

By the Committee on Community Affairs; and Senator Haridopolos

578-03533-10

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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 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 pursuance of appropriation made by law.

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

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

81 State revenue limit.—

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

83 (1) "Fiscal year" means the applicable fiscal year of the
84 state.

85 (2) "Growth" means an amount equal to revenues collected in
86 the 2010-2011 fiscal year multiplied for each subsequent fiscal
87 year by the combined rate of inflation and rate of population

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88 change.

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

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

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

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

121 (c) REVENUE RELATING TO BONDS. State revenues do not
122 include the proceeds from the issuance of bonds. However, the
123 debt service on bonds shall decrease the revenue limit by the
124 amount of the annual debt service.

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

129 (1) State revenue collected in any fiscal year in excess of
130 the revenue limit shall be transferred to the budget
131 stabilization fund specified in Section 19(g) of Article III
132 until the fund reaches the maximum amount specified in that
133 section. Additional excess revenue shall be held in a separate
134 cash reserve, with such excess revenue and any investment income
135 thereon treated as revenue in the first or second fiscal year
136 after the collection of those revenues, as prescribed by general
137 law. Funds from the budget stabilization fund may not be
138 expended except pursuant to a declaration of emergency by the
139 Governor and a two-thirds vote of the membership of each house
140 of the legislature.

141 (2) When the budget stabilization fund is fully funded,
142 revenue collected in excess of the revenue limit may not be
143 spent unless authorized by a two-thirds vote of the membership
144 of each house of the legislature or the funds are used to
145 provide tax relief or to reduce the ad valorem taxes that must

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146 be levied by a school district to become eligible for state
147 funding.

148 (e) EMERGENCY TAXES.

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

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

161 (3) As used in this subsection, the term "emergency" does
162 not include economic conditions, revenue shortfalls, or salary
163 and fringe benefit increases.

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

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

174 (1) A change in federal or state law which increases or

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175 decreases state or local government responsibility for the
 176 funding of governmental functions; or

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

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

182 (1) Impose a new tax, fee, assessment, or charge for
 183 services; or

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

189 (i) CONSTRUCTION. This section shall be interpreted in a
 190 manner that reasonably restrains most state revenue growth. This
 191 section supersedes any conflicting provisions of the State
 192 Constitution in effect prior to the effective date of this
 193 section.

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

198 BE IT FURTHER RESOLVED that the following statement be
 199 placed on the ballot:

200 CONSTITUTIONAL AMENDMENT

201 ARTICLE VII, SECTION 1

202 ARTICLE VII

203 LIMITING STATE REVENUES, VOTER APPROVAL OF NEW TAXES AND

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204 FEES.—This proposed amendment to the State Constitution replaces
205 the existing state revenue limit based on Florida personal
206 income growth with a limit on revenues to the State General
207 Revenue Fund based on inflation and population changes. Revenues
208 collected in excess of the revenue limit must be deposited in
209 the budget stabilization fund and used to provide tax relief.

210 However, the amendment permits voters to authorize the
211 collection of revenues in excess of the revenue limit. The
212 amendment also permits the Legislature to approve taxes by a
213 super majority vote for certain emergencies.

214 Lastly, this amendment prohibits the state from the
215 following without first obtaining approval by a super majority
216 vote of the electors:

217 (1) Imposing new taxes, fees, assessments, or charges for
218 services; or

219 (2) Incurring multiyear debts or financial obligations
220 without adequate cash reserves.