

1 Resolution of the Taxation and Budget Reform Commission
2 A resolution proposing an amendment to Section 1 of
3 Article VII and the creation of Section 19 of Article VII
4 of the State Constitution to require voter approval of new
5 taxes and fees; replace a yearly limitation on state
6 revenues with a yearly limitation on state revenues and
7 local government revenues; provide for disposition of
8 excess revenues collected; authorize an increase in a
9 government's revenue limitation by a supermajority vote of
10 the governing board of a local government or a
11 supermajority vote of the Legislature; provide a temporary
12 exemption from the revenue limitation for newly-
13 established municipalities or independent special
14 districts; provide for adjusting revenue limitations to
15 reflect the fiscal impact of intergovernmental transfers
16 of funding responsibilities; exclude application to
17 revenues from certain tuition and fees; and require the
18 Legislature to provide implementing procedures by general
19 law.

20
21 Be It Resolved by the Taxation and Budget Reform Commission:
22

23 That the following amendment to Section 1 of Article VII
24 and the creation of Section 19 of Article VII of the State
25 Constitution is agreed to and shall be submitted to the electors
26 of this state for approval or rejection at the next general
27 election or at an earlier special election specifically
28 authorized by law for that purpose:
29

ARTICLE VII

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

9:24 a.m. 3/10/08

FINANCE AND TAXATION

SECTION 1. Taxation; appropriations; state expenses; voter approval of new taxes and fees ~~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.

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

(e) A new tax or fee may not be imposed by the state, a county, a municipality, a special district, or a school district unless the imposition is approved by a vote of the electors of the respective government. ~~Except as provided herein, state revenues collected for any fiscal year shall be limited to state revenues allowed under this subsection for the prior fiscal year plus an adjustment for growth. As used in this subsection, "growth" means an amount equal to the average annual rate of growth in Florida personal income over the most recent twenty quarters times the state revenues allowed under this subsection for the prior fiscal year. For the 1995-1996 fiscal year, the state revenues allowed under this subsection for the prior~~

59 | ~~fiscal year shall equal the state revenues collected for the~~
60 | ~~1994-1995 fiscal year. Florida personal income shall be~~
61 | ~~determined by the legislature, from information available from~~
62 | ~~the United States Department of Commerce or its successor on the~~
63 | ~~first day of February prior to the beginning of the fiscal year.~~
64 | ~~State revenues collected for any fiscal year in excess of this~~
65 | ~~limitation shall be transferred to the budget stabilization fund~~
66 | ~~until the fund reaches the maximum balance specified in Section~~
67 | ~~19(g) of Article III, and thereafter shall be refunded to~~
68 | ~~taxpayers as provided by general law. State revenues allowed~~
69 | ~~under this subsection for any fiscal year may be increased by a~~
70 | ~~two thirds vote of the membership of each house of the~~
71 | ~~legislature in a separate bill that contains no other subject~~
72 | ~~and that sets forth the dollar amount by which the state~~
73 | ~~revenues allowed will be increased. The vote may not be taken~~
74 | ~~less than seventy-two hours after the third reading of the bill.~~
75 | ~~For purposes of this subsection, "state revenues" means taxes,~~
76 | ~~fees, licenses, and charges for services imposed by the~~
77 | ~~legislature on individuals, businesses, or agencies outside~~
78 | ~~state government. However, "state revenues" does not include:~~
79 | ~~revenues that are necessary to meet the requirements set forth~~
80 | ~~in documents authorizing the issuance of bonds by the state;~~
81 | ~~revenues that are used to provide matching funds for the federal~~
82 | ~~Medicaid program with the exception of the revenues used to~~
83 | ~~support the Public Medical Assistance Trust Fund or its~~
84 | ~~successor program and with the exception of state matching funds~~
85 | ~~used to fund elective expansions made after July 1, 1994;~~
86 | ~~proceeds from the state lottery returned as prizes; receipts of~~
87 | ~~the Florida Hurricane Catastrophe Fund; balances carried forward~~

88 ~~from prior fiscal years; taxes, licenses, fees, and charges for~~
 89 ~~services imposed by local, regional, or school district~~
 90 ~~governing bodies; or revenue from taxes, licenses, fees, and~~
 91 ~~charges for services required to be imposed by any amendment or~~
 92 ~~revision to this constitution after July 1, 1994. An adjustment~~
 93 ~~to the revenue limitation shall be made by general law to~~
 94 ~~reflect the fiscal impact of transfers of responsibility for the~~
 95 ~~funding of governmental functions between the state and other~~
 96 ~~levels of government. The legislature shall, by general law,~~
 97 ~~prescribe procedures necessary to administer this subsection.~~

98 SECTION 19. State and local government revenue
 99 limitations.--

100 (a) Except as provided herein, state revenues collected by
 101 the state and local government revenues collected by each local
 102 government for any fiscal year shall be limited to revenues
 103 authorized under this section for the prior fiscal year plus an
 104 adjustment for growth. For the 2009-2010 fiscal year, revenues
 105 allowed under this section for the prior fiscal year shall equal
 106 each government's revenues collected in the 2007-2008 fiscal
 107 year plus the adjustment for growth for the 2008-2009 fiscal
 108 year.

109 (b) As used in this section:

110 (1) "Local government" means a county, municipality,
 111 school district, or special district. Any municipal service
 112 taxing or benefit unit of a county and any special district
 113 dependent to a county shall be included in that county
 114 government. Any special district dependent to a municipality
 115 shall be included in that municipality.

116 (2) "State revenues" means taxes, fees, licenses, fines,

117 and charges for services imposed by the legislature on
118 individuals, businesses, or agencies outside state government.
119 However, the term "state revenues" does not include: revenues
120 necessary to meet the requirements set forth in documents
121 authorizing the issuance of bonds by the state prior to July 1,
122 2008; proceeds from the state lottery returned as prizes;
123 receipts of the Florida Hurricane Catastrophe Fund and Citizens
124 Property Insurance Corporation or their successor entities;
125 balances carried forward from prior fiscal years; taxes,
126 licenses, fees, and charges for services imposed by local,
127 regional, or school district governing bodies; revenues of a
128 government-owned enterprise that receives less than ten percent
129 of its revenues from the state or a local government; or revenue
130 from taxes, licenses, fees, and charges for services required to
131 be imposed by any amendment or revision to this constitution
132 after July 1, 2008.

133 (3) "Local government revenues" means taxes, fees,
134 assessments, licenses, fines, and charges for services imposed
135 by a local government on individuals, businesses, or another
136 local government. However, the term "local government revenues"
137 does not include: revenues necessary to meet the requirements
138 set forth in documents authorizing the issuance of bonds issued
139 by each local government prior to July 1, 2008; ad valorem taxes
140 approved for periods not longer than 2 years by vote of the
141 electors pursuant to Section 9(b) of this article or ad valorem
142 taxes levied for purposes provided in Section 12 of this
143 article; non-ad valorem taxes levied pursuant to voter approval
144 required by this constitution or by general law; revenues that
145 are used to pay for the direct cost of providing electric,

146 water, wastewater, gas, or other utility services; revenues of
147 any other government-owned enterprise that receives less than
148 ten percent of its revenues from the state or a local
149 government; balances carried forward from prior fiscal years;
150 revenues from taxes imposed by a county on the lease or rental
151 of living quarters or accommodations for the promotion of
152 tourism and related activities authorized by law; or revenue
153 from taxes, licenses, fees, and charges for services required to
154 be imposed by any amendment or revision to this constitution
155 after July 1, 2008.

156 (4) "Growth" means an amount equal to a government's
157 revenues allowed under this subsection for the prior fiscal year
158 multiplied by the sum of one percentage point plus the combined
159 rate of inflation and rate of population change. For school
160 districts, enrollment shall be used in lieu of population.

161 (5) "Rate of inflation" means the percentage change in the
162 Consumer Price Index for all urban consumers, U.S. City Average,
163 all items 1982-1984=100, or successor reports for the preceding
164 calendar year as initially reported by the United States
165 Department of Labor, Bureau of Labor Statistics. The percentage
166 change shall be determined by the legislature from information
167 available from the United States Department of Labor or its
168 successor on the first day of February prior to the beginning of
169 the fiscal year and shall be based on a comparison of the
170 average of the Consumer Price Index during the most recent two
171 consecutive twelve-month periods.

172 (6) "Rate of population change" means the percentage
173 change in population within the respective government's
174 boundaries. The percentage change shall be determined by the

175 legislature from information available on the first day of
176 February prior to the beginning of the fiscal year and shall
177 compare estimates of population as of April 1 of the most recent
178 two consecutive years. If population estimates are not available
179 for a local government, the percentage change in the local
180 government's property tax base attributable to new construction,
181 annexations, additions, and deletions in the prior calendar year
182 shall be used as a substitute for the rate of population change.

183 (7) "Rate of enrollment change" means the percentage
184 change in each school district's student enrollment. The
185 percentage change shall be determined by the legislature from
186 information available on the first day of February prior to the
187 beginning of the fiscal year and shall compare the enrollment of
188 the most recent two consecutive years.

189 (8) "Fiscal year" means the applicable fiscal year for the
190 respective government.

191 (c)(1) State revenues collected in any fiscal year in
192 excess of the revenue limit imposed under this section shall be
193 returned to taxpayers as provided by general law or transferred
194 to the budget stabilization fund until the fund reaches the
195 maximum balance specified in Section 19(g) of Article III.

196 (2) Local government revenues collected in any fiscal year
197 in excess of the revenue limit imposed by this section shall be
198 transferred to a budget reserve fund or returned to taxpayers as
199 provided by general law. The legislature shall provide by
200 general law for the establishment of local government reserve
201 funds and for the uses of revenues deposited in the funds.

202 (d) A government's revenue limitation may be increased for
203 a period not to exceed ten years upon approval by a three-

204 fourths vote of the membership of the governing board of a local
205 government or a three-fourths vote of the membership of each
206 house of the legislature.

207 (e) A government may not increase a fee except upon
208 approval by a three-fourths vote of the membership of the
209 governing board of a local government or a three-fourths vote of
210 the membership of each house of the legislature.

211 (f)(1) Revenues collected by a municipality or independent
212 special district in existence for less than five fiscal years
213 are not subject to the provisions of this section. In the fifth
214 fiscal year of the existence of a municipality or an independent
215 special district, this section shall apply to the municipality's
216 or independent special district's revenues. In the fifth fiscal
217 year the revenues allowed under this section for the prior
218 fiscal year shall be the actual revenues collected in the fourth
219 fiscal year of the municipality's or independent special
220 district's existence.

221 (2) Revenues collected prior to the fifth year after an
222 independent special district's governing board is elected for an
223 independent special district initially established by the
224 landowners of the real property included in the district and
225 authorized by law to provide for the delivery of urban community
226 services are not subject to the provisions of this section. In
227 the fifth year after the governing board is elected, the
228 revenues authorized under this section for the prior fiscal year
229 shall be the actual revenues collected in the fourth fiscal year
230 after the governing board was elected.

231 (g) An adjustment to the revenue limit shall be made to
232 reflect the fiscal impact of transfers of responsibility for the

233 funding of governmental functions among local governments or
 234 between local governments and the state.

235 (h) An adjustment to a local government's revenue limit
 236 shall be made to reflect the revenues from the first full fiscal
 237 year of implementation of a new tax or fee adopted by the local
 238 government prior to March 1, 2008.

239 (i) The provisions of this section do not apply to
 240 revenues collected from tuition and fees charged to students by
 241 public universities and community colleges.

242 (j) The legislature shall, by general law, prescribe
 243 procedures necessary to administer this section.

244

245 BE IT FURTHER RESOLVED that the following statement be
 246 placed on the ballot:

247 CONSTITUTIONAL AMENDMENT

248 ARTICLE VII, SECTIONS 1 AND 19

249 VOTER APPROVAL OF NEW TAXES AND FEES; LIMITATIONS ON STATE
 250 AND LOCAL GOVERNMENT REVENUES.--Proposing an amendment to
 251 require voter approval of new taxes or fees; impose revised
 252 limitations on state revenues and local government revenues;
 253 provide for disposition of excess revenues; authorize increases
 254 in revenue limitations by supermajority vote of the legislature
 255 and local governing boards; temporarily exempt newly established
 256 municipalities or independent special districts; adjust revenue
 257 limitations to reflect the fiscal impact of intergovernmental
 258 transfers of funding responsibilities; and exclude application
 259 to higher education tuition and fees.