



**Special Meeting  
3/20/08**

This packet contains handouts that were distributed at the Special Meeting for Presentation by The Honorable Mike Hogan, Tax Collector Regarding Amendment #CP0045 – State And Local Revenue Limitations on March, 2008 and includes the following items:

- Copy of Amendment #CP0045
- Letter to Hon. Mike Hogan, re: Amendment #CP0045 from Hon. Betty Holzendorf and Hon. John Rood
- Resolution of the member of the The Jacksonville Journey, re: Amendment #CP0045

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 a new Section 19 of  
 4 Article VII of the State Constitution to limit the growth  
 5 of government spending.

6  
 7 Be It Resolved by the Taxation and Budget Reform Commission:  
 8

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

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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~~  
 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 spending limits.--

82 (a) SPENDING LIMITS.--

83 The state, local governments, school districts, and special  
 84 districts must have voter approval to exceed the fiscal year  
 85 spending limits specified in this subsection.

86 (1)a. The spending limit for the state, a local  
 87 government, and each special district is the spending authorized

88 by the entity on November 4, 2008, for the fiscal year in which  
 89 this section takes effect, adjusted annually for the percentage  
 90 change in population and inflation. An adjustment to the  
 91 spending limit shall be made to reflect the fiscal impact of  
 92 transfers of responsibility for the funding of governmental  
 93 functions among units of government.

94 b. The spending limit for a school district shall equal  
 95 the spending authorized by the district on November 4, 2008, for  
 96 the fiscal year in which this section takes effect, adjusted  
 97 annually for the percentage change in enrollment and inflation  
 98 and for property tax revenue increases approved by the voters.  
 99 An adjustment to the spending limit shall be made to reflect the  
 100 fiscal impact of transfers of responsibility for the funding of  
 101 governmental functions between a school district and other units  
 102 of government.

103 (2) The electors within the state, local government,  
 104 school district, or special district may vote to suspend the  
 105 spending limit specified by this section for up to four years.  
 106 After such time, future spending limits shall be based on  
 107 spending during the last fiscal year in which the spending limit  
 108 was suspended.

109 (3) The legislature shall provide a process by law to  
 110 notify each local government, school district, or special  
 111 district of the applicable spending limit.

112 (b) AD VALOREM TAXATION REVENUE LIMIT.--

113 (1) The ad valorem revenue limit of a county,  
 114 municipality, school district, or special district having  
 115 authority to levy an ad valorem tax is the ad valorem tax  
 116 revenues collected in 2008, adjusted for inflation and changes

117 in property values due to changes, additions, reductions, or  
118 improvements. An adjustment to the revenue limit shall be made  
119 to reflect the fiscal impact of transfers of responsibility for  
120 the funding of governmental functions among units of government.

121 (2) The electors within the county, municipality, school  
122 district, or special district having authority to levy a tax may  
123 vote to suspend the revenue limits specified by this subsection  
124 for up to four years. After such time, future revenue limits  
125 shall be based on the revenue during the last fiscal year in  
126 which the revenue limit was suspended.

127 (c) CONSEQUENCES FOR EXCESS REVENUES OR SPENDING.--

128 (1) A local government, school district, or special  
129 district having authority to levy an ad valorem tax shall either  
130 refund excess revenues to each applicable property owner or  
131 reduce the ad valorem taxes on each applicable property during  
132 the next fiscal year.

133 (2) Revenues in excess of the spending limits provided in  
134 subsection (a) which is not attributable to excess ad valorem  
135 tax revenues shall be offset by a temporary reduction in the  
136 sales tax rate, taxes on motor and diesel fuel, or reduction in  
137 another tax, fee, or toll, or other broad-based tax or fee.

138 (d) ELECTIONS.--

139 (1) Any vote authorized by this section must be held  
140 simultaneously with any other election in which the electors of  
141 the state, local government, school district, or special  
142 district, as applicable, are entitled to vote.

143 (2) Any ballot measure to authorize an increase in a  
144 spending limit must specify the spending increase to be  
145 authorized in dollars, the source of revenues, and changes in

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146 tax rates, or the creation of new revenue sources as applicable  
147 and the purpose in neutral terms of the spending increase.

148 (e) ENFORCEMENT.--Taxpayers have standing to enforce  
149 entitlement to a refund or a temporary reduction of a tax, fee,  
150 or toll, or the right to vote on the suspension of a spending or  
151 revenue limit. The prevailing party in an enforcement action is  
152 entitled to reasonable attorney's fees and costs.

153 (f) EMERGENCY BUDGET AND STABILIZATION FUND.--The state,  
154 local governments, school districts, and special districts shall  
155 maintain a budget stabilization fund to provide funds for uses  
156 directly relating to a state of emergency declared by the  
157 governor or for use when revenues are less than the applicable  
158 spending limit. The budget stabilization fund for the state  
159 shall be the budget stabilization fund provided in Subsection  
160 19(g) of Article III.

161 (1) In fiscal years in which revenues exceed the spending  
162 limits provided in subsection (a) or revenue limit in subsection  
163 (b), one-third of the excess revenues shall be deposited into  
164 the applicable budget stabilization fund. However, deposits may  
165 not exceed ten percent of the spending limit for the prior  
166 fiscal year, unless a greater percentage is approved by the  
167 electors of the state, a local government, school district, or  
168 special district, as applicable.

169 (2) If the governor declares a state of emergency in  
170 accordance with general law:

171 a. Funds may be withdrawn from the state budget  
172 stabilization fund and state spending may exceed the limit  
173 provided in subsection (a) for use in responding to the  
174 emergency as provided by law.

175 b. Funds may be withdrawn from a budget stabilization fund  
 176 of a local government, school district, or special district and  
 177 the spending limit may exceed the limit provided in subsection  
 178 (a) upon a three-fifths vote of the governing body of the unit  
 179 of government.

180 (3) If the revenues for the state, a local government,  
 181 school district, or special district are less than the spending  
 182 limit, withdrawals from the applicable cash reserve fund may be  
 183 made to permit spending up to the applicable spending limit:

184 a. Upon a bill approved by a three-fifths vote of each  
 185 house of the legislature; or

186 b. Upon a three-fifths vote of the governing body of the  
 187 local government, school district, or special district.

188 (g) VOTER APPROVAL OF NEW OR INCREASED TAXES OR FEES.--

189 (1) A majority of the electors of a unit of government  
 190 must approve new taxes or increases in tax rates that take  
 191 effect after November 4, 2008. The duration of a new tax or  
 192 increased tax rate under this subsection shall not exceed four  
 193 years.

194 (2) Two-thirds of the electors of a unit of government  
 195 must approve new user fees. The duration of a new user fee under  
 196 this subsection shall not exceed four years.

197 (3) The legislature shall provide a process by law to  
 198 permit the electors to approve assessments for neighborhood  
 199 improvements that may be amortized over a period not to exceed  
 200 ten years.

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202 Any additional revenues authorized by this subsection shall be  
203 excluded from the spending and revenue limits under subsections  
204 (a) and (b).

205 (h) DEFINITIONS.--As used in this section, the term:

206 (1) "Bonds" means any form of multi-fiscal year  
207 indebtedness, including non-recourse, limited tax general  
208 obligation bonds, or limited liability bonds.

209 (2) "Inflation" means the percentage change in the United  
210 States Department of Commerce Bureau of Economic Analysis Price  
211 Index for State and Local Government Consumption Expenditures  
212 and Gross Investment or successor index.

213 (3) "Population" means the number of state residents,  
214 excluding members of the armed forces stationed out of state as  
215 determined by the United States Bureau of Census.

216 (4) "Revenue" means taxes, fees, licenses, and charges for  
217 services imposed on individuals, businesses, or another unit of  
218 government. However, revenue does not include:

219 a. Receipts of the Florida Hurricane Catastrophe Fund;

220 b. Revenues from gifts, donations, or grants, or revenues  
221 from another unit of government;

222 c. Revenues received from the sale of property or legal  
223 damages awards;

224 d. Pension contributions by employees or pension fund  
225 earnings;

226 e. Revenues from the proceeds of bonds;

227 f. Revenues that are necessary to meet the requirements  
228 set forth in documents authorizing the issuance of bonds prior  
229 to January 1, 2009;

230        g. Revenues representing the direct cost of operating the  
 231 lottery authorized by Section 15 of Article X;  
 232        h. Revenues representing the direct cost of providing  
 233 electric, water, wastewater, gas, or other utility services; and  
 234        i. Revenues from the issuance of licenses and permits to  
 235 the extent that the revenues do not exceed the cost of issuing  
 236 the licenses or permits and the services provided to the  
 237 licenceses and permit-holders.  
 238        (5) "Spending" means all expenditures, except:  
 239        a. Expenditures of the receipts of the Florida Hurricane  
 240 Catastrophe Fund;  
 241        b. The payment of pensions for employees from an employee  
 242 pension fund;  
 243        c. Expenditures of revenues from gifts, donations, or  
 244 grants, or revenues from another unit of government;  
 245        d. Expenditures of funds received from the sale of  
 246 property or legal damages awards;  
 247        e. Expenditures of the proceeds of bonds;  
 248        f. Expenditures of revenues that are necessary to meet the  
 249 requirements set forth in documents authorizing the issuance of  
 250 bonds prior to January 1, 2009;  
 251        g. Expenditures of funds for the direct cost of operating  
 252 a lottery authorized by Section 15 of Article X;  
 253        h. Expenditures of funds for the direct cost of providing  
 254 electric, water, wastewater, gas, or other utility services;  
 255        i. Expenditures of revenues from local government impact  
 256 fees that have a reasonable connection, or rational nexus,  
 257 between the need for additional capital facilities and the  
 258 growth in population generated by a subdivision and a reasonable

259 connection, or rational nexus, between the expenditures of the  
 260 funds collected and the benefits accruing to a subdivision; and

261 j. Expenditures of funds not to exceed the actual costs to  
 262 issue licenses and permits and to provided services to the  
 263 licensees and permit-holders.

264 k. Refunds of excess tax revenues;

265 l. Emergency expenditures authorized by paragraph (f) (2);  
 266 (6) "Tax" means an involuntary collection of funds that  
 267 does not necessarily relate to any benefit bestowed by  
 268 government on a taxpayer.

269 (7) "Unit of government" means a special district, school  
 270 district, municipality, county, or the state.

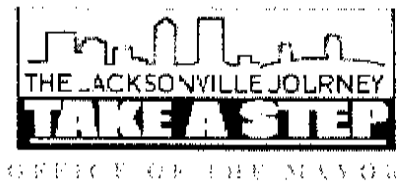
271 (8) "User fee" means a voluntary payment based on direct,  
 272 measurable consumption of publicly provided goods and services.

273 BE IT FURTHER RESOLVED that the following statement be  
 274 placed on the ballot:

275 CONSTITUTIONAL AMENDMENT

276 ARTICLE VII, SECTIONS 1 AND 19

277 STATE AND LOCAL SPENDING LIMITS.--This proposed amendment  
 278 to the State Constitution generally limits the spending  
 279 increases by the state and other units of government to the rate  
 280 of inflation and population or student enrollment changes. Ad  
 281 valorem revenue increases are generally limited to the rate of  
 282 inflation plus changes in property values due to changes,  
 283 additions, reductions, or improvements. Voters may approve the  
 284 suspension of the spending and revenue limits or new or  
 285 additional revenues temporarily.



March 13, 2008

Commissioner Mike Hogan  
Florida Taxation and Budget Reform Commission  
c/o Duval County Tax Collector's Office  
231 E. Forsyth Street  
Jacksonville, Florida 32202

RE: CP0045 State and Local Revenue Limitations

Dear Commissioner Hogan:

As a member of the Taxation and Budget Reform Commission, you have an opportunity to create meaningful change for the citizens of Florida. As an elected official in Duval County, you have the chance to represent Jacksonville's residents while protecting our resources and ensuring that we are not limited by one-size-fits-all measures intended to tame excessive spending in other parts of the state.

We have serious concerns about the local impact of your proposal to cap future revenue growth. This proposal if passed will limit Jacksonville's ability to meet current service levels and meet growing needs -- particularly in the area of public safety. Jacksonville's current per capita spending on public safety is far below peer cities and counties across Florida including Miami, Tampa, St. Petersburg, Orlando, Ft. Lauderdale and West Palm Beach. A cap that applies equally to all Florida cities and counties means that this inequity in spending will be forever institutionalized and Jacksonville will never be able to catch-up and provide the services our citizens need.

In addition, Jacksonville's consolidated millage rate of 8.48 is the lowest in the state among our urban peers. Because of our consolidated government, our citizens receive a dividend for efficiencies in providing services. These efficiencies also allow Jacksonville's user fees to be far less than other cities and counties.

Jacksonville has been a good steward of taxpayers' dollars. We ask that you protect our local government's ability to respond to local market needs and seek an amendment that protects those who have been fiscally responsible and does not limit our community's potential.

As this proposal is critical to the work of this committee, we respectfully request that you make a presentation to the Steering Committee at a special meeting to be held Thursday, March 20, 2008 at 3:30 p.m. in the Ed Ball Building, Room 851. As this is a matter of great concern to this committee, if this date does not work with your schedule, please contact Susie Wiles at 630-7245 and coordinate a date that will work with your schedule prior to March 27<sup>th</sup> and the committee members will arrange their schedules to meet your needs.

Best regards,

The Honorable Betty Holzendorf, Co-Chair

The Honorable John Rood, Co-Chair



OFFICE OF THE MAYOR

**THE JACKSONVILLE JOURNEY**

**RESOLUTION OF THE MEMBERS**

**March 13, 2008**

**A RESOLUTION EXPRESSING THE JACKSONVILLE JOURNEY'S OPPOSITION TO THE TAXATION AND BUDGET REFORM COMMISSION PROPOSED AMENDMENT CS/SR 45 LIMITING HOME RULE AND SUPPLANTING LOCAL TAX CONTROL**

**WHEREAS**, Jacksonville is a consolidated government, with inherent efficiencies; and

**WHEREAS**, Jacksonville has a track record of being fiscally responsible, with millage rate reductions each year since 1995; and

**WHEREAS**, general fund growth has averaged 5.5% per Fiscal Year since 2003; and

**WHEREAS**, user fees are below the statewide average and include credits and discounts below the norm; and

**WHEREAS**, the electorate has demonstrated that they prefer local management and control over taxes;

**WHEREAS**, as CS/SR 45 is presently written, it will institutionalize the spending inequities of Florida's cities and counties, and penalize Jacksonville for its fiscally conservative ways; and

**WHEREAS**, CS/SR 45 will limit Duval County's ability to meet current service levels and meet needs of our growing community, while diminishing home rule policies.

Now Therefore:

**BE IT RESOLVED** that The Jacksonville Journey Steering Committee hereby voices its opposition to CS/SR 45, and seeks an amendment that would protect those counties and municipalities who have been fiscally responsible, to encourage home rule government, which diminishes the present inequitable treatment within the present legislation.

**The Jacksonville Journey**

By: *Betty Holzendorf*

\_\_\_\_\_  
The Honorable Betty Holzendorf, Co-Chair

\_\_\_\_\_  
The Honorable John Rood, Co-Chair