

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Ethics and Elections Committee

BILL: CS/SJR 2200

SPONSOR: Ethics and Elections Committee and Senator Atwater

SUBJECT: Constitutional Amendments

DATE: March 15, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Babington</u>	<u>Rubinas</u>	<u>EE</u>	<u>Fav/CS</u>
2.	_____	_____	<u>JU</u>	_____
3.	_____	_____	<u>GE</u>	_____
4.	_____	_____	<u>RC</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The joint resolution amends the existing constitutional limitation on new state taxes or fees to include amendments or revisions which “authorize” new state taxes or fees, or which increase, or authorize the increase of existing state taxes or fees. A definition for “existing state taxes or fees” is provided in the resolution.

The joint resolution also requires two-thirds of the voters voting in an election to approve any proposed amendment or revision which would impose a significant financial impact on state government in excess of one-tenth of one percent of the state’s budget for the previous fiscal year.

The joint resolution deletes obsolete language relating to the November 8, 1994 general election, for which this particular constitutional provision was originally proposed.

This joint resolution substantially amends Section 7 of Article XI of the Florida Constitution.

II. Present Situation:

The Florida Constitution currently has two provisions which address the financial impact of proposed amendments to the constitution. The first is Article XI, section 7, which was approved by more than 69% of the voters in the 1996 general election.¹ Section 7 requires that any proposed amendment which imposes a new State tax or fee must be approved by at least two-thirds of the voters voting in the election in which the proposal is considered. “New state tax or fee” is defined as any tax or fee which would produce revenue subject to lump sum or other

¹ Florida Department of State, Division of Elections

appropriation by the Legislature, either for the State general revenue fund or any trust fund. Since the amendment passed, no proposal has appeared on the ballot which would have imposed a new state tax or fee.²

In 2002, 78% of Florida voters approved an amendment to section 5 of Article XI which required a probable financial impact statement. The amendment required the legislature to provide by general law a statement to the public regarding the probable financial impact of any amendment proposed by initiative.³

This amendment led to the creation by statute of the Financial Impact Estimating Conference, whose role is to review, analyze, and estimate the financial impact of amendments proposed by initiative. The Conference is charged with creating a clear and unambiguous statement of less than 75 words in length, which appears on the ballot with the initiative below the ballot summary. The Conference may also draft an initiative financial information statement, which outlines with greater detail any projected increase or decrease in revenues or costs to the state or local governments. This statement is made available through the Department of State and the supervisors of elections.

Several amendments have passed in recent years which would have likely been subject to the proposed limitations in this joint resolution on amendments with significant financial impact, but would have failed on election day under the proposed higher threshold. These amendments include:

- 2002 Class Size: 52.4%
- 2002 Voluntary Pre-K: 59.2%
- 2000 High-Speed Rail: 52.7%
- 1998 Article V: 56.9%

III. Effect of Proposed Changes:

The joint resolution requires that any proposed amendment or revision of the constitution, however proposed, which authorizes the imposition of a new State tax or fee must be approved by two-thirds of the voters voting in the election in which the proposal is considered.

It further requires that any proposed amendment or revision which increases or authorizes the increase of an existing State tax or fee must be approved by two-thirds of the voters voting in the election in which the proposal is considered. "Existing State tax or fee" is defined as any tax or fee producing revenue subject to lump sum or other appropriation by the Legislature, either for the State general revenue fund or any trust fund, and which tax or fee is in effect at the time of the election when the proposed amendment or revision is considered. Any proposed amendment or revision which fails to receive the requisite two-thirds approval will be without effect.

² The proposal was originally intended to appear on the 1994 general election ballot, together with the first Everglades restoration initiative, which included an Everglades restoration trust fund and a tax on sugar. Neither proposal appeared on that year's ballot.

³ This amendment followed the approval of the High Speed Rail initiative by voters in 2000.

The joint resolution also requires that a constitutional amendment or revision, however proposed, which will have a significant financial impact on the state budget, must be approved by two-thirds of the voters voting in the election in which the proposal is considered. "Significant financial impact" is defined as any amount greater than one-tenth of one percent of the total state budget for the state fiscal year ending in the year prior to the general election in which such proposed amendment or revision is considered. The method for determining the significant financial impact of the proposed amendment or revision will be established by general law. Any proposed amendment or revision which fails to receive the requisite two-thirds approval will be without effect.

Obsolete language relating to the general election of 1994 is removed as well.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

The joint resolution requires that any proposed amendment or revision which would increase or authorize the increase of an existing state tax or fee, the revenues from which are collected in a trust fund, must be approved by at least two-thirds of the voters voting in the election in which the proposal is considered.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Each constitutional amendment is required to be published in a newspaper of general circulation in each county, once in the sixth week and once in the tenth week preceding the general election. Costs for advertising vary depending upon the length of the amendment; however, the cost per amendment is estimated to be approximately \$37,000.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

VIII. Summary of Amendments:

None.

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