

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 immediately
6 preceding fiscal year, plus an adjustment for growth. For
7 purposes of calculating such limitation, "state
8 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 shall be calculated by the following formula:

$$23 \text{ } 24 \text{ } \text{SAL} = (\text{SAPFY} \times \text{MHIGR}\%) + \text{SAPFY}$$

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(a) of
6 Article III and thereafter shall be refunded to taxpayers as
7 provided by general law. For purposes of this paragraph, the
8 term "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 2006, revenues shall take effect January
11 1, 2007 ~~1995~~, and shall first be applicable to state fiscal
12 year 2007-2008 ~~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, beginning in
22 fiscal year 2007-2008, to state appropriations for the
23 immediately preceding fiscal year plus a growth adjustment;
24 basing the growth adjustment on median household income in
25 Florida rather than on the aggregate personal income of
26 Floridians; continuing the transfer of excess revenues to the
27 Budget Stabilization Fund until fully funded and the refund of
28 the rest to taxpayers pursuant to general law; and suspending
29 the limitation in fiscal years of major financial emergency
30 declared by the Governor and approved by the Legislature by a
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1 three-fourths vote of the membership of each house thereof in
2 a separate bill containing no other subject.
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