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House Joint Resolution

A joint resolution proposing an amendment to Section 1 and the creation of Section 19 of Article VII of the State Constitution to limit state and local government revenues and require voter approval of new taxes and fees.

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

That the following amendment to Section 1 and the creation of Section 19 of Article VII of the State Constitution 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 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

29 | pursuance of appropriation made by law.

30 | (d) Provision shall be made by law for raising sufficient
 31 | revenue to defray the expenses of the state for each fiscal
 32 | period.

33 | ~~(e) Except as provided herein, state revenues collected~~
 34 | ~~for any fiscal year shall be limited to state revenues allowed~~
 35 | ~~under this subsection for the prior fiscal year plus an~~
 36 | ~~adjustment for growth. As used in this subsection, "growth"~~
 37 | ~~means an amount equal to the average annual rate of growth in~~
 38 | ~~Florida personal income over the most recent twenty quarters~~
 39 | ~~times the state revenues allowed under this subsection for the~~
 40 | ~~prior fiscal year. For the 1995-1996 fiscal year, the state~~
 41 | ~~revenues allowed under this subsection for the prior fiscal year~~
 42 | ~~shall equal the state revenues collected for the 1994-1995~~
 43 | ~~fiscal year. Florida personal income shall be determined by the~~
 44 | ~~legislature, from information available from the United States~~
 45 | ~~Department of Commerce or its successor on the first day of~~
 46 | ~~February prior to the beginning of the fiscal year. State~~
 47 | ~~revenues collected for any fiscal year in excess of this~~
 48 | ~~limitation shall be transferred to the budget stabilization fund~~
 49 | ~~until the fund reaches the maximum balance specified in Section~~
 50 | ~~19(g) of Article III, and thereafter shall be refunded to~~
 51 | ~~taxpayers as provided by general law. State revenues allowed~~
 52 | ~~under this subsection for any fiscal year may be increased by a~~
 53 | ~~two-thirds vote of the membership of each house of the~~
 54 | ~~legislature in a separate bill that contains no other subject~~
 55 | ~~and that sets forth the dollar amount by which the state~~
 56 | ~~revenues allowed will be increased. The vote may not be taken~~

57 ~~less than seventy-two hours after the third reading of the bill.~~
 58 ~~For purposes of this subsection, "state revenues" means taxes,~~
 59 ~~fees, licenses, and charges for services imposed by the~~
 60 ~~legislature on individuals, businesses, or agencies outside~~
 61 ~~state government. However, "state revenues" does not include:~~
 62 ~~revenues that are necessary to meet the requirements set forth~~
 63 ~~in documents authorizing the issuance of bonds by the state;~~
 64 ~~revenues that are used to provide matching funds for the federal~~
 65 ~~Medicaid program with the exception of the revenues used to~~
 66 ~~support the Public Medical Assistance Trust Fund or its~~
 67 ~~successor program and with the exception of state matching funds~~
 68 ~~used to fund elective expansions made after July 1, 1994;~~
 69 ~~proceeds from the state lottery returned as prizes; receipts of~~
 70 ~~the Florida Hurricane Catastrophe Fund; balances carried forward~~
 71 ~~from prior fiscal years; taxes, licenses, fees, and charges for~~
 72 ~~services imposed by local, regional, or school district~~
 73 ~~governing bodies; or revenue from taxes, licenses, fees, and~~
 74 ~~charges for services required to be imposed by any amendment or~~
 75 ~~revision to this constitution after July 1, 1994. An adjustment~~
 76 ~~to the revenue limitation shall be made by general law to~~
 77 ~~reflect the fiscal impact of transfers of responsibility for the~~
 78 ~~funding of governmental functions between the state and other~~
 79 ~~levels of government. The legislature shall, by general law,~~
 80 ~~prescribe procedures necessary to administer this subsection.~~

81 SECTION 19. State and local revenue limits.--

82 (a) DEFINITIONS.--As used in this section, the term:

83 (1) "Fiscal year" means the applicable fiscal year for the
 84 state or a local government.

85 (2) "Growth" means an amount equal to a government's
 86 revenues collected in the 2010-2011 fiscal year multiplied for
 87 each subsequent fiscal year by the combined rate of inflation
 88 and rate of population change. For school districts, enrollment
 89 changes shall be used in lieu of population changes.

90 (3) "Local government" means a county, municipality,
 91 school district, or special district that has the authority to
 92 impose ad valorem taxes. Any municipal service taxing or benefit
 93 unit of a county and any special district dependent to a county
 94 shall be included in that county government. Any municipal
 95 service taxing or benefit unit of a municipality and any special
 96 district dependent to a municipality shall be included in that
 97 municipality. The term does not include any special district
 98 established at the request of or with the consent of all
 99 landowners in the district for the purpose of providing
 100 infrastructure or services to land located within the district.

101 (4) "Local government revenues" means taxes, fees,
 102 assessments, licenses, fines, and charges for services imposed
 103 by a local government on individuals, businesses, or another
 104 local government. However, the term does not include: proceeds
 105 from the issuance of bonds, gifts, federal funds, collections
 106 for another government, pension contributions by employees and
 107 pension fund earnings, emergency reserve transfers, damage
 108 awards, and property sales.

109 (5) "Rate of enrollment change" means the percentage
 110 change in each school district's student enrollment as reported
 111 by each school district. The stated percentages shall be
 112 established annually in the manner prescribed by general law,

113 and shall be based on a comparison of the average of the school
 114 district's enrollment for the most recent two consecutive
 115 calendar years.

116 (6) "Rate of inflation" means the percentage change in the
 117 Consumer Price Index for all urban wage earners and clerical
 118 workers for the south region, or a successor index, for the
 119 preceding calendar year as calculated by the United States
 120 Department of Labor, Bureau of Labor Statistics. The stated
 121 percentages shall be established annually in the manner
 122 prescribed by general law, and shall be based on a comparison of
 123 the average of the Consumer Price Index during the most recent
 124 two consecutive calendar years.

125 (7) "Rate of population change" means the percentage
 126 change in population within the boundaries of the state or a
 127 local government as estimated by the United States Census
 128 Bureau. The stated percentages shall be established annually in
 129 the manner prescribed by general law, and shall be based on a
 130 comparison of the average of the Census Bureau estimates for the
 131 most recent two consecutive calendar years.

132 (8) "State revenues" means taxes, fees, assessments,
 133 licenses, fines, and charges for services imposed by the
 134 legislature or executive branch agencies on individuals,
 135 businesses, or agencies outside state government. However, the
 136 term does not include: proceeds from the issuance of bonds,
 137 proceeds from the state lottery returned as prizes, receipts of
 138 the Florida Hurricane Catastrophe Fund and Citizens Property
 139 Insurance Corporation or their successor entities, tuition and
 140 fees charged to students by public universities and community

141 colleges, gifts, federal funds, collections for another
 142 government, pension contributions by employees and pension fund
 143 earnings, budget stabilization fund transfers, damage awards,
 144 and property sales.

145 (b) STATE AND LOCAL REVENUE LIMIT.--Except as provided in
 146 this section, state revenues collected by the state and local
 147 government and revenues collected by each local government for
 148 any fiscal year shall be limited to revenues collected in the
 149 2010-2011 fiscal year plus an annual adjustment for growth.

150 (c) PROPERTY TAX REVENUE LIMIT.--The annual percentage
 151 change in each local government's property tax revenue may not
 152 exceed property tax revenue in the prior calendar year plus
 153 annual local growth, adjusted for property tax revenue changes
 154 approved by vote of the electors of the respective local
 155 governments.

156 (d) REVENUE RELATING TO BONDS.--Fiscal year revenue of the
 157 state or a local government does not include the proceeds from
 158 the issuance of bonds. However, the debt service on bonds shall
 159 decrease the revenue limit by the amount of the annual debt
 160 service.

161 (e) VOTER APPROVAL TO EXCEED REVENUE LIMITS.--State and
 162 local governments may not impose taxes, fees, licenses, fines,
 163 or charges for services expected to exceed the revenue limit, as
 164 projected by the state and local governments at the adoption of
 165 their respective budgets for the fiscal year. Revenue collected
 166 in excess of the revenue limit may not be spent without approval
 167 of the majority of electors residing within the boundaries of
 168 the applicable government.

169 (1) State revenue collected in any fiscal year in excess
 170 of the revenue limit shall be transferred to the budget
 171 stabilization fund specified in Section 19(g) of Article III
 172 until the fund reaches the maximum amount specified in that
 173 section. Additional excess revenue shall be held in a separate
 174 cash reserve, with such excess revenue and any investment income
 175 thereon treated as revenue in the first or second fiscal year
 176 after the collection of those revenues, as prescribed by general
 177 law.

178 (2) Revenue collected by a local government in excess of
 179 the revenue limit in any fiscal year shall be transferred to a
 180 budget stabilization fund, if such fund has been created by the
 181 applicable local government, until the fund reaches a maximum of
 182 3 percent of the last completed fiscal year's revenue
 183 collection. Additional excess revenue, or revenue collected in
 184 excess of the revenue limit by a local government that does not
 185 create a budget stabilization fund, shall be held in a separate
 186 cash reserve, with such excess revenue and any investment income
 187 thereon treated as revenue in the first or second fiscal year
 188 after the collection of those excess revenues, as prescribed by
 189 general law.

190 (3) The legislature shall provide criteria for withdrawing
 191 funds from budget stabilization funds created by local
 192 governments only for the purpose of covering revenue shortfalls
 193 of the general revenue fund or for providing funding in an
 194 emergency in which substantial harm occurs to the population or
 195 to property within the boundaries of a local government, as
 196 prescribed by general law. Expenditure of budget stabilization

197 funds for emergency purposes shall require a declaration of a
 198 state of emergency by the Governor and a two-thirds majority
 199 vote of the members of the legislature or governing body of a
 200 local government by a recorded roll call vote. Funds may not be
 201 withdrawn for any purpose other than those specified in this
 202 subsection.

203 (f) EMERGENCY TAXES.--

204 (1) Emergency taxes may be assessed under conditions set
 205 forth in this subsection. Emergency tax revenue shall be spent
 206 only after emergency reserves are depleted. Revenues from
 207 emergency taxes shall be refunded within 180 days after the
 208 emergency terminates if the revenues were not spent on the
 209 emergency. This subsection does not grant any new taxing powers
 210 and prohibits emergency property taxes.

211 (2) Emergency taxes may not be levied unless the Governor
 212 declares a state of emergency and the taxes are approved by a
 213 two-thirds vote of the membership of each house of the
 214 legislature or governing body of a local government. The vote of
 215 each member of the legislature or governing body of the local
 216 government must be recorded.

217 (3) An emergency tax that is not approved by a vote of the
 218 electors of a local government on the next election date
 219 occurring 60 days or more after the declaration shall terminate
 220 on or before the last day of the month in which the election is
 221 held.

222 (4) As used in this subsection, the term "emergency" does
 223 not include economic conditions, revenue shortfalls, or salary
 224 and fringe benefit increases.

225 (g) REVENUE LIMITS FOR NEW LOCAL GOVERNMENT.--Local
 226 governments created after November 2, 2010, shall be subject to
 227 this section, as prescribed by general law.

228 (h) BALLOT ISSUE TO EXCEED A REVENUE LIMIT.--A ballot
 229 issue for authorization to exceed a revenue limit must state the
 230 amount by which the state or local government proposes to exceed
 231 the limit in each fiscal year. The ballot issue must also state
 232 the date on which the authority to exceed a revenue limit
 233 expires. Such date must be the last day of the fiscal year.

234 (i) REVENUE LIMIT ADJUSTMENT.--The legislature may provide
 235 by general law for adjustments to revenue limits to reflect the
 236 fiscal impact of the following events occurring after January 4,
 237 2011:

238 (1) A change in federal or state law which increases or
 239 decreases state or local government responsibility for the
 240 funding of governmental functions; or

241 (2) A transfer of the responsibility to fund a government
 242 function to the state or a local government.

243 (j) VOTER APPROVAL OF NEW REVENUE SOURCES.--The state and
 244 local governments must receive advance approval by a two-thirds
 245 vote of the electors voting on a measure in the state or local
 246 government to:

247 (1) Impose a new tax, fee, assessment, or charge for
 248 services; or

249 (2) Incur multiple-year direct or indirect debt or other
 250 financial obligations without having adequate present cash
 251 reserves pledged irrevocably and held for payments in all future
 252 fiscal years, except to refinance bonded debt at a lower

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253 interest rate or to add new employees to a pension plans.

254 (k) CONSTRUCTION.--This section shall be interpreted in a
 255 manner that reasonably restrains most of the growth of state and
 256 local governments. This section supersedes any conflicting
 257 provisions of the State Constitution in effect prior to the
 258 effective date of this section.

259 (l) EFFECTIVE DATE.--This section shall take effect upon
 260 approval by the electors. During the 2011 regular session of the
 261 legislature, the legislature shall adopt implementing
 262 legislation with an effective date of July 1, 2011.

263 BE IT FURTHER RESOLVED that the following statement be
 264 placed on the ballot:

265 CONSTITUTIONAL AMENDMENT

266 ARTICLE VII, SECTION 1

267 ARTICLE VII, SECTION 19

268 STATE AND LOCAL GOVERNMENT REVENUES LIMITATIONS; VOTER
 269 APPROVAL OF NEW TAXES AND FEES.--Proposing amendments to the
 270 State Constitution to replace the existing state revenue limit
 271 based on Florida personal income growth with new state and local
 272 government revenue limits based on inflation and population
 273 changes; limit property tax revenues based on changes in local
 274 growth and enrollment changes in school districts; require
 275 revenues collected in excess of revenue limits to be deposited
 276 into budget stabilization funds, used to reduce future taxes, or
 277 refunded to taxpayers; authorize voters to permit the collection
 278 of revenues in excess of the revenue limit; authorize the
 279 Legislature and the governing body of a local government to
 280 approve taxes by a supermajority vote for certain emergencies;

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281 | prohibit the state or a local government, without first
282 | obtaining approval by a supermajority vote of the electors, from
283 | imposing new taxes, fees, assessments, or charges for services
284 | or incurring multi-year debts or financial obligations without
285 | adequate cash reserves; and provide an effective date.