1   House Joint Resolution

2   A joint resolution proposing amendments to Section 1 of

3   Article VII and Section 21 of Article XII of the State

4   Constitution, relating to a limitation on state

5   appropriations.

6

7 Be It Resolved by the Legislature of the State of Florida:

8

9   That the amendments to Section 1 of Article VII and Section

10 21 of Article XII of the State Constitution set forth below are

11 agreed to and shall be submitted to the electors of Florida for

12 approval or rejection at the general election to be held in

13 November 2006:

14   ARTICLE VII

15   FINANCE AND TAXATION

16   SECTION 1. Taxation; appropriations; state expenses; state

17 appropriations revenue limitation.--

18   (a) No tax shall be levied except in pursuance of law. No

19 state ad valorem taxes shall be levied upon real estate or

20 tangible personal property. All other forms of taxation shall be

21 preempted to the state except as provided by general law.

22   (b) Motor vehicles, boats, airplanes, trailers, trailer

23 coaches and mobile homes, as defined by law, shall be subject to

24 a license tax for their operation in the amounts and for the

25 purposes prescribed by law, but shall not be subject to ad

26 valorem taxes.

27   (c) No money shall be drawn from the treasury except in

28 pursuance of appropriation made by law.

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 limitation, "state appropriations" shall not

36 include any portion of state appropriations spent or to be spent

37 from receipt of federal funds.

38   (2) The "adjustment for growth" shall be an amount

39 expressed as a percentage equal to the average annual rate of

40 growth in median household income in Florida over the most

41 recent five years. Median household income in Florida shall be

42 that established and published by the United States Department

43 of Commerce or its successor. State appropriations for the

44 immediately preceding fiscal year shall be multiplied by the

45 growth percentage and that product added to the immediately

46 preceding fiscal year's state appropriations to establish the

47 state appropriations limitation for the fiscal year. The state

48 appropriations limitation established under this subsection

49 shall be calculated by the following formula:

50

51   SAL = (SAPFY x MHIGR%) + SAPFY

52

53 Where:

54   SAL = state appropriations limitation.

55   SAPFY = state appropriations for the immediately preceding

56 fiscal year.

57   MHIGR% = median household income growth rate percentage,

58 averaged over the most recent five years.

59

60   (3) State revenues collected for any fiscal year in excess

61 of the state appropriations limitation shall be transferred to
62 the budget stabilization fund until the fund reaches the maximum
63 balance specified in Section 19(g) of Article III and thereafter
64 shall be refunded to taxpayers as provided by general law. For
65 purposes of this paragraph, the term "state revenues" includes
66 general revenue and trust fund receipts but does not include
67 federal fund receipts.
68   (4) The state appropriations limitation required by this
69 subsection shall not apply in any fiscal year in which the
70 governor declares a state financial emergency because of a war,
71 a natural catastrophe, an economic depression, or any event of
72 similar magnitude. However, the legislature must agree by a
73 three-fourths vote of the membership of each house in a separate
74 bill that contains no other subject to suspend the state
75 appropriations limitation for that year. Except as provided
76 herein, state revenues collected for any fiscal year shall be
77 limited to state revenues allowed under this subsection for the
78 prior fiscal year plus an adjustment for growth. As used in this
79 subsection, "growth" means an amount equal to the average annual
80 rate of growth in Florida personal income over the most recent
81 twenty quarters times the state revenues allowed under this
82 subsection for the prior fiscal year. For the 1995-1996 fiscal
83 year, the state revenues allowed under this subsection for the
84 prior fiscal year shall equal the state revenues collected for
85 the 1994-1995 fiscal year. Florida personal income shall be
86 determined by the legislature, from information available from
87 the United States Department of Commerce or its successor on the
88 first day of February prior to the beginning of the fiscal year.
89 State revenues collected for any fiscal year in excess of this
90 limitation shall be transferred to the budget stabilization fund

 91 until the fund reaches the maximum balance specified in Section

 92 19(g) of Article III, and thereafter shall be refunded to

 93 taxpayers as provided by general law. State revenues allowed

 94 under this subsection for any fiscal year may be increased by a

 95 two-thirds vote of the membership of each house of the

 96 legislature in a separate bill that contains no other subject

 97 and that sets forth the dollar amount by which the state

 98 revenues allowed will be increased. The vote may not be taken

 99 less than seventy-two hours after the third reading of the bill.

100 For purposes of this subsection, "state revenues" means taxes,

101 fees, licenses, and charges for services imposed by the

102 legislature on individuals, businesses, or agencies outside

103 state government. However, "state revenues" does not include:

104 revenues that are necessary to meet the requirements set forth

105 in documents authorizing the issuance of bonds by the state;

106 revenues that are used to provide matching funds for the federal

107 Medicaid program with the exception of the revenues used to

108 support the Public Medical Assistance Trust Fund or its

109 successor program and with the exception of state matching funds

110 used to fund elective expansions made after July 1, 1994;

111 proceeds from the state lottery returned as prizes; receipts of

112 the Florida Hurricane Catastrophe Fund; balances carried forward

113 from prior fiscal years; taxes, licenses, fees, and charges for

114 services imposed by local, regional, or school district

115 governing bodies; or revenue from taxes, licenses, fees, and

116 charges for services required to be imposed by any amendment or

117 revision to this constitution after July 1, 1994. An adjustment

118 to the revenue limitation shall be made by general law to

119 reflect the fiscal impact of transfers of responsibility for the

120 funding of governmental functions between the state and other

121 ~~levels of government. The legislature shall, by general law,~~

122 ~~prescribe procedures necessary to administer this subsection.~~

123   ARTICLE XII

124   SCHEDULE

125   SECTION 21. State <u>appropriations</u> ~~revenue~~ limitation.--The

126 amendment to Section 1 of Article VII limiting state

127 <u>appropriations, if adopted at the general election in November</u>

128 <u>2006,</u> ~~revenues~~ shall take effect January 1, <u>2007</u> ~~1995~~, and shall

129 first be applicable to state fiscal year <u>2007-2008</u> ~~1995-1996~~.

130   BE IT FURTHER RESOLVED that the title and substance of the

131 amendment proposed herein shall appear on the ballot as follows:

132   LIMITATION ON STATE APPROPRIATIONS

133   Proposes amendments to Section 1 of Article VII and Section

134 21 of Article XII of the State Constitution to replace the state

135 revenue limitation with an appropriations limitation that limits

136 state appropriations for any fiscal year, beginning in fiscal

137 year 2007-2008, to state appropriations for the immediately

138 preceding fiscal year plus a growth adjustment; bases the growth

139 adjustment on median household income in Florida rather than on

140 the aggregate personal income of Floridians; continues the

141 transfer of excess revenues to the Budget Stabilization Fund

142 until fully funded and the refund of the rest to taxpayers

143 pursuant to general law; and suspends the limitation in fiscal

144 years of major financial emergency declared by the Governor and

145 approved by the Legislature by a three-fourths vote of the

146 membership of each house thereof in a separate bill containing

147 no other subject.