

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SJR 1908

INTRODUCER: Senator Hooper

SUBJECT: Budget Stabilization Fund

DATE: June 5, 2025

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Urban	Sadberry	AP	Favorable

I. Summary:

SJR 1908 proposes an amendment to the Florida Constitution to increase the amount of funds that may be retained in the Budget Stabilization Fund (BSF). Specifically, the joint resolution increases the percentage of the last completed fiscal year's net revenue collections for the General Revenue Fund from 10 percent to 25 percent. Additionally, the joint resolution requires the Legislature to make an annual transfer of the lesser of \$750 million or the amount necessary to reach the 25 percent threshold unless there is revenue shortfall and authorizes the Legislature to withdraw funds periodically for critical state needs.

If approved by the voters and beginning in 2027 the SJR will have a significant fiscal impact to the state. See Section V., Fiscal Impact Statement.

The bill requires a three-fifths vote of the membership of each house of the Legislature for final passage.

If adopted by the Legislature, the proposed amendment will be submitted to the Florida's electors for approval or rejection at the next general election in November 2026. If approved, the provisions take effect January 5, 2027.

II. Present Situation:

Budget Stabilization Fund

Article III, s. 19 of the Florida Constitution requires an amount equal to at least 5 percent of the last completed fiscal year's net revenue collections for the General Revenue Fund to be retained in the Budget Stabilization Fund (BSF) and prohibits the principal balance from exceeding an amount equal to 10 percent of the last completed fiscal year's net revenue collections for the General Revenue Fund.¹

¹ Article III, s. 19, FLA. CONST.

To maintain the level of funding required under the Florida Constitution, by September 15 of each year the Chief Financial Officer is required to transfer pursuant to appropriations made by law the amount of money needed for the balance of the fund to equal the amount of at least 5 percent of the last completed fiscal year's net revenue collections for the General Revenue Fund.²

As authorized by the Florida Constitution and pursuant to s. 216.222, F.S., moneys in the BSF are authorized to be transferred to the General Revenue Fund for:

- Offsetting a deficit in the General Revenue Fund.³
- Providing funding for an emergency⁴ that has been declared by the Governor or declared by law.
- Providing temporary transfers to the General Revenue Fund pursuant to s. 215.18, F.S.⁵

A transfer from the BSF for the aforementioned purposes must be made pursuant to s. 216.221, F.S., relating to adjustment of budgets to avoid or eliminate deficits, or pursuant to an appropriation by law.⁶

Any expenditure from the BSF must be restored pursuant to a restoration schedule that provides for making five equal annual transfers from the General Revenue Fund, beginning in the third fiscal year following that in which the expenditure was made. However, for any BSF expenditure, the Legislature may establish by law a different restoration schedule and such a change may be made at any time during the restoration period.⁷

State Constitutional Amendment

The Florida Constitution provides that a joint resolution must pass by a three-fifths vote of the membership of each house of the Legislature. If a joint resolution is approved by the legislature, it must be submitted to the voters at the next general election.⁸ The Florida Constitution requires the proposed amendment to be published⁹ twice in newspapers of general circulation in each county in which a newspaper is published, once in the tenth week preceding the election and once in the sixth week, to notify the electors of the measure.¹⁰

² Section 215.32, F.S.

³ Pursuant to s. 216.222, F.S., a deficit in the General Revenue Fund is deemed to occur when the official estimate of funds available in the General Revenue Fund for a fiscal year falls below the total amount appropriated from the General Revenue Fund for that fiscal year.

⁴ The term "emergency" is defined in s. 252.34, F.S., to mean "any occurrence, or threat thereof, whether natural, technological, or manmade, in war or in peace, which results or may result in substantial injury or harm to the population or substantial damage to or loss of property."

⁵ Section 216.222, F.S.

⁶ *Id.*

⁷ *Id.*

⁸ Article XI, s. 5(a), FLA. CONST.; *see also* s. 97.021(17), F.S.

⁹ Such publication must also include notice of the date of the general election in which the proposed amendment or revision will be submitted to the electors. *See* Art. XI, s. 5(d), FLA. CONST.

¹⁰ *Id.*

If at least 60 percent of the electors voting on the measure approve it, the measure passes and becomes part of the Florida Constitution.¹¹ An approved amendment takes effect on the first Tuesday after the first Monday in January following the election, unless otherwise specified.¹²

III. Effect of Proposed Changes:

The joint resolution proposes an amendment to Section 19 of Article III of the Florida Constitution to make changes to the Budget Stabilization Fund (BSF). The joint resolution defines the term “revenue collections” to mean the last completed fiscal year’s net revenue collections for the General Revenue Fund.

The joint resolution increases the amount of funds that may be retained in the BSF from 10 percent of the last completed fiscal year’s net revenue collections for the General Revenue Fund to 25 percent. Currently, 10 percent of the state’s last completed fiscal year’s net revenue collections for the General Revenue Fund is \$4.9 billion and 25 percent is \$12.2 billion.

The joint resolution requires the Legislature to transfer the lesser of \$750 million or the amount required to increase the principal balance of the BSF to an amount equal to 25 percent of revenue collections from the General Revenue Fund to the BSF no later than June 30th of each fiscal year.

The Legislature is authorized to suspend the transfer in a fiscal year in which funds are withdrawn from the BSF for the purpose of covering revenue shortfalls of the General Revenue Fund.

The joint resolution also authorizes the Legislature to withdraw an amount that does not exceed 5 percent of the principal balance of the BSF, if the principal balance exceeds an amount equal to 20 percent of revenue collections and only for the purpose of funding on a nonrecurring basis a critical state need. Such a withdrawal must be approved by a two-thirds vote of the membership of each house of the Legislature in a separate bill for that purpose only and may not occur more than once every three years.

Because the joint resolution proposes a state constitutional amendment, it requires a three-fifths vote of the membership of each house of the Legislature to appear on the next general election ballot. If the joint resolution is placed on the ballot, it must be approved by at least 60 percent of the electors voting on the measure for passage. If approved, the provisions take effect January 5, 2027.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Not applicable. This legislation is a proposed constitutional amendment and not a general law.

¹¹ Article XI, s. 5(e), FLA. CONST.

¹² *Id.*

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

If approved by the voters and beginning in 2027, the joint resolution will result in a significant fiscal impact to the state. The current balance of the BSF is \$4.4 billion. Unless there is a revenue shortfall, the joint resolution will require the Legislature to transfer \$750 million each fiscal year to the BSF until the balance of the fund reaches 25 percent of the last completed fiscal year's net revenue collections. Twenty-five percent of the last completed fiscal year's net revenue collections is \$12.2 billion. Therefore, if revenue collections were to remain the same, the joint resolution would require the Legislature to transfer \$750 million each fiscal year for at least the next 10 years unless certain conditions are met.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This joint resolution substantially amends Article III, section 19 of the Florida Constitution.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
