision to this constitution after July 1, 1994. An adjustment~~
 119 ~~to the revenue limitation shall be made by general law to~~
 120 ~~reflect the fiscal impact of transfers of responsibility for the~~
 121 ~~funding of governmental functions between the state and other~~
 122 ~~levels of government. The legislature shall, by general law,~~
 123 ~~prescribe procedures necessary to administer this subsection.~~

124 ARTICLE XII

125 SCHEDULE

126 SECTION 21. State appropriations ~~revenue~~ limitation.--The
 127 amendment to Section 1 of Article VII limiting state
 128 appropriations, if adopted at the general election in November
 129 2004, revenues shall take effect January 1, 2005 ~~1995~~, and shall
 130 first be applicable to state fiscal year 2005-2006 ~~1995-1996~~.

131 BE IT FURTHER RESOLVED that the title and substance of the
 132 amendment proposed herein shall appear on the ballot as follows:

133 LIMITATION ON STATE APPROPRIATIONS

134 Proposes amendments to Section 1 of Article VII and Section
 135 21 of Article XII of the State Constitution to replace the state
 136 revenue limitation with an appropriations limitation that limits
 137 state appropriations for any fiscal year to state appropriations
 138 for the immediately preceding fiscal year plus a growth
 139 adjustment; bases the growth adjustment on median household
 140 income in Florida rather than on the aggregate personal income
 141 of Floridians; continues the transfer of excess revenues to the
 142 Budget Stabilization Fund, until fully funded, and refund of the
 143 rest to taxpayers pursuant to general law; and suspends the
 144 limitation in fiscal years of major financial emergency declared
 145 by the Governor and approved by the Legislature by a three-
 146 fourths vote of the membership of each house in a separate bill
 147 containing no other subject.