

1 Resolution of the Taxation and Budget Reform Commission  
 2 A resolution proposing an amendment to Section 1 and the  
 3 creation of a new Section 19 of Article VII of the State  
 4 Constitution to specify limits on state and local revenues  
 5 based on inflation and population changes.  
 6

7 Be It Resolved by the Taxation and Budget Reform Commission:  
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9 That the following amendment to Section 1 and the creation  
 10 of a new Section 19 of Article VII of the State Constitution is  
 11 agreed to and shall be submitted to the electors of this state  
 12 for approval or rejection at the next general election or at an  
 13 earlier special election specifically authorized by law for that  
 14 purpose:

15 ARTICLE VII

16 FINANCE AND TAXATION

17 SECTION 1. Taxation; appropriations; state expenses; ~~state~~  
 18 ~~revenue limitation~~.--

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

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

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

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

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

81 | SECTION 19. State and local revenue limits.--

82 | (a) LONG-TERM REVENUE LIMITS.--

83 | (1) Except as provided in this section, revenue collected  
 84 | by a special district, municipality, county, or the state shall  
 85 | be limited to the revenue collected during the fiscal year  
 86 | before this section takes effect adjusted for the percentage  
 87 | change in inflation and population.

88       (2) Except as provided in this section, revenue collected  
89 by a school district shall be limited to the revenue collected  
90 during the fiscal year before this section takes effect adjusted  
91 for the percentage change in inflation and enrollment.

92       (3) The creation of a new municipality or special district  
93 having authority to raise revenue must be approved by referendum  
94 by the electors as provided by law. The referendum to create a  
95 new taxing district must also specify an initial revenue limit.  
96 Upon creation, the revenue limit shall be adjusted as provided  
97 in this section. Nothing in this section prohibits approval of  
98 the creation of a municipality or special district by a vote of  
99 the electors who are owners of freeholds not wholly exempt from  
100 taxation within the proposed boundaries of the municipality or  
101 special district.

102       (b) MAXIMUM ANNUAL REVENUE INCREASES.--If revenue  
103 collections in the prior fiscal year are below a long-term  
104 revenue limit, the maximum revenue increase for the next fiscal  
105 year is subject to this section.

106       (1) The revenue of a special district, municipality,  
107 county, or the state may not increase over the revenue collected  
108 in the prior fiscal year at a rate greater than the percentage  
109 change in the rate of inflation plus three percent and adjusted  
110 by the percentage change in population.

111       (2) The revenue of a school district may not increase over  
112 the revenue collected in the prior fiscal year at a rate greater  
113 than the percentage change in the rate of inflation plus three  
114 percent and adjusted by the percentage change in enrollment.

117 (c) REVENUE LIMIT OVERRIDE.--

118 (1) The state revenue limit may be increased by a two-  
119 thirds vote of the membership of each house of the legislature  
120 in a separate bill that contains no other subject. The vote may  
121 not be taken less than seventy-two hours after the third reading  
122 of the bill. The revenue limit set by the Legislature shall be  
123 the basis for the calculation of a new long-term revenue limit.

124 (2) Upon approval by a majority of the electors, a special  
125 district, school district, municipality, or county may increase  
126 a revenue limit specified by this section. The referendum  
127 proposing an increased revenue limit must state the dollar  
128 amount of the increase and the increased amount as a percent of  
129 the otherwise applicable revenue limit. The approved revenue  
130 limit shall be the basis for the calculation of a new long-term  
131 revenue limit.

132 (3) Upon approval by three-fifths of the electors, a  
133 special district, school district, municipality, or county may  
134 suspend a revenue limit specified by this section for up to four  
135 years. After the expiration of the suspension, the revenue  
136 collected in the last fiscal year completed during the  
137 suspension of the revenue limit shall be the basis for the  
138 calculation of a new long-term revenue limit.

139 (d) EXCESS REVENUE.--Revenue in excess of the limits  
140 provided in this section shall be:

141 (1) Returned or refunded to the taxpayers through methods  
142 authorized by law; or

143 (2) Deposited in a reserve fund in an amount not to exceed  
144 ten percent, or higher amount approved by the electors of the  
145 unit of government, of the budget for the prior fiscal year for

146 use exclusively in response to a state of emergency declared by  
 147 the governor in accordance with law.

148 (e) ADJUSTMENT.--The legislature shall provide a process  
 149 by law to calculate adjustments to a revenue limit to reflect  
 150 the fiscal impact of transfers of responsibility for the funding  
 151 of governmental functions from one unit of government to  
 152 another.

153 (f) DEFINITIONS.--For purposes of this section, the term:

154 (1) "Inflation," means the percentage change in the United  
 155 States Department of Commerce Bureau of Economic Analysis Price  
 156 Index for State and Local Government Consumption Expenditures  
 157 and Gross Investment or successor index.

158 (2) "Revenue," means taxes, fees, licenses, and charges  
 159 for services imposed by a unit of government on individuals,  
 160 businesses, or another unit of government. However, "revenue"  
 161 does not include: revenue that is necessary to meet the  
 162 requirements set forth in documents authorizing the issuance of  
 163 bonds by the state; revenue that is used to provide matching  
 164 funds for the federal Medicaid program with the exception of the  
 165 revenue used to support the Public Medical Assistance Trust Fund  
 166 or its successor program and with the exception of state  
 167 matching funds used to fund elective expansions made after July  
 168 1, 1994; proceeds from the state lottery returned as prizes;  
 169 receipts of the Florida Hurricane Catastrophe Fund; balances  
 170 carried forward from prior fiscal years; revenue from taxes,  
 171 licenses, fees, and charges for services required to be imposed  
 172 by any amendment or revision to this constitution after November  
 173 3, 1998; revenues representing the direct cost of providing  
 174 electric, water, wastewater, gas, or other utility services; or

175 revenues of a government-owned business that receives less than  
 176 ten percent of its revenues in grants from government sources.

177 (3) "Unit of government" means a special district, school  
 178 district, municipality, county, or the state.

179 (g) ADMINISTRATION.--The legislature shall, by general  
 180 law, prescribe procedures necessary to administer this  
 181 subsection.

182 BE IT FURTHER RESOLVED that the following statement be  
 183 placed on the ballot:

184 CONSTITUTIONAL AMENDMENT

185 ARTICLE VII, SECTIONS 1 AND 19

186 STATE AND LOCAL REVENUE LIMITS.--This proposed amendment to  
 187 the State Constitution generally limits revenue increases for  
 188 special districts, municipalities, counties, and the state to  
 189 inflation plus the percentage change in population. Revenue  
 190 increases for school districts are generally limited to  
 191 inflation plus the percentage change in enrollment. The  
 192 Legislature may increase the state revenue limit by a  
 193 supermajority vote. Voters may approve other revenue limit  
 194 increases by a majority vote or suspensions by a supermajority  
 195 vote.