



974704

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/23/2010	.	
	.	
	.	
	.	

---

---

The Committee on Community Affairs (Altman) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the resolving clause  
and insert:

That the following amendment to Section 1 and the creation of a new section in 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



974704

13 SECTION 1. Taxation; appropriations; state expenses; ~~state~~  
14 ~~revenue limitation.~~—

15 (a) No tax shall be levied except in pursuance of law. No  
16 state ad valorem taxes shall be levied upon real estate or  
17 tangible personal property. All other forms of taxation shall be  
18 preempted to the state except as provided by general law.

19 (b) Motor vehicles, boats, airplanes, trailers, trailer  
20 coaches and mobile homes, as defined by law, shall be subject to  
21 a license tax for their operation in the amounts and for the  
22 purposes prescribed by law, but shall not be subject to ad  
23 valorem taxes.

24 (c) No money shall be drawn from the treasury except in  
25 pursuance of appropriation made by law.

26 (d) Provision shall be made by law for raising sufficient  
27 revenue to defray the expenses of the state for each fiscal  
28 period.

29 ~~(e) Except as provided herein, state revenues collected for~~  
30 ~~any fiscal year shall be limited to state revenues allowed under~~  
31 ~~this subsection for the prior fiscal year plus an adjustment for~~  
32 ~~growth. As used in this subsection, "growth" means an amount~~  
33 ~~equal to the average annual rate of growth in Florida personal~~  
34 ~~income over the most recent twenty quarters times the state~~  
35 ~~revenues allowed under this subsection for the prior fiscal~~  
36 ~~year. For the 1995-1996 fiscal year, the state revenues allowed~~  
37 ~~under this subsection for the prior fiscal year shall equal the~~  
38 ~~state revenues collected for the 1994-1995 fiscal year. Florida~~  
39 ~~personal income shall be determined by the legislature, from~~  
40 ~~information available from the United States Department of~~  
41 ~~Commerce or its successor on the first day of February prior to~~



974704

42 ~~the beginning of the fiscal year. State revenues collected for~~  
43 ~~any fiscal year in excess of this limitation shall be~~  
44 ~~transferred to the budget stabilization fund until the fund~~  
45 ~~reaches the maximum balance specified in Section 19(g) of~~  
46 ~~Article III, and thereafter shall be refunded to taxpayers as~~  
47 ~~provided by general law. State revenues allowed under this~~  
48 ~~subsection for any fiscal year may be increased by a two-thirds~~  
49 ~~vote of the membership of each house of the legislature in a~~  
50 ~~separate bill that contains no other subject and that sets forth~~  
51 ~~the dollar amount by which the state revenues allowed will be~~  
52 ~~increased. The vote may not be taken less than seventy-two hours~~  
53 ~~after the third reading of the bill. For purposes of this~~  
54 ~~subsection, "state revenues" means taxes, fees, licenses, and~~  
55 ~~charges for services imposed by the legislature on individuals,~~  
56 ~~businesses, or agencies outside state government. However,~~  
57 ~~"state revenues" does not include: revenues that are necessary~~  
58 ~~to meet the requirements set forth in documents authorizing the~~  
59 ~~issuance of bonds by the state; revenues that are used to~~  
60 ~~provide matching funds for the federal Medicaid program with the~~  
61 ~~exception of the revenues used to support the Public Medical~~  
62 ~~Assistance Trust Fund or its successor program and with the~~  
63 ~~exception of state matching funds used to fund elective~~  
64 ~~expansions made after July 1, 1994; proceeds from the state~~  
65 ~~lottery returned as prizes; receipts of the Florida Hurricane~~  
66 ~~Catastrophe Fund; balances carried forward from prior fiscal~~  
67 ~~years; taxes, licenses, fees, and charges for services imposed~~  
68 ~~by local, regional, or school district governing bodies; or~~  
69 ~~revenue from taxes, licenses, fees, and charges for services~~  
70 ~~required to be imposed by any amendment or revision to this~~



974704

71 ~~constitution after July 1, 1994. An adjustment to the revenue~~  
72 ~~limitation shall be made by general law to reflect the fiscal~~  
73 ~~impact of transfers of responsibility for the funding of~~  
74 ~~governmental functions between the state and other levels of~~  
75 ~~government. The legislature shall, by general law, prescribe~~  
76 ~~procedures necessary to administer this subsection.~~

77 State revenue limit.-

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

79 (1) "Fiscal year" means the applicable fiscal year of the  
80 state.

81 (2) "Growth" means an amount equal to revenues collected in  
82 the 2010-2011 fiscal year multiplied for each subsequent fiscal  
83 year by the combined rate of inflation and rate of population  
84 change.

85 (3) "Rate of inflation" means the percentage change in the  
86 Consumer Price Index for all urban wage earners and clerical  
87 workers for the south region, or a successor index, for the  
88 preceding calendar year as calculated by the United States  
89 Department of Labor, Bureau of Labor Statistics. The stated  
90 percentages shall be established annually in the manner  
91 prescribed by general law, and shall be based on a comparison of  
92 the average of the Consumer Price Index during the most recent  
93 two consecutive calendar years.

94 (4) "Rate of population change" means the percentage change  
95 in the population of the state as estimated by the United States  
96 Census Bureau. The stated percentage shall be established  
97 annually in the manner prescribed by general law, and shall be  
98 based on a comparison of the average of the Census Bureau  
99 estimates for the most recent two consecutive calendar years.



974704

100       (5) "State revenues" means revenues to the General Revenue  
101 Fund from taxes, fees, assessments, licenses, fines, and charges  
102 for services imposed by the legislature or executive branch  
103 agencies on individuals, businesses, or agencies outside state  
104 government. However, the term does not include: proceeds from  
105 the issuance of bonds, proceeds from the state lottery returned  
106 as prizes, receipts of the Florida Hurricane Catastrophe Fund  
107 and Citizens Property Insurance Corporation or their successor  
108 entities, tuition and fees charged to students by public  
109 universities and community colleges, gifts, federal funds,  
110 collections for another government, pension contributions by  
111 employees and pension fund earnings, budget stabilization fund  
112 transfers, damage awards, and property sales.

113       (b) STATE REVENUE LIMIT. Except as provided in this  
114 section, state revenues for any fiscal year shall be limited to  
115 revenues collected in the 2010-2011 fiscal year plus an annual  
116 adjustment for growth.

117       (c) REVENUE RELATING TO BONDS. State revenues do not  
118 include the proceeds from the issuance of bonds. However, the  
119 debt service on bonds shall decrease the revenue limit by the  
120 amount of the annual debt service.

121       (d) LEGISLATIVE OVERRIDE OF REVENUE LIMITS. The state may  
122 not impose taxes, fees, licenses, fines, or charges for services  
123 expected to exceed the revenue limit, as projected by the state  
124 at the adoption of the General Appropriations Act.

125       (1) State revenue collected in any fiscal year in excess of  
126 the revenue limit shall be transferred to the budget  
127 stabilization fund specified in Section 19(g) of Article III  
128 until the fund reaches the maximum amount specified in that



974704

129 section. Additional excess revenue shall be held in a separate  
130 cash reserve, with such excess revenue and any investment income  
131 thereon treated as revenue in the first or second fiscal year  
132 after the collection of those revenues, as prescribed by general  
133 law. Funds from the budget stabilization fund may not be  
134 expended except pursuant to a declaration of emergency by the  
135 Governor and a two-thirds vote of the membership of each house  
136 of the legislature.

137 (2) When the budget stabilization fund is fully funded,  
138 revenue collected in excess of the revenue limit may not be  
139 spent unless authorized by a two-thirds vote of the membership  
140 of each house of the legislature or the funds are used to  
141 provide tax relief or to reduce the ad valorem taxes that must  
142 be levied by a school district to become eligible for state  
143 funding.

144 (e) EMERGENCY TAXES.

145 (1) Emergency taxes may be assessed under conditions set  
146 forth in this subsection. Emergency tax revenue shall be spent  
147 only after emergency reserves are depleted. Revenues from  
148 emergency taxes shall be refunded within 180 days after the  
149 emergency terminates if the revenues were not spent on the  
150 emergency. This subsection does not grant any new taxing powers  
151 and prohibits emergency property taxes.

152 (2) Emergency taxes may not be levied unless the Governor  
153 declares a state of emergency and the taxes are approved by a  
154 two-thirds vote of the membership of each house of the  
155 legislature. The vote of each member of the legislature must be  
156 recorded.

157 (3) As used in this subsection, the term "emergency" does



974704

158 not include economic conditions, revenue shortfalls, or salary  
159 and fringe benefit increases.

160 (f) BALLOT ISSUE TO EXCEED A REVENUE LIMIT. A ballot issue  
161 for authorization to exceed the revenue limit must state the  
162 amount by which the state proposes to exceed the limit in each  
163 fiscal year. The ballot issue must also state the date on which  
164 the authority to exceed a revenue limit expires. Such date must  
165 be the last day of the fiscal year.

166 (g) REVENUE LIMIT ADJUSTMENT. The legislature may provide  
167 by general law for adjustments to the revenue limit to reflect  
168 the fiscal impact of the following events occurring after  
169 January 4, 2011:

170 (1) A change in federal or state law which increases or  
171 decreases state or local government responsibility for the  
172 funding of governmental functions; or

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

175 (h) VOTER APPROVAL OF NEW REVENUE SOURCES. The state must  
176 receive advance approval by a two-thirds vote of the electors  
177 voting on a measure to:

178 (1) Impose a new tax, fee, assessment, or charge for  
179 services; or

180 (2) Incur multiple-year direct or indirect debt or other  
181 financial obligations without having adequate present cash  
182 reserves pledged irrevocably and held for payments in all future  
183 fiscal years, except to refinance bonded debt at a lower  
184 interest rate or to add new employees to a pension plan.

185 (i) CONSTRUCTION. This section shall be interpreted in a  
186 manner that reasonably restrains most state revenue growth. This



974704

187 section supersedes any conflicting provisions of the State  
188 Constitution in effect prior to the effective date of this  
189 section.

190 (j) EFFECTIVE DATE. This section shall take effect upon  
191 approval by the electors. During the 2011 regular session of the  
192 legislature, the legislature shall adopt implementing  
193 legislation having an effective date of July 1, 2011.

194 BE IT FURTHER RESOLVED that the following statement be  
195 placed on the ballot:

196 CONSTITUTIONAL AMENDMENT

197 ARTICLE VII, SECTION 1

198 ARTICLE VII

199 LIMITING STATE REVENUES, VOTER APPROVAL OF NEW TAXES AND  
200 FEES.—This proposed amendment to the State Constitution replaces  
201 the existing state revenue limit based on Florida personal  
202 income growth with a limit on revenues to the State General  
203 Revenue Fund based on inflation and population changes. Revenues  
204 collected in excess of the revenue limit must be deposited in  
205 the budget stabilization fund, used to provide tax relief.

206 However, the amendment permits voters to authorize the  
207 collection of revenues in excess of the revenue limit. The  
208 amendment also permits the Legislature a to approve taxes by a  
209 supermajority vote for certain emergencies.

210 Lastly, this amendment prohibits the state from the  
211 following without first obtaining approval by a supermajority  
212 vote of the electors:

213 (1) Imposing new taxes, fees, assessments, or charges for  
214 services; or

215 (2) Incurring multi-year debts or financial obligations





974704

216 without adequate cash reserves.

217

218 ===== T I T L E A M E N D M E N T =====

219 And the title is amended as follows:

220 Delete everything before the resolving clause

221 and insert:

222 A bill to be entitled

223 A joint resolution proposing an amendment to Section 1

224 and the creation of a new section in Article VII of

225 the State Constitution to limit state revenues and

226 require voter approval of new taxes and fees.