

By Senator Haridopolos

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Senate Joint Resolution

A joint resolution proposing an amendment to Section 1 and the creation of a new section in 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 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

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

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30 pursuance of appropriation made by law.

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

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

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

82 State and local revenue limits.-

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

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

86 (2) "Growth" means an amount equal to a government's
87 revenues collected in the 2010-2011 fiscal year multiplied for

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88 each subsequent fiscal year by the combined rate of inflation
89 and rate of population change. For school districts, enrollment
90 changes shall be used in lieu of population changes.

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

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

110 (5) "Rate of enrollment change" means the percentage change
111 in each school district's student enrollment as reported by each
112 school district. The stated percentages shall be established
113 annually in the manner prescribed by general law, and shall be
114 based on a comparison of the average of the school district's
115 enrollment for the two most recent calendar years.

116 (6) "Rate of inflation" means the percentage change in the

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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 change
126 in population within the boundaries of the state or a local
127 government as estimated by the United States Census Bureau. The
128 stated percentages shall be established annually in the manner
129 prescribed by general law, and shall be based on a comparison of
130 the average of the Census Bureau estimates for the most recent
131 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

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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 of
170 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

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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.

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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 issue
229 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

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

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

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262 legislation having 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

268 LIMITING STATE AND LOCAL GOVERNMENT REVENUES, VOTER
269 APPROVAL OF NEW TAXES AND FEES.—This proposed amendment to the
270 State Constitution replaces 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. Property tax revenues are limited based on changes in
274 local growth and enrollment changes in school districts.
275 Revenues collected in excess of revenue limits must be deposited
276 in budget stabilization funds, used to reduce future taxes, or
277 refunded to taxpayers.

278 However, the amendment permits voters to authorize the
279 collection of revenues in excess of a revenue limit. The
280 amendment also permits the Legislature and the governing body of
281 a local government to approve taxes by a supermajority vote for
282 certain emergencies.

283 Lastly, this amendment prohibits the state or a local
284 government from the following without first obtaining approval
285 by a supermajority vote of the electors:

286 (1) Imposing new taxes, fees, assessments, or charges for
287 services; or

288 (2) Incurring multi-year debts or financial obligations
289 without adequate cash reserves.