

CHAMBER ACTION

1 The Committee on Appropriations recommends the following:

2
3 **Committee Substitute**

4 Remove the entire joint resolution and insert:

5 House Joint Resolution

6 A joint resolution proposing an amendment to Section 1 of
7 Article VII of the State Constitution relating to a
8 limitation on legislative power to impose a tax, expand a
9 tax base, increase a tax rate, or repeal a tax exemption
10 and relating to the limitation on state revenue
11 collections.

12
13 Be It Resolved by the Legislature of the State of Florida:

14
15 That the amendment to Section 1 of Article VII of the State
16 Constitution set forth below is agreed to and shall be submitted
17 to the electors of Florida for approval or rejection at the
18 general election to be held in November 2004:

19 ARTICLE VII

20 FINANCE AND TAXATION

21 SECTION 1. Taxation; appropriations; state expenses; state
22 revenue limitation.--

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23 (a) No tax shall be levied except in pursuance of law. No
 24 state ad valorem taxes shall be levied upon real estate or
 25 tangible personal property. All other forms of taxation shall be
 26 preempted to the state except as provided by general law.

27 (b) Motor vehicles, boats, airplanes, trailers, trailer
 28 coaches and mobile homes, as defined by law, shall be subject to
 29 a license tax for their operation in the amounts and for the
 30 purposes prescribed by law, but shall not be subject to ad
 31 valorem taxes.

32 (c) No money shall be drawn from the treasury except in
 33 pursuance of appropriation made by law.

34 (d) Provision shall be made by law for raising sufficient
 35 revenue to defray the expenses of the state for each fiscal
 36 period.

37 (e) A law enacted after January 1, 2005, may not impose a
 38 tax, expand a tax base, increase a tax rate, or repeal a tax
 39 exemption, unless the law is enacted in a separate bill for that
 40 purpose only by a two-thirds vote of the membership of each
 41 house of the legislature.

42 (f)~~(e)~~ Except as provided herein, state revenues collected
 43 for any fiscal year shall be limited to state revenues allowed
 44 under this subsection for the prior fiscal year plus an
 45 adjustment for growth. As used in this subsection, "growth"
 46 means an amount equal to the average annual rate of growth in
 47 Florida personal income over the most recent twenty quarters
 48 times the state revenues allowed under this subsection for the
 49 prior fiscal year. For the 2005-2006 ~~1995-1996~~ fiscal year and
 50 thereafter, the state revenues allowed under this subsection for

51 | the prior fiscal year shall equal the actual state revenues
 52 | collected for the prior ~~1994-1995~~ fiscal year less the amount by
 53 | which actual collections in that year exceed the state revenues
 54 | allowed in that year. Florida personal income shall be
 55 | determined by the legislature, from information available from
 56 | the United States Department of Commerce or its successor on the
 57 | first day of February prior to the beginning of the fiscal year.
 58 | State revenues collected for any fiscal year in excess of this
 59 | limitation shall be transferred to the budget stabilization fund
 60 | until the fund reaches the maximum balance specified in Section
 61 | 19(g) of Article III, and thereafter shall be refunded to
 62 | taxpayers as provided by general law. State revenues allowed
 63 | under this subsection for any fiscal year may be increased by a
 64 | two-thirds vote of the membership of each house of the
 65 | legislature in a separate bill that contains no other subject
 66 | and that sets forth the dollar amount by which the state
 67 | revenues allowed will be increased. The vote may not be taken
 68 | less than seventy-two hours after the third reading of the bill.
 69 | For purposes of this subsection, "state revenues" means taxes,
 70 | fees, licenses, and charges for goods and services imposed by
 71 | the legislature on individuals, businesses, or agencies outside
 72 | state government. However, "state revenues" does not include:
 73 | revenues that are necessary to meet the requirements set forth
 74 | in documents authorizing the issuance of bonds by the state;
 75 | ~~revenues that are used to provide matching funds for the federal~~
 76 | ~~Medicaid program with the exception of the revenues used to~~
 77 | ~~support the Public Medical Assistance Trust Fund or its~~
 78 | ~~successor program and with the exception of state matching funds~~

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79 ~~used to fund elective expansions made after July 1, 1994;~~
 80 proceeds from the state lottery returned as prizes; receipts of
 81 the Florida Hurricane Catastrophe Fund; balances carried forward
 82 from prior fiscal years; taxes, licenses, fees, and charges for
 83 goods and services imposed by local, regional, or school
 84 district governing bodies; or revenue from taxes, licenses,
 85 fees, and charges for goods and services required to be imposed
 86 by any amendment or revision to this constitution after July 1,
 87 1994. An adjustment to the revenue limitation shall be made by
 88 general law to reflect the fiscal impact of transfers of
 89 responsibility for the funding of governmental functions between
 90 the state and other levels of government. The legislature shall,
 91 by general law, prescribe procedures necessary to administer
 92 this subsection.

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

95 LIMITATION ON STATE REVENUES AND LIMITATION ON
 96 POWER OF LEGISLATURE TO IMPOSE OR INCREASE TAXES

97 Proposes an amendment to Section 1 of Article VII of the
 98 State Constitution to: require limits on legislative imposition
 99 of or increase in taxes, expansion of a tax base, or repeal of a
 100 tax exemption by requiring a separate bill for that purpose only
 101 and an extraordinary vote; change the existing limit on the
 102 amount of revenues the state can receive each year; limit the
 103 growth in actual revenues from one year to the next, as opposed
 104 to the current provision which limits growth in revenues over
 105 the allowable limit in the prior year; delete the exclusion from
 106 "state revenues" of revenues that are used to provide matching

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107 funds for the federal Medicaid program; include charges for
108 "goods" imposed by the Legislature within the definition of
109 "state revenues"; and exclude charges for "goods" imposed by
110 local, regional, or school district governing bodies or by any
111 subsequent amendment or revision to the State Constitution from
112 the definition of "state revenues."