

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 7247     PCB FT 06-08     Expenditure Limits  
**SPONSOR(S):** Finance & Tax Committee  
**TIED BILLS:** \_\_\_\_\_ **IDEN./SIM. BILLS:** \_\_\_\_\_

---

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Finance & Tax Committee	6 Y, 2 N	Monroe	Diez-Arguelles
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

---

**SUMMARY ANALYSIS**

This joint resolution would provide specific authorization for the Legislature to impose an expenditure cap on counties and municipalities. Under the terms of the constitutional amendment the expenditure limitation would have to make a provision for growth in the annual expenditure limitation which equals or exceeds the growth in Florida personal income. In addition, the amendment would require that provisions be made to permit waiver of the expenditure limitation if:

- the Governor declares a state of emergency,
- the electorate approves the additional expenditures by referendum, or
- the additional expenditures are approved by a supermajority of the governing body of the municipality or county.

The Division of Elections estimates the cost to the state to be approximately \$50,000 to meet constitutional requirements to publish this joint resolution to the electorate

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Not Applicable

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background:**

For the period 1983 to 2003, data shows a significant increase in the expenditures of counties and municipalities.<sup>1</sup> In 1983, expenditures totaled \$5,205,143,611 for counties and \$4,327,322,797 for municipalities. By 1993 total expenditures reached \$11,767,269,903 for counties and \$8,841,094,865 for municipalities. These numbers reflect a 126.07% increase in county expenditures and a 104.31% increase in municipal expenditures over 10 years. In 2003 the counties spent \$21,400,225,783 and municipalities spent \$15,517,153,759. This shows an 81.86% increase since 1993 and a 311.14% increase since 1983 in county expenditures. Municipal expenditures grew 75.51% between 1993 and 2003 and 258.59% between 1983 and 2003.

##### **Proposed Changes:**

This joint resolution would provide specific authorization for the Legislature to impose an expenditure cap on counties and municipalities. Under the terms of the constitutional amendment the expenditure limitation would have to make a provision for growth in the annual expenditure limitation which equals or exceeds the growth in Florida personal income. In addition, the amendment would require that provisions be made to permit waiver of the expenditure limitation if:

- the Governor declares a state of emergency,
- the electorate approves the additional expenditures by referendum, or
- the additional expenditures are approved by a supermajority of the governing body of the municipality or county.

#### C. SECTION DIRECTORY:

Not applicable to Joint Resolutions

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

None

##### 2. Expenditures:

##### **Non-Recurring**

**FY 2006-07**

Department of State, Division of Elections

---

<sup>1</sup> Legislative Committee on Intergovernmental Relations, Expenditures and Revenues Reported by Counties, Municipalities, and Independent Special Districts: Fiscal Years 1979-2003, See <http://fcn.state.fl.us/lcir/stwidefiscal.html>

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

## 1. Revenues:

None

## 2. Expenditures:

Although the bill would specifically authorize the State Legislature to impose expenditure limits on counties and municipalities in the future, the Constitutional amendment itself would have no effect on local expenditures.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None

**D. FISCAL COMMENTS:**

Article XI, s. 5(d) of the State Constitution, requires the state to publish the proposed amendment along with notice of the date of the election at which it will be submitted before electors in one newspaper in each county in which a newspaper is published once in the tenth week and once in the sixth week immediately preceding the week the election is held. The Division of Elections estimates this cost to be approximately \$50,000 to meet the requirements of this provision.

**III. COMMENTS****A. CONSTITUTIONAL ISSUES:**

## 1. Applicability of Municipality/County Mandates Provision:

The mandates provisions of Article VII, section 18 of the Florida Constitution do not apply to joint resolutions.

## 2. Other:

Article XI, s. 1 of the Florida Constitution, provides the Legislature the authority to propose amendments to the constitution by joint resolution approved by three-fifths of the membership of each house. The amendment must be placed before the electorate at the next general election held after the proposal has been filed with the Secretary of State's office or may be placed at a special election held for that purpose.

**B. RULE-MAKING AUTHORITY:**

None

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None

---

<sup>2</sup> See Art. XI, Sec. 5(d), Fla. Const.  
**STORAGE NAME:** h7247.FT.doc  
**DATE:** 3/31/2006

#### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES