

By Senator Haridopolos

26-650-04

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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 immediately  
6 preceding fiscal year plus an adjustment for growth. For  
7 purposes of calculating such state appropriations limitation,  
8 "state appropriations" shall not include any portion of state  
9 appropriations spent or to be spent from receipt of federal  
10 funds.

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

$$23 \qquad \qquad \qquad \text{SAL} = (\text{SAPFY} \times \text{MHIGR}\%) + \text{SAPFY}$$

24  
25  
26 Where:

27 SAL = state appropriations limitation.

28 SAPFY = state appropriations for the immediately  
29 preceding fiscal year.

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

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

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

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

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

5 ARTICLE XII

6 SCHEDULE

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

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

15 CONSTITUTIONAL AMENDMENT

16 ARTICLE VII, SECTION 1

17 ARTICLE XII, SECTION 21

18 LIMITATION ON STATE APPROPRIATIONS.--Proposing  
19 amendments to the State Constitution to replace the state  
20 revenue limitation with an appropriations limitation that  
21 limits state appropriations for any fiscal year to state  
22 appropriations for the immediately preceding fiscal year plus  
23 a growth adjustment; basing the growth adjustment on median  
24 household income in Florida rather than on the aggregate  
25 personal income of Floridians; continuing the transfer of  
26 excess revenues to the Budget Stabilization Fund, until fully  
27 funded, and refund of the rest to taxpayers pursuant to  
28 general law; and suspending the limitation in fiscal years of  
29 major financial emergency declared by the Governor and  
30 approved by the Legislature by a three-fourths vote of the

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1 membership of each house of the state legislature in a  
2 separate bill containing no other subject.  
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