

FOR CONSIDERATION By the Committee on Budget Subcommittee on Finance and Tax

593-01168B-11

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Senate Joint Resolution

A joint resolution proposing an amendment to Section 1 of Article VII and the creation of Section 19 of Article VII and Section 32 of Article XII of the State Constitution to replace the existing state revenue limitation with a new state revenue limitation based on inflation and population changes.

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

That the following amendment to Section 1 of Article VII and the creation of Section 19 of Article VII and Section 32 of Article XII 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.

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

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

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

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

83 SECTION 19. State revenue limitation.-

84 (a) STATE REVENUE LIMITATION.-Except as provided in this
85 section, state revenues collected in any fiscal year are limited
86 as follows:

87 (1) For the 2014-2015 fiscal year, state revenues are

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88 limited to an amount equal to the state revenues collected
89 during the 2013-2014 fiscal year multiplied by the sum of the
90 adjustment for growth plus 4 percentage points.

91 (2) For the 2015-2016 fiscal year, state revenues are
92 limited to an amount equal to the state revenue limitation for
93 fiscal year 2014-2015 multiplied by the sum of the adjustment
94 for growth plus 3 percentage points.

95 (3) For the 2016-2017 fiscal year, state revenues are
96 limited to an amount equal to the state revenue limitation for
97 fiscal year 2015-2016 multiplied by the sum of the adjustment
98 for growth plus 2 percentage points.

99 (4) For the 2017-2018 fiscal year, state revenues are
100 limited to an amount equal to the state revenue limitation for
101 fiscal year 2016-2017 multiplied by the sum of the adjustment
102 for growth plus 1 percentage point.

103 (5) For the 2018-2019 fiscal year and thereafter, state
104 revenues are limited to an amount equal to the state revenue
105 limitation for the previous fiscal year multiplied by the
106 adjustment for growth.

107 (6) The adjustment for growth for a fiscal year shall be
108 determined by March 1 preceding the fiscal year using the latest
109 information available. Once the adjustment for growth is
110 determined for a fiscal year, it may not be changed based on
111 revisions to the information used to make the determination.

112 (b) REVENUES IN EXCESS OF THE LIMITATION.—State revenues
113 collected in any fiscal year in excess of the revenue limitation
114 shall be transferred to the budget stabilization fund until the
115 fund reaches the maximum balance specified in Section 19(g) of
116 Article III, and thereafter shall be used for the support and

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117 maintenance of public schools by reducing the minimum financial
118 effort required from school districts for participation in a
119 state-funded education finance program, or, if the minimum
120 financial effort is no longer required, returned to taxpayers as
121 provided by general law.

122 (c) AUTHORITY OF THE LEGISLATURE TO INCREASE THE REVENUE
123 LIMITATION.—

124 (1) The state revenue limitation for any fiscal year may be
125 increased by a two-thirds vote of the membership of each house
126 of the legislature. Unless otherwise provided by the bill
127 increasing the revenue limitation, the increased revenue
128 limitation enacted under this paragraph shall be used to
129 determine the revenue limitation for future fiscal years.

130 (2) The state revenue limitation for any one fiscal year
131 may be increased by a three-fifths vote of the membership of
132 each house of the legislature. Increases to the revenue
133 limitation enacted under this paragraph must be disregarded when
134 determining the revenue limitation in subsequent fiscal years.

135 (3) A bill increasing the revenue limitation may not
136 contain any other subject and must set forth the dollar amount
137 by which the state revenue limitation will be increased. The
138 vote may not be taken less than seventy-two hours after the
139 third reading in either house of the legislature of the bill in
140 the form that will be presented to the governor.

141 (d) AUTHORITY OF THE ELECTORS TO INCREASE THE REVENUE
142 LIMITATION.—The legislature may propose an increase in the state
143 revenue limitation pursuant to a concurrent resolution enacted
144 by a three-fifths vote of the membership of each house. The
145 proposed increase shall be submitted to the electors at the next

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146 general election held more than ninety days after the resolution
147 is filed with the custodian of state records. However, the
148 legislature may submit the proposed increase at an earlier
149 special election held more than ninety days after it is filed
150 with the custodian of state records pursuant to a law enacted by
151 the affirmative vote of three-fourths of the membership of each
152 house of the legislature. The resolution must set forth the
153 dollar amount by which the state revenue limitation will be
154 increased. Unless otherwise provided in the resolution, the
155 increased revenue limitation shall be used to determine the
156 revenue limitation for future fiscal years. The proposed
157 increase shall take effect if it is approved by a vote of at
158 least 60 percent of the electors voting on the matter.

159 (e) REVENUE LIMIT ADJUSTMENT BY THE LEGISLATURE.—The
160 legislature shall provide by general law for adjustments to the
161 state revenue limitation to reflect:

162 (1) The fiscal impact of transfers of responsibility for
163 the funding of governmental functions between the state and
164 other levels of government occurring after May 6, 2011; or

165 (2) The fiscal impact of a new federal mandate.

166 (f) GENERAL LAW IMPLEMENTATION.—The legislature shall, by
167 general law, prescribe procedures necessary to administer this
168 section.

169 (g) DEFINITIONS.—As used in this section, the term:

170 (1) "Adjustment for growth" means an amount equal to the
171 average for the previous five years of the product of the
172 inflation factor and the population factor.

173 (2) "Inflation factor" means an amount equal to one plus
174 the percent change in the calendar year annual average of the

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175 Consumer Price Index. The term "Consumer Price Index" means the
176 Consumer Price Index for All Urban Consumers, U.S. city average
177 (not seasonally adjusted, current base for all items), as
178 published by the United States Department of Labor. In the event
179 the index ceases to exist, the legislature shall determine the
180 successor index by general law.

181 (3) "Population factor" means an amount equal to one plus
182 the percent change in population of the state as of April 1
183 compared to April 1 of the prior year. For purposes of
184 calculating the annual rate of change in population, the state's
185 official population estimates shall be used.

186 (4) "State revenues" means taxes, fees, licenses, fines,
187 and charges for services imposed by the legislature on
188 individuals, businesses, or agencies outside state government.
189 However, the term "state revenues" does not include: revenues
190 that are necessary to meet the requirements set forth in
191 documents authorizing the issuance of bonds by the state for
192 bonds issued before July 1, 2012; revenues that are used to
193 provide matching funds for the federal Medicaid program with the
194 exception of the revenues used to support the Public Medical
195 Assistance Trust Fund or its successor program and with the
196 exception of state matching funds used to fund optional
197 expansions made after July 1, 1994; proceeds from the state
198 lottery returned as prizes; receipts of the Florida Hurricane
199 Catastrophe Fund and Citizens Property Insurance Corporation;
200 receipts of public universities and community colleges; balances
201 carried forward from prior fiscal years; taxes, licenses, fees,
202 fines, and charges for services imposed by local, regional, or
203 school district governing bodies; or revenue from taxes,

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204 licenses, fees, and charges for services authorized by any
205 amendment or revision to this constitution after May 6, 2011.

206 ARTICLE XII

207 SCHEDULE

208 SECTION 32. State revenue limitation.—The amendment to
209 Section 1 and the creation of Section 19 of Article VII,
210 revising the state revenue limitation, and this section take
211 effect upon approval by the electors and apply beginning in the
212 2014-2015 state fiscal year.

213 BE IT FURTHER RESOLVED that the following statement be
214 placed on the ballot:

215 ARTICLE VII, SECTIONS 1 and 19

216 ARTICLE XII, SECTION 32

217 CONSTITUTIONAL AMENDMENT

218 STATE GOVERNMENT REVENUE LIMITATION.—This proposed
219 amendment to the State Constitution replaces the existing state
220 revenue limitation based on Florida personal income growth with
221 a new state revenue limitation based on inflation and population
222 changes. Under the amendment, state revenues, as defined in the
223 amendment, collected in excess of the revenue limitation must be
224 deposited into the budget stabilization fund and used to support
225 public schools or returned to the taxpayers. The Legislature may
226 increase the state revenue limitation through a bill approved by
227 a super majority vote of each house of the Legislature. The
228 Legislature may also submit a proposed increase in the state
229 revenue limitation to the voters. The Legislature must implement
230 this proposed amendment by general law. The amendment will take
231 effect upon approval by the electors and will first apply to the
232 2014-2015 state fiscal year.