FLORIDA'S CONSTITUTIONAL SYSTEM OF PUBLIC FINANCE: MAINTAINING THE BALANCE BETWEEN STATE AND LOCAL GOVERNMENT

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FLORIDA'S SYSTEM OF PUBLIC FINANCE: TRENDS, CONSEQUENCES, AND IMPLICATIONS

EXECUTIVE SUMMARY

(1) This report examines the history and consequences of Florida's methods for planning, financing, and delivering public services and facilities, with special attention on state and local relations. Research for the report examined the evolution of the state's tax system in Florida's six constitutions (1838, 1861, 1865, 1868, 1885, and 1968); amendments to the 1968 Constitution since 1969; data compiled since 1978 by the Legislative Committee on Intergovernmental Relations (LCIR) on "mandates and measures affecting local government fiscal capacity"; and case studies of the impacts of unfunded mandates in seven municipalities and eight counties of varying sizes and demographic makeup.

(2) A central feature of Florida's system of public finance is a division of revenue sources and service-delivery responsibilities between government at the state and local levels. Since 1940, the authority to levy ad valorem taxes on tangible property has been constitutionally restricted to local governments. All other forms of taxation are preempted to the state except as provided by general law.

(3) Since at least the early 1970s, this division of resources between state and local government has become increasingly imbalanced. Many statutory and constitutional restrictions have been placed on local property taxes, while at the same time general purpose local governments have been assigned unfunded mandates in growth management, environmental protection, pensions, workers' compensation, and other policy areas.

(4) Between 1969 and 2008, 113 amendments to the Florida Constitution have been approved by voters. Thirty-nine amendments affected the fiscal capacity of state or local government. Of these, 32, or 82 percent, originated in the Legislature. Most of the amendments proposed by the Legislature increased the fiscal capacity of the state government (85%) but decreased the fiscal capacity of local government (69%).

(5) In the mid-1980s, Florida enacted growth management legislation that required general purpose local governments to keep roads and other capital facilities abreast of population growth. The Legislature's effort to fund this "concurrency" requirement with state revenues failed when political support for the so-called "services tax" faltered. Local governments were forced by the concurrency requirement on roads, drainage, parks, and schools to raise property taxes, supplement general revenues with other sources of income, accept lower levels of service for facilities not included in Florida's concurrency-management system, and rely on the state government to grant them authority to levy other (non-ad-valorem) types of taxes.

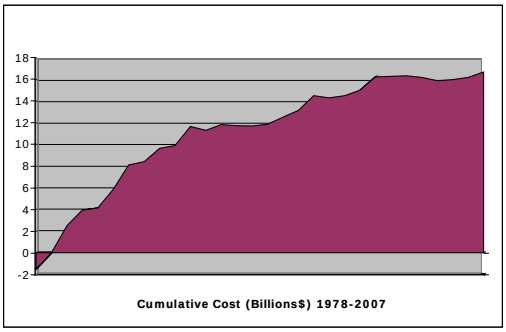
(6) In 1990, voters amended the Florida Constitution to exempt counties and cities from future unfunded mandates unless the legislation is approved by a two-thirds membership vote of each house, or it meets other special conditions. However, the unfunded mandates amendment had little lasting effect on the frequency with which unfunded mandates were enacted. Although the number of mandates declined significantly in the years surrounding the passage of the unfunded mandates amendment, the number soon rose above previous highs and remained there in most years up to the present.

(7) The unfunded mandates amendment also had only a modest impact on the costs that unfunded mandates were imposing on local governments. Since 1990, annual costs of unfunded mandates, adjusted for inflation, have never reached the 1980 level of $100 million, but in most years they have been at least $25 million, and in several years they have been in excess of $50 million.

(8) The costs of most mandates are modest, or are at least judged so in the analyses of legislative staff. Since 1978, the Legislature has enacted 1,950 unfunded mandates. Of these, 88 percent were either judged to have no costs, or the costs were not determined. The costs of another 5 percent were estimated to be greater than zero but less than $10 million each. Only 1 percent of all unfunded mandates since 1978 have cost local governments more than $10 million.

(9) The large number of mandates with moderate costs for local government in the year of enactment obscures the cumulative costs of mandates as they are layered on top of one another year after year. The costs of unfunded mandates enacted in Year One are also imposed in Year Two and each subsequent year. Figure ES-1 shows the cumulative amount that unfunded mandates have cost Florida's local governments each year since 1978. Amounts are in 2007 dollars. The rolling total reached $11 billion by 1990 when the unfunded mandates amendment was adopted. Since then it has risen above $15 billion.

Figure ES-1: Cumulative Costs (in 2007 dollars) of Unfunded Mandates, 1978-2007



(10) This cumulative cost of unfunded mandates does not reflect the additional costs shifted to the local level in recent years under the Florida Education Finance Program (FEFP). During the decade from 1996 to 2006, the percentage of FEFP

derived from the Required Local Effort has increased 7 points, rising from 42 percent in the beginning of the period to 49 percent at the end. This has added almost $1.6 billion dollars to county ad valorem tax bills.

(11) Case studies of cities and counties were developed by administering a written survey questionnaire to appropriate officials in a sample of cities and counties. The respondents reported that the state shared revenues of sales tax, fuel (gas) tax, and general revenues were stagnant, with either minor increases or decreases during the 2003 -2007 period, forcing most local governments to become more dependent on ad valorem revenue to pay for major increases in service costs. The most notable unfunded mandates reported included Courts, Juvenile Justice, Medicaid payments, Baker Act Transportation, and Pensions. Funding Constitutional Offices was also considered a mandate that took precedent over all other governmental services. The most notable expenses (other than state unfunded mandates) reported to be driving expenses rapidly upward included health insurance, property insurance, fuel, utilities, communications, and chemical supplies. Union contracts were also cited.

(12) Over the period covered in the study, reporting counties incurred cost increases for court functions that averaged nearly 115%; their cost increases for Juvenile Justice represented the highest percentage increase at over 252%. These counties also incurred average operating expense increases in this timeframe for utilities (59%) and fuel (111%). During the study period, the reporting counties absorbed these cost increases while they experienced significant growth in their population, ranging from 6.5% (Seminole County) to 28.3% (St. Lucie County). The average population growth in the counties was over 56,700 new residents. During this period, county General Fund ad valorem tax revenue grew by an average of only $108 per capita.

(13) The cities in the study incurred average operating expense increases, as well. Their average operating costs increased for fuel (180%) and property insurance (141%). During this time, cities also experienced revenue losses in Telecommunications Taxes (-12.6%) and Local Option Gas Taxes (-14.7%). Average population growth in the reporting cities was not as strong as that of the counties. In part this is due to a population decrease in two cities. The population growth in cities, ranged from –2.7% (Archer) to 21.6% (Palm Bay). The cities population grew an average of over 7,750 new residents. During this period, the General Fund ad valorem tax revenue of the cities grew by an average of $278 per capita.

FLORIDA'S SYSTEM OF PUBLIC FINANCE: TRENDS, CONSEQUENCES, AND IMPLICATIONS

Introduction

Florida government is a multilayered system of revenue sources and service-delivery capabilities that has been developed over a long period of time to meet the needs of the state's residents, visitors, economy, and environment – needs which have themselves changed historically and are changing still. Different levels and units of government are assigned different service-delivery responsibilities and are authorized to levy different types and levels of taxes and fees. When multiple units of government share responsibility for regulating the same activity, constructing the same types of facilities, or delivering the same types of services, they are usually expected to coordinate with one another, mixing and matching their resources and capabilities to achieve economies of scale, fairness in the distribution of costs and benefits, efficiency in financing and implementation, and other widely shared values.

This paper discusses the origins and evolution of Florida's governmental system in relation to the state's population growth and economic development. Because of the nature of the political process, policymakers tend to approach tax issues piecemeal and with very short time horizons. The aim is usually to correct an immediate problem with a narrowly focused remedy. However, because the governmental system is composed of separate, interrelated elements bound together both vertically and horizontally by laws, contracts, overlapping responsibilities, and pooled resources, short-term fixes often produce unanticipated consequences that subsequently necessitate further reforms. In the absence of a broadly historical and holistic perspective, policymakers can easily become snared in an endless cycle of reform that undermines stability, predictability, coordination, and synergy in the governmental system.

Research for the report examined the evolution of the state's tax system in Florida's six constitutions (1838, 1861, 1865, 1868, 1885, and 1968); amendments to the 1968 Constitution since 1969; data compiled since 1978 by the Legislative Committee on Intergovernmental Relations (LCIR) on "mandates and measures affecting local government fiscal capacity;" and case studies of the impacts of unfunded mandates in seven municipalities and eight counties of varying sizes and demographic makeup.

State and Local Government

A central feature of Florida's system of public finance is a division of revenue sources and service-delivery responsibilities between government at the state and local levels. Table A-1 in the Appendix is a timeline and summary of constitutional provisions that form Florida's tax structure. Many features of the state's present system of public finance have deep historical roots. For example, the division of responsibility between state and local government for funding public education originated in the Florida Constitution of 1868, which called for state revenues from property taxes to be allocated to counties to help establish public schools statewide. Counties were required to contribute for this

purpose an amount equal to at least one-half of what they received from the state. Today, this shared responsibility for school funding is enshrined in the Required Local Effort under the Florida Education Finance Program.

Although all local governments in Florida are creatures of the state, English and American legal traditions have long recognized the importance of local self-government in preserving liberty and the rule of law. The Magna Carta, written in 1215 and considered to be one of the most important documents in the history of democracy, is in many respects a statement about local home rule. Section 9 of the Magna Carta provides for the city of London "to have all its ancient liberties and customs," and it grants to all other cities, boroughs, and ports "all their liberties and free customs." Section 21 addresses perhaps the earliest form of unfunded mandates. It prohibits the King from instructing sheriffs or bailiffs to take anyone’s horses or carts without rendering "the payment customarily due."

Consistent with English and American legal traditions, Florida has always assigned important roles to city and county governments in the state's constitutional system. Beginning with its first constitution, the Constitution of 1838, Florida recognized that local governments are the main providers of public services and facilities. The 1838 Constitution required the General Assembly to provide for the appointment of county judges, sheriffs, clerks of the county court, and county commissions. The Constitution of 1885 required sheriffs, clerks of county and circuit courts, county commissioners, and county auditors to be elected locally for four-year terms.

The Growing Imbalance

As America emerged from the Great Depression, Florida took steps to protect the financial capacity of its local governments, which had struggled because of declining property values. Since 1940, the authority to levy ad valorem taxes on tangible property has been constitutionally restricted to local governments. All other forms of taxation are preempted to the state except as provided by general law. This division of revenue sources was intended to ensure that Florida's local governments, which have primary responsibility for law enforcement, corrections, education, drainage, wastewater treatment, solid waste disposal, and similar services and facilities required by urbanization, will possess the fiscal capacity to perform their assigned duties.

However, since at least the early 1970s, the division of responsibilities and resources between state and local government in Florida has become increasingly imbalanced. Many statutory and constitutional restrictions have been placed on local property taxes, while at the same time general purpose local governments have been assigned huge unfunded mandates in growth management, environmental protection, pensions, workers' compensation, and more.

The growing state-local imbalance in revenues and responsibilities stems from what are essentially short circuits in the constitutional system of accountability between leaders and constituents at different levels of government. A break in leader-constituency

accountability occurs when one level of government grants its constituents a benefit that must in some sense be paid for by the constituents of another level of government. The state level of government short circuits the system of accountability when it imposes unfunded mandates on local governments, funds state programs with local revenues, reduces local taxing authority, or restricts local discretion in how local revenues can be expended. Conversely, the local level of government undermines accountability when it authorizes new construction and development that overloads state facilities or harms resources of regional or statewide significance.

For several decades, state and local leaders have been working to correct and prevent these types of accountability breakdowns. In general, however, they have been far more effective in protecting the state level of government than the local level, in large part because government at the state level can control local government programs and procedures statutorily, and the state legislature can submit proposed constitutional amendments directly to the electorate.

The state government's dominance is evident in the history of constitutional amendments since Florida adopted the Constitution of 1968. Table A-2 in the Appendix lists and summarizes all of the amendments to the 1968 Constitution that have been approved by the electorate. Between 1969 and 2008, the Florida Constitution has been amended 113 times. As shown in Figure 1, 39 amendments affected the fiscal capacity of state or local government. Of these, 32, or 82 percent, originated in the Legislature (see Table 1). As reflected in Table 1, most of the amendments proposed by the Legislature increased the fiscal capacity of the state government (85%) but decreased the fiscal capacity of local government (69%).

Figure 1: Constitutional Amendments Adopted, 1969-2008, by Topic

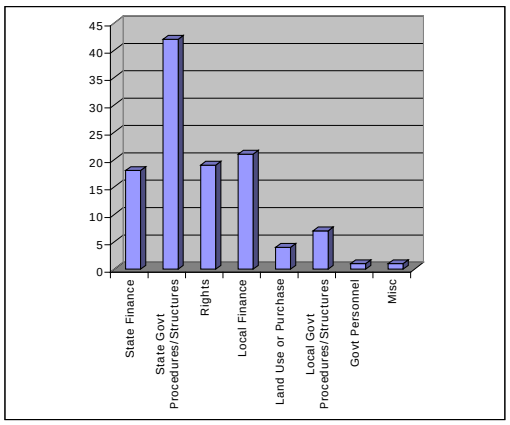


Table 1: Constitutional Amendments Affecting State or Local Finance, 1969-2008

Source				Effect		Total
				Increase financial capacity	Decrease financial capacity	Increase financial capacity
CRC	Subject Matter Area	Local Finance	Count	1		1
			% within Subject Matter Area	100.0%		100.0%
	Total		Count	1		1
			% within Subject Matter Area	100.0%		100.0%
Initiative	Subject Matter Area	State Finance	Count	3	1	4
			% within Subject Matter Area	75.0%	25.0%	100.0%
		Local Finance	Count	0	1	1
			% within Subject Matter Area	.0%	100.0%	100.0%
	Total		Count	3	2	5
			% within Subject Matter Area	60.0%	40.0%	100.0%
Legislature	Subject Matter Area	State Finance	Count	11	2	13
			% within Subject Matter Area	84.6%	15.4%	100.0%
		Local Finance	Count	6	13	19
			% within Subject Matter Area	31.5%	68.5%	100.0%
	Total		Count	16	16	32
			% within Subject Matter Area	50.0%	50.0%	100.0%
TBRC	Subject Matter Area	State Finance	Count	1		1
			% within Subject Matter Area	100.0%		100.0%
	Total		Count	1		1
			% within Subject Matter Area	100.0%		100.0%

Failure to Fund Concurrency

Because of its dominant position, the state government has been effective in developing policies to prevent local governments from harming, overloading, or over-consuming state resources and facilities. Through a series of initiatives that began in the 1970s, government at the state level has erected a framework of state, regional, and local growth management policies that have interjected state and regional considerations into local government planning, capital facilities programming, and land development regulations. In so doing, however, the state has imposed significant unfunded mandates on local government. In particular, the effort to fund the concurrency requirement in Florida's growth management system failed in the mid-1980s when political support for the so-called "services tax" faltered.

The services tax and the concurrency requirement were part of a number of reforms to Florida's growth management system enacted in the annual Legislative Sessions from 1984 through 1987. Under the reforms, all local government comprehensive plans were required to have a capital facilities element establishing acceptable levels of service for all major fixed capital investments by the local government, identifying ways to pay for those facilities at the levels of service established, and outlining a method to assure that public facilities are brought on line commensurate with the impacts of new development. New development was to be approved by a local government only if it could show in its capital facilities element that it is capable of providing the public facilities required by the new growth. This requirement was referred to as “concurrency,” because public facilities were to be brought on line concurrent with the impacts of development.

As part of these reforms, a blue-ribbon commission was established to assess and quantify Florida's obvious inability to keep public facilities abreast of growth. The 1985 Legislature created the State Comprehensive Plan Committee to calculate the costs of bringing Florida's infrastructure up to acceptable levels of service as mandated by the State Plan, and to recommend specific ways of paying for those costs. The committee became known as the "Zwick Committee" after its chairman, Charles J. Zwick of the Southeast Banking Corporation. The committee presented its final report in February 1987. It estimated the cost of achieving the goals of the State Plan through 1997 at $52.9 billion in excess of existing tax revenues at both the state and local levels of government. This figure did not include many billions more that would be required if the state wanted to pay for the backlog of services and facilities that had accumulated from the inadequately financed growth of previous decades.

To cover these costs, the 1986 Legislature had enacted a law to "sunset" sales tax exemptions in July 1987 for sales of items other than food, medicine, feed, seed, and fertilizer. This meant that unless new laws were passed to maintain the exemptions, in July of 1987 the state sales tax would begin to be applied for the first time to purchases of legal, advertising, medical, engineering, accounting, banking, and other services.

In the Legislative Session of 1987, the State Legislature followed through on its intent to extend the sales tax to services. However, Florida's new Governor, Bob Martinez,

decided that he had made a mistake in supporting the tax, and he called on state legislators to repeal it. In December 1987 the Legislature went into a Special Session, repealed the services tax, and raised the state sales tax from five to six cents. The increase in the sales tax took care of immediate revenue needs but did not offer a mechanism to fund concurrency for the long term.

Failure to fund the concurrency requirement with state revenues was problematic because restrictions, which since the 1970s have been placed on the ad valorem tax base of Florida's local governments, have weakened the link between property tax revenues and the market values of real estate. The per capita costs of public services and facilities increase rapidly with urbanization because urban facilities and services are much more expensive than their rural equivalents. In both absolute and per capita terms, wastewater treatment plants cost more than septic tanks, professional fire departments cost more than volunteers, and highways with overpasses and traffic signals cost more than two-lane roads with stop signs. Other things equal, the rising property values accompanying Florida's urbanization would have generated the additional revenues necessary to pay for urban services and facilities without raising ad valorem tax rates, but property valuations for ad valorem taxes on residential property were held back by the Save Our Homes Amendment, the $25,000 homestead exemption, the second $25,000 homestead exemption for low-income seniors, and similar restrictions and exclusions.

With revenues from property taxes rising more slowly than costs for urban services and facilities, the concurrency requirement tended to push development out of the state's existing urban centers, where roads were overloaded, and into the countryside, where road capacity was not yet overburdened. Furthermore, because health and human services were exempted from the concurrency requirement, county and city expenditures were diverted from social services to roads, drainage, and other land-use improvements directly associated with construction. In the absences of other funding sources, these public improvements had to be financed largely by property taxes. Thus, at the risk of oversimplifying the outcome, the net result of the state's failure to fund concurrency was to raise property taxes on existing residents to pay for roads and drainage supporting urban sprawl.

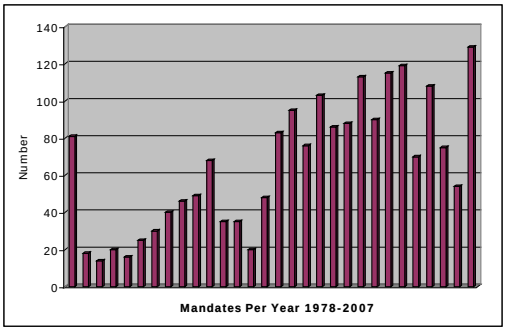
The Unfunded Mandates Amendment

Local governments sought relief from unfunded mandates by successfully pushing for two constitutional amendments, one through the Legislature in 1990 and the other through the Constitution Revision Commission (CRC) of 1998. The latter included in its proposed constitutional revisions a requirement that the state court system be fully funded by the state. For its part, the 1990 amendment said that no county or municipality shall be bound by any general law requiring it to spend funds or take actions entailing an expenditure of funds unless the Legislature determines that the law fulfills an important state interest and satisfies at least one of the following conditions: (1) funds to offset the costs of implementing the law have been appropriated; (2) the law is approved by a two-thirds membership vote of each house; (3) the Legislature finds that the required expenditure applies to all persons similarly situated; (4) the Legislature authorizes or has

authorized impacted local governments to enact an offsetting funding source not available on 2/1/89; or (5) the expenditure is required to comply with a federal requirement or entitlement which contemplates action by cities or counties.

The Unfunded Mandates Amendment had little lasting effect on the frequency with which unfunded mandates were enacted. Since 1978, the Legislative Committee on Intergovernmental Relations (LCIR) has been issuing reports in most years on "mandates and measures affecting local government fiscal capacity." Based on a compilation of this data, Figure 2 is a bar chart showing the number of mandates passed each year by the Florida Legislature. Although the number of mandates declined significantly in the years surrounding the passage of the Unfunded Mandates Amendment, the number soon rose above previous highs and remained there in most years up to the present.

Figure 2: Number of Mandates per Year, 1978-2007.

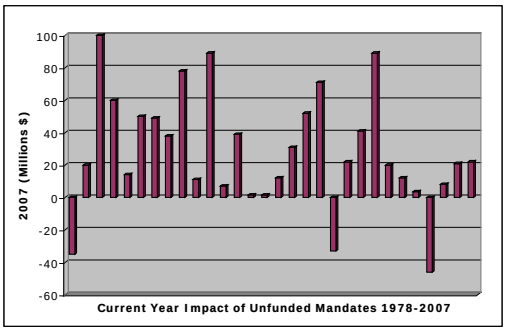


Source: LCIR, Reports on Mandates and Measures Affecting Local Government Fiscal Capacity, years 1978-2007, http://www.floridalcir.gov/annual_reports.cfm.

The unfunded mandates amendment also had only a modest impact on the costs that unfunded mandates were imposing on local governments. Figure 3 shows total costs (in 2007 dollars) from unfunded mandates enacted each year since 1978. Since 1990, annual costs of unfunded mandates, adjusted for inflation, have never reached the 1980 level of $100 million, but in most years they have been at least $25 million, and in several years they have been in excess of $50 million.

The costs of most mandates are modest, or are at least judged so in the analyses of legislative staff. Since 1978, the Legislature has enacted 1,950 unfunded mandates. Of these, 88 percent were either judged to have no costs, or the costs were not determined. The costs of another 5 percent were estimated to be greater than zero but less than $10 million each. Only 1 percent of all unfunded mandates since 1978 have cost local governments more than $10 million.

Figure 3: Current Year Impact (in 2007 dollars) of Unfunded Mandates Enacted Each Year, 1978-2007



Source: LCIR, Reports on Mandates and Measures Affecting Local Government Fiscal Capacity, 1978-2007, http://www.floridalcir.gov/annual_reports.cfm.

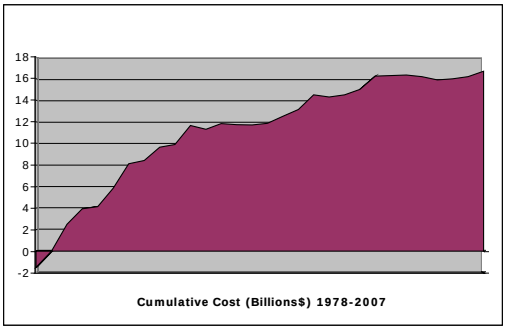
Table 2: Frequency of Unfunded Mandates by Cost Categories in Current-Year Dollars 1978-2007.

Cost to Local Governments	Frequency	Percent
Positive/Gain	20	1.0
0 or Not Determined	1713	88.2
$1 - $500,000	98	5.0
$500,001 - $2m	43	2.4
$2m - $10m	44	2.3
$10m - $100m	21	1.1
Total	1942	100
Missing	8	
Total	1950	

Source: Legislative Committee on Intergovernmental Relations, Reports on Mandates and Measures Affecting Local Government Fiscal Capacity, 1978-2007.

The large number of mandates with moderate costs for local government in the year of enactment obscures the cumulative costs of mandates as they are layered on top of one another year after year. Many LCIR reports make no distinction between recurring and nonrecurring costs, but in most cases it is reasonable to assume that costs continue each year thereafter. This means that the costs of unfunded mandates enacted in Year One are also imposed in Year Two and each subsequent year. Figure 4 shows the cumulative amount that unfunded mandates have cost Florida's local governments each year since 1978. Amounts are in 2007 dollars. The rolling total reached $11 billion by 1990 when the unfunded mandates amendment was adopted. Since then it has risen above $15 billion.

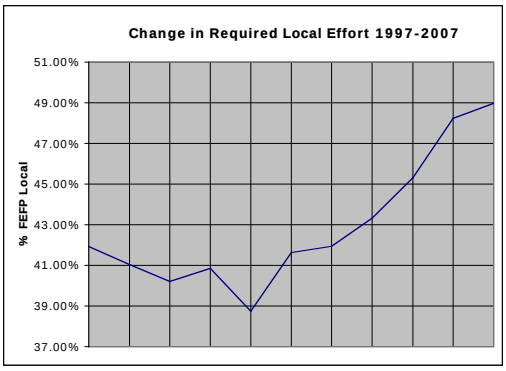
Figure 4: Cumulative Costs (in 2007 dollars) of Unfunded Mandates, 1978-2007



Increases in the Required Local Effort

The cumulative cost of unfunded mandates does not reflect the additional costs shifted to the local level since 2002 under the Florida Education Finance Program (FEFP). Figure 5 graphs the percentage of FEFP funding derived from the Required Local Effort from 1996 through 2006. Table 3 lists the dollar amounts from the Required Local Effort and state share of FEFP in Fiscal Years 1996-97 through 2006-07. Over the course of this ten-year period, the percentage of FEFP from the Required Local Effort has increased 7 points. This has added almost $1.6 billion dollars to county ad valorem tax bills.

Figure 5: % of FEFP Funding from Required Local Effort, 1996-2006



Source: Reports on required local effort and other education funding are available at http://www.fldoe.org/fefp/offrfefp.asp

Table 3: Local and State Share of FEFP Funding, FY 96-97 – FY 2006-07.

Year	Local FEFP	State FEFP	% Local	Difference from 1996 Percentage
1996	$3,500,907,823	$4,849,478,918	41.93	$0
1997	$3,645,814,079	$5,238,288,221	41.04	-$79,290,015
1998	$3,867,264,014	$5,749,308,019	40.21	-$164,964,639
1999	$3,829,786,702	$5,544,800,492	40.85	-$100,977,708
2000	$4,075,392,533	$6,443,846,955	38.74	-$335,324,584
2001	$4,373,074,460	$6,127,927,555	41.64	-$29,995,685
2002	$4,785,665,113	$6,623,628,645	41.95	$1,748,240
2003	$5,174,780,465	$6,768,481,360	43.33	$166,970,782
2004	$5,593,039,896	$6,754,318,714	45.30	$415,792,431
2005	$6,262,823,920	$6,723,517,106	48.23	$817,651,128
2006	$6,274,892,535	$6,540,068,887	48.97	$901,579,211
Total				**$1,593,189,159**

State and Local General Revenues

The state government's propensity to short circuit accountability and garner political credit at the expense of local government does not appear to be driven by financial imperatives. Just the opposite, government at the state level has been able to reduce its reliance on general revenues. As shown in Table 4, general revenues, which comprised two-thirds of total state revenues in Fiscal Year 1991-92, had declined to 57 percent of total state revenues in Fiscal Year 2004-05. In contrast, during this same period, the proportion of total local revenues comprised by general revenues remained largely unchanged. By the same token, revenues from sales and gross receipts taxes, which accounted for 42 percent of total state revenues in Fiscal Year 1991-92, were only 33 percent of total state revenues in Fiscal Year 2004-05 (see Table 5). During the same period, the proportion of total local revenues comprised by property taxes declined by less than 1 percentage point.

Table 4: State and Local Total Revenues and General Revenues from Own Sources, FY 1991-92 and FY 2004-5. (Revenues are in thousands.)

Fiscal Year	Total State Revenues	State Gen Revs (Own Source)	% State Gen Rev	Total Local Revenues	Local General Revs (Own Source)	% Local Gen Rev
1991-1992	$27,235,236	$18,032,907	66%	$35,373,351	$21,560,860	61%
2004-2005	$77,077,644	$43,797,521	57%	$76,375,964	$47,164,205	62%

Source: U.S. Census Bureau

Table 5: State and Local Total Revenues, State Sales and Gross Receipts Taxes, and Local Property Taxes, FY 1991-92 and FY 2004-5. (Revenues are in thousands.)

Fiscal Year	Total State Revenues	State sales & gross receipts	% State Total from Sales and Gross Receipts Taxes	Total Local Revenues	Local property taxes	% Local Total from Property Taxes
1992	$27,235,236	$11,377,240	42%	$35,373,351	$9,453,944	27%
2005	$77,077,644	$25,486,454	33%	$76,375,964	$20,089,293	26%

Source: U.S. Census Bureau

Local Government Case Studies

Case Study Participants

In an effort to provide current and jurisdiction specific information on the impacts that unfunded mandates have on local governments, fifteen local governments (seven cities and eight counties) volunteered to participate in this study. The participating agencies are diverse in terms of population, economic base, demographics, and geography. The participating counties include: Hillsborough, Leon, Okaloosa, Orange, Sarasota, Seminole, St Lucie, and Volusia. The participating cities include: Archer, Deland, Orlando, Palm Bay, Palm Beach, Pensacola, and Tamarac.

Methodology

A draft survey instrument was e-mailed to the chief administrative officers in a random sample of local governments in Florida. These administrators were asked to have applicable staff review the survey to ensure that the questions proposed were accurate and complete. Upon reviewing feedback, a final survey instrument was prepared and forwarded to the aforementioned counties and cities for completion.

Upon receipt of the survey responses, a review of the data was conducted to determine where similarities and differences exit. The survey questions were open ended, thus generating varying levels of response. Data analysis was challenging because some of the respondents provided partial responses and some offered more information than requested. Multiple choice questionnaires could have been employed which would have made the analysis much easier. However, the results would not have reflected the information deemed most important by the participating local government agencies.

Data Analysis

The analysis of the survey data was limited to only those unfunded mandates referenced in the responses and to other cost increases (besides unfunded mandates) that respondents

deemed notable. Moreover, a limited review of significant revenues was included to determine financial resources available to fund these expenditures.

Reporting Considerations

When considering recent state legislation effecting local government revenues (notably the ad valorem taxes), state legislators have consistently emphasized "percentage increases" as an explanation or justification for tax reform. Although percentages alone fall short of providing a true picture of local agencies' financial status, it does provide a generally acceptable approach to explain some budget trends to the general public. When evaluating the effects of unfunded mandates, and other major expenditures on local budgets, percentage increases were often utilized in this report to provide consistency with past revenue evaluations and explanations to the general public. The same approach was taken to explain other revenues in this report.

No attempt was made to quantify the added financial impact that recent tax reform legislation and Amendment One will have on cities and counties. However, it's reasonable to conclude, based on the data in this report that local governments will need to contend with less ad valorem revenue which, in the past, was relied upon to offset other major revenues that have remained stagnant and to pay for major escalating costs associate with unfunded mandates and other re-occurring costs.

Budget considerations

When considering the impacts of unfunded mandates on local governments, it's helpful to understand a couple points relative to local government budgets. First, although the ad valorem tax is one of the most important revenue sources for local governments to help fund mandates, it's not the only major revenue source that local governments depend upon. For example, state revenues such as sales tax, gas tax, and general revenue sharing are used to help pay for mandates and to help pay for other needed local government services. This is a critical point because if one or more of these major revenue sources either remains stagnant over a multi-year period or decreases over those years, there will be an offsetting impact on revenue increases in other areas and an overdependence on a revenue that is increasing, such as the ad valorem tax.

A second point to consider with local government budgets involves expenditure considerations. Local governments have limited control over most major expenditures. For example, state unfunded mandates must be funded by local governments, even if it means reducing or cutting discretionary services for other local government programs. Examples of discretionary spending include: libraries, parks and recreation, health and environmental services, emergency management, fire protection, planning and development, neighborhood services, public transportation, animal control, and administrative services such as finance, human resources, etc. Even in terms of discretionary services, local governments (not unlike state government agencies), are constrained with the inability to influence how much services will cost. For example, fuel

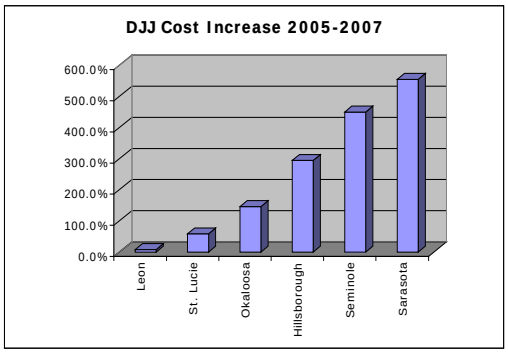
costs, chemical costs for utility plants, property and liability insurance costs, health care costs, etc. are largely determined by external forces.

General Survey Results

All respondents reported an increase in ad valorem tax revenue during the reporting period. The percentage of tax revenue to the total General Fund revenue varied among the jurisdictions surveyed. However, within each jurisdiction, the percentage from year to year remained relatively constant. The three exceptions included the City of Archer, Seminole County, and St. Lucie County. In Archer, the percentage increased due to the city's decision to turn the fire rescue service over to the county. In Seminole county, the percentage decreased due to the relatively moderate increase in ad valorem revenue during the reporting period. In St. Lucie County, the percentage increased because of a notable increase in population growth during the reporting period.

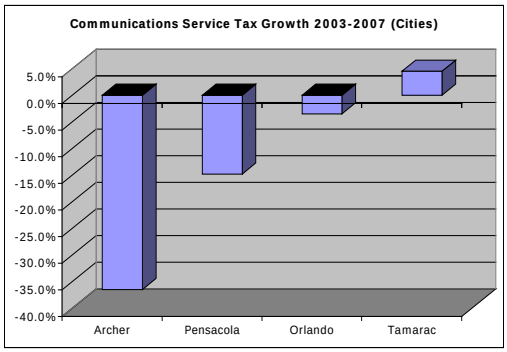
- State shared revenues of sales tax, fuel (gas) tax, and general revenue sharing were generally stagnant with either minor increases or decreases during the reporting period; forcing most local governments to become more dependent on ad valorem revenue to pay for major increases in unfunded mandate costs and other major re-occurring service costs.

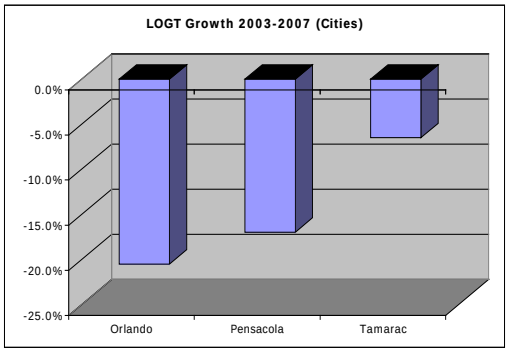
- Generally, the percentage of increase in the costs of unfunded mandates was significantly greater than the percentage increase in ad valorem tax revenue during the reporting period. The most notable unfunded mandates reported included courts, Juvenile Justice, Medicaid payments, Baker Act Transportation, and Pensions. Funding Constitutional Offices was also considered a mandate that took precedent over all other local services. The relative cost increases for Juvenile Justice services experienced by the reporting counties during the study period can be seen in the following chart.

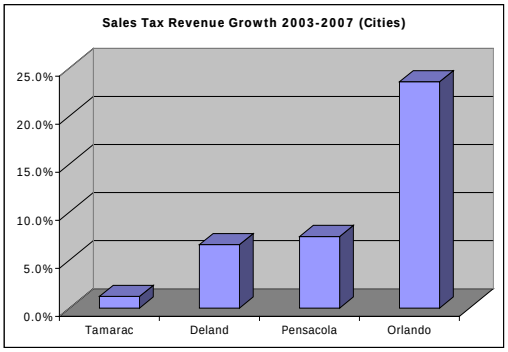


County governments were more directly impacted by unfunded mandates than city governments. However, cities experienced a greater percentage decrease in other major revenue sources during the reporting period. Moreover, reduced discretionary spending for counties directly impacted their ability to provide funding to cities for municipal type services that unincorporated county residents were receiving from

cities. The loss in funding by cities during this period is reflected in the following charts. The decrease in both Communications Service Tax and Local Option Gas Tax (LOGT) revenues reported by cities during the study period are clearly displayed. In comparison, the rate of growth in Sales Tax revenues, also displayed below, can be seen as being generally low over the study period. Even Orlando, a tourist destination, experienced an average annual Sales Tax revenue growth of less than 5% per year over the study period.







- The most notable expenses (other than state unfunded mandates) that the cities and counties reported included health insurance, property insurance, fuel, utilities, communications, and chemical supplies. Union contracts were cited but not quantified. The increases for most of these major expenditures increased at a significantly greater percentage than any revenue source, including the ad valorem tax.

Specific Case Study Observations for Counties

Hillsborough County

Hillsborough County is located in west central Florida and in 2007 had a full time population of 1,192,861, up from 1,079,587 in 2003. The County received an increase in General Fund ad valorem revenue of $174.5 million (54%) during the reporting period of 2003-2007. Other revenues were stable and generally grew with annual fluctuations. The

percentage of projected taxes dedicated to payment of constitutional officers actually decreased from 54% in 2003 to 52% in 2007 due in part to favorable revenue receipts. The most significant unfunded mandate was the Juvenile Justice program (graphically displayed earlier in the General Survey Results), which increased by 295% since 2005.

Leon County

Leon County is located in northwest Florida and in 2007 had a full time population of 272,846, up from 255,500 in 2003. The County received an increase in General Fund ad valorem revenue of $31.4 million (39.9%) during the reporting period of 2003-2007. Other remaining revenues were relatively stable with moderate increases causing the ad valorem revenue to represent an increasing proportion of the General Fund revenue. Unfunded mandates further offset the increase in ad valorem revenue. An example is the 43.6% increase in Court costs. Other major costs during the reporting period included a 79% increase in utility costs and a 130% increase in fuel costs.

Okaloosa County

Okaloosa County is located in northwest Florida and in 2007 had a full time population of 197,617 in 2007, up from 181,102 in 2003. The County received an increase in General Fund ad valorem revenue of $12.9 million (83%) during the period of 2003-2007. Unlike many respondents, most other major revenues have increased slightly. The most significant cost increase for unfunded mandates involved the area of Juvenile Justice with an increase of 146% since 2005.

Orange County

Orange County is located in central Florida and in 2007 had a full time population of 1,043,437, up from 896,344 in 2003. The County received an increase in General Fund ad valorem revenue of $237 million (48.8%) during the period of 2003-2007. However, cost increases for constitutional offices and unfunded mandates surpassed revenue increases in the General Fund during this reporting period as evidenced by the fact that county discretionary funding decreased to 54.1%, down from 62.1% in 2003. The County experienced a 20% decrease in other major taxes and licenses during this reporting period. Unfunded mandates did not appear to increase at the significant levels experienced by other counties, albeit medical costs increased by over 66%.

Sarasota County

Sarasota County is located in the southwestern part of Florida and in 2007 had a full time population of 387,461, up from 348,761 in 2003. The County received an increase in General Fund ad valorem revenue of $54.8 million (39.5%) during the reporting period. During this same time, state unfunded mandates increased substantially. For example, Baker Act Transportation costs increased by over 265% and Medicaid costs increased by 438%. Juvenile justice costs increased by 555% since 2005.

Seminole County

Seminole County is located in the east central part of Florida and in 2007 had a full time population of 420,677, up from 394,900. The County received an increase in General Fund ad valorem tax revenue of $45.6 million (48.2%) during the reporting period of 2003-2007. Yet, the total General Fund revenue, including ad valorem tax revenue, only increased by $23.4 million. Therefore, other General Fund revenues had to decrease. One example is Seminole's state sales tax revenue which decreased by 8.25% during this same reporting period. The County also absorbed major increase costs associated with unfunded mandates during this time. One example, includes Juvenile Justice which increased by 450% between 2004 (when the mandate took effect) and 2007.

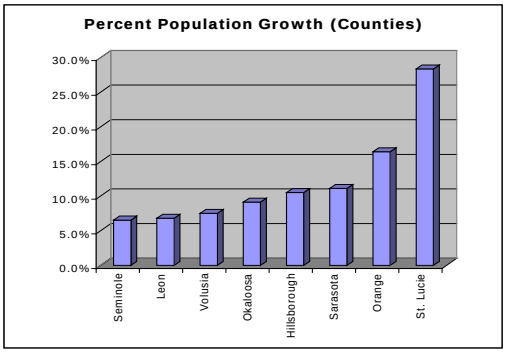
St. Lucie County

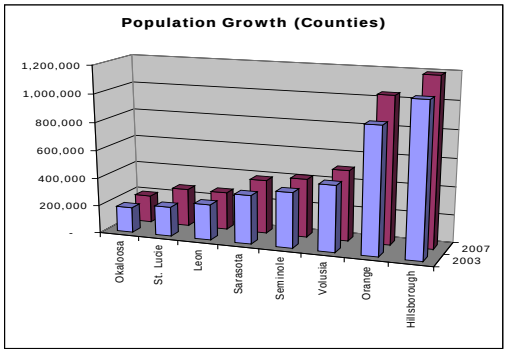
St. Lucie County is located in southeast Florida and in 2007 had a full time population of 271,961, up from 211,898 in 2003. This was the largest percentage increase in population among the jurisdictions surveyed. Likewise, the increase in General Fund ad valorem revenue of $72.8 million (270%) during the reporting period of 2003-2007 was by far the largest percentage increase. Other major revenues increased to a much smaller percentage. Exceptions include the telecommunication tax which decreased slightly by 3.55% and the gas tax revenue which decreased 13.7 % during the same period and, therefore, offset some of the revenue gains from the other sources. On the expenditure side, the total cost of unfunded mandates and constitutional offices increased by over 82%. Juvenile Justice costs increased by 58% and the cost for Courts increased by 100% during this period of time. Other major cost increases include a 48% increase in utilities, a 121% increase in fuel, a 152% increase in health insurance, and 167% increase in property insurance.

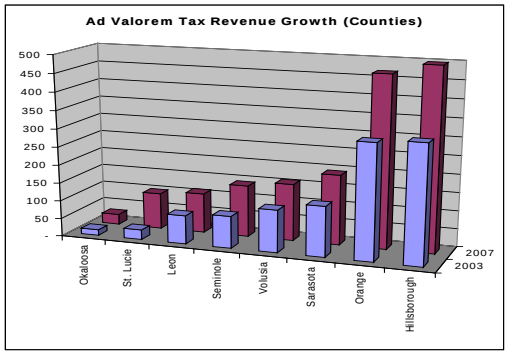
Volusia County

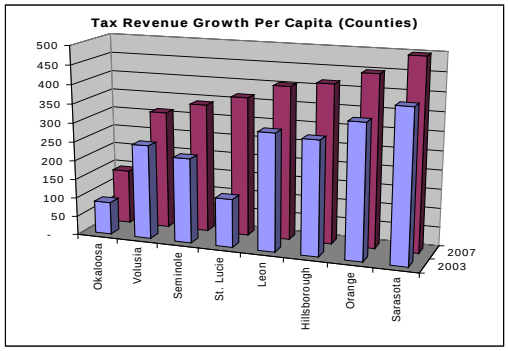
Volusia County is located in the northeastern part of Florida and in 2007 had a full time population of 506,064, up from 470,770 in 2003. The County received an increase in General Fund ad valorem tax revenue of $40.9 million (35%) during the period from 2003-2007. During this same period of time, it was reported that unfunded mandate costs increased from 8.1 million in 2003 to $45.3 million in 2007 (459%). Court related functions alone increased over 277%. Like other local governments, the County's reoccurring costs increased dramatically. Examples include a 46% increase in health insurance, a 71% increase in communication services, an 83% increase in fuel costs, and a 49% increase in utilities.

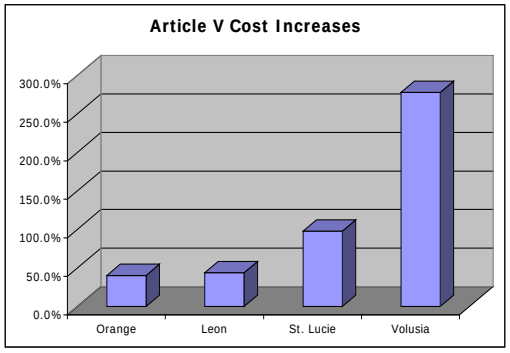
Graphic displays of both the growth in the reporting counties population, the growth in their ad valorem tax revenues, and the increases in the cost of their Court related functions during the study period are presented in the following graphs.


Percent Population Growth (Counties)
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Seminole
Leon
Volusia
Okaloosa
Hillsborough
Sarasota
Orange
St. Lucie


Population Growth (Counties)
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
Okaloosa
St. Lucie
Leon
Sarasota
Seminole
Volusia
Orange
Hillsborough
2007
2003


Ad Valorem Tax Revenue Growth (Counties)
500
450
400
350
300
250
200
150
100
50
-
Okaloosa
St. Lucie
Leon
Seminole
Volusia
Sarasota
Orange
Hillsborough
2007
2003


Tax Revenue Growth Per Capita (Counties)
500
450
400
350
300
250
200
150
100
50
-
Okaloosa
Volusia
Seminole
St. Lucie
Leon
Hillsborough
Orange
Sarasota
2007
2003


Article V Cost Increases
300.0%
250.0%
200.0%
150.0%
100.0%
50.0%
0.0%
Orange
Leon
St. Lucie
Volusia

Specific Case Study Observations for Cities

City of Archer

The City of Archer is located in Northern Florida in Alachua County and in 2007 had a full time population of 1,229, down from 1,263 in 2003. The City received an increase in the General Fund ad valorem revenue of $54,134 (58%) during the period from 2003-2007. Most other major General Fund revenue remained stagnant except for telecommunications revenue, which decreased by 36.5%. This one decrease alone offset nearly 30% of the ad valorem revenue gain. The City also experienced increases in the cost of reoccurring service just like the other local governments. To balance the budget, the city eliminated fire service by opting to participate in the County's fire rescue service and leasing its building and equipment to the County. However, the county decided to eliminate financial support for recreation services to the City causing the City's recreation budget to increase by 49% in 2007 over the previous year.

City of Deland

The City of Deland is located in northeast Florida in Volusia County and in 2007 had a full time population of 26,905, up from 22,900 in 2003. The City received increased General Fund ad valorem revenue of $3.8 million (76.8%) during the period from 2003-2007. Sales tax revenues increased slightly averaging approximately 1.6% a year during this reporting period. The City did not report the significant increases in unfunded mandates as reported by other local governments but did report major cost increases of 54.6% for fuel and an 83% increase in property insurance.

City of Orlando

The City of Orlando is located in central Florida in Orange County and in 2007 had a full time population of 224,055, up from 194,913 in 2003. The City received an increase in General Fund ad valorem tax of $40 million (60.6%) during the reporting period from 2003-2007. Other major revenues remained relatively stable with some moderate increases and decreases. For example, the sales tax revenue increased by 21%, while the gas tax revenue and telecommunication tax revenue decreased by 3.5% and 20.5% respectively for this same period. Unfunded mandates where not quantified, but it was reported that growth management mandates have cost the city thousands of hours of planning staff time and OPEB reporting requirements have caused the city to set aside tens of millions of dollars that would have otherwise been utilized to pay for other services.

City of Palm Bay

The City of Palm Bay is located in east central Florida in Brevard County and in 2007 had a full time population 107,277, up from 88,256 in 2003. The City received an increase in General Fund ad valorem tax of $9.5 million (60.6%) during the reporting period from 2003-2007. No significant changes to other major revenue were reported.

Worker compensation mandates were reported which was not referenced by other respondents. Notable increases included a 68% increase in electricity and a 142% increase in fuel.

Town of Palm Beach

The Town of Palm Beach is located in southeast Florida in Palm Beach County and in 2007 had a full time population of 9,744, up from 9,682 in 2003. The City received an increase in General Fund ad valorem revenue of 13.3 million (47.6%) during the reporting period of 2003-2007. The City did not quantify percentages for other major revenues or expenditures. However, it was reported that pension, OPEB, and fuel tank replacement mandates were very costly and the City experienced other significant cost increases for health insurance, utilities, and fuel.

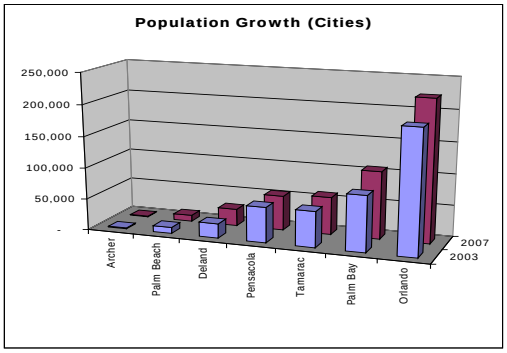
City of Pensacola

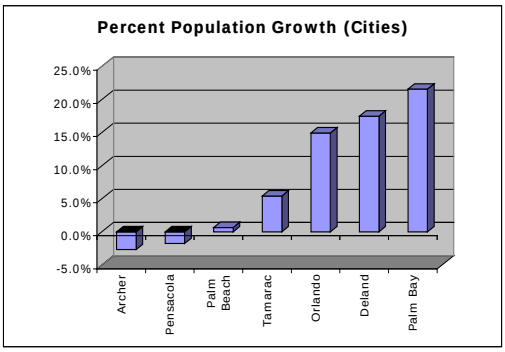
The City of Pensacola is located in the northwest section of Florida in Escambia County and in 2007 had a full time population of 55,311, down from 56,307 in 2003. The General Fund ad valorem tax revenue increased $4.6 million (30%) in the period from 2003-2007. Other major revenues did not increase proportionately. For example, the telecommunication tax decreased over 17% and the gas tax decreased by 20.5%. The most notable unfunded mandate was the pension costs which increased by over 300% during this reporting period. Pension costs in 2007 alone exceeded the aforementioned total ad valorem revenue increase by over 246%. Other major costs included an 83% increase in fuel and a 200% increase in property insurance.

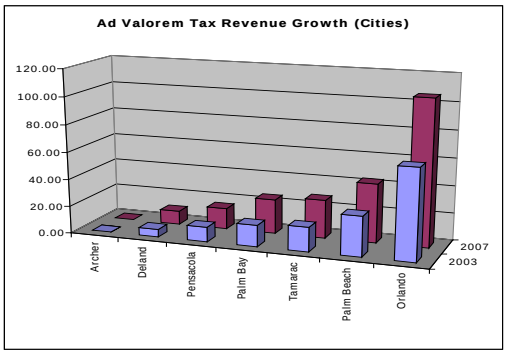
City of Tamarac

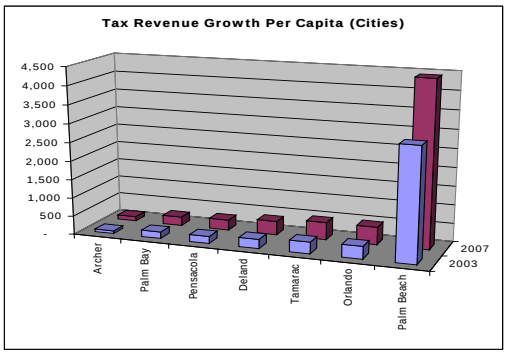
The City of Tamarac is located in southeast Florida in Broward County and in 2007 had a full time population of 59,949, up slightly from 56,881 in 2003. The General Fund ad valorem tax revenue increased $10.2 million (80%) from 2003-2007. Other major revenues remained relatively constant with little or no increases or decreases. For example, gas tax revenue increased by 6.9% and sales tax revenue increased approximately 1% over the reported period. The City funded unfunded mandates like other cities but also reported fire inspections and worker compensation among the list costing in excess of $900,000 per year. Other major costs included a 101% increase in pension costs, a 260% increase in fuel, a 91% increase in insurance, and a 61% increase in chemical supplies.

Graphic displays of both the growth in the reporting cities population and the growth in their ad valorem tax revenues during the study period are presented in the following graphs.









Recommendations

In an effort to assist the Florida Legislature in the difficult task of evaluating numerous bills that face them each session, the Center for Florida Local Government Excellence is offering the following suggestions for consideration. These suggestions provide numerous options which the Legislators could consider to facilitate their review of new bills.

Local Government Committee

Recommendation: In order for all Legislators to have a thorough knowledge of the impacts of proposed bills on Florida's local governments, it is recommended that a "Local Government Committee" be created. This committee would be required to review bills containing a preemption or mandate upon local governments. An applicable bill would only be considered by the Committee after a first hearing in the substantive committee of origin and before their final stop at council.

Background: The processes of state government do not always provide a complete history of the discussion of the impacts of a proposed bill on local governments. Therefore, it is not always possible for Legislators to have an adequately detailed understanding concerning how and why the preemptions and mandates in a proposed bill may affect local government finances or operations. For example, many agricultural or environmental bills are heard in the Agriculture and Environmental Committees, but the

first time many legislators have an opportunity to consider local government impacts are on the House floor.

Enhance Staff Bill Analysis

Recommendation: To enable Legislators to make logical decisions in their choice of policy affecting local governments, it is incumbent that they be provided with relevant data on the potential impacts of proposed bills. Staff analysis comprised of a brief survey of a representative sample of Florida local governments concerning how their programs, operations, or organizations might be affected by a proposed bill should be required. A synopsis of these discussions should be included in a short narrative paragraph under the Fiscal Impact section of the analysis. The staff analysis could also note if the local governments were non-responsive to the request for information.

Background: A relevant staff bill analysis serves to provide Legislators with a sense of how a bill might impact local governments, even if a precise dollar amount cannot be ascertained. It would be beneficial to the Legislator's understanding of the impact of a proposed bill to at least explain what a mandate might require in terms of operational or staffing changes at the local level. For example, many bill analyses contain the statement that the fiscal impact of a bill is "indeterminate." While in some cases it is impossible to put a dollar amount on the impacts of a mandate, an "indeterminate" classification is essentially meaningless. To accomplish this in a timely yet relevant manner, staff conducting the analysis (or, staff's independent research resource) should be required to contact a small but representative sample of Florida local governments (e.g. two large counties, two large cities, two medium counties, two medium cities, two small counties and two small cities) to discuss the proposed bill's impacts and allow them to provide input as to how it might affect them fiscally and/or operationally.

House Principles

Recommendation: Preemptions of local home rule powers are occurring with increasing frequency. In some cases, the preemption is justified (e.g. statewide uniform water quality standards). In other cases, there appears to be little justification for intervention in the home rule powers of local governments and the citizens who control them. To distinguish necessary preemptions from those that are interest-group driven, adding state preemptions to the "House Principles" portion of the bill analyses (or another relevant part of each bill analysis) is recommended.

Background: It is important that Legislators to be able to distinguish issues that truly necessitate the state's intervention and those that are simply stakeholder-driven. To assist with understanding the motivations for legislation preempting the home rule powers of local governments, the proposed bill's analyses should be required to clearly respond to several questions that are fundamental to this issue:

- Does the bill preempt local government home rule powers? If so, what specific circumstances require the removal of local communities' control over the issue and the transfer of control to the state?

- Does the preemption serve an important state interest? If so, what is the state interest that will be served?
- Are there efficiencies to be gained by centralizing the regulatory function at the state level?

Local Government Finance & Tax Committee

Recommendation: To provide a forum of relevance of proposed local government finance legislation, it is recommended that the structure of the Legislature's Finance & Tax Committees include a Local Government Finance & Tax Subcommittee that address local government independent taxing districts (e.g. school districts, special districts, cities, and counties). This would constitute a separate subcommittee from a State Finance & Tax Subcommittee.

Background: It is noteworthy that, over the last two years, the State Affairs Committee was the origin of all local government finance bills. It is likely that a specialized organizational sub-unit, dedicated to local government finance and taxation issues, would provide Legislators with an increased understanding of the impacts of proposed bills on local government.

Reduce Number of Proposed Committee Bills

Recommendation: Effective policymaking is the product of thorough consideration by Legislators and staff of all elements of the issue being legislated. To enhance the ability of Legislators to accomplish effective policymaking, it is recommended that measures be taken to reduce the number of "late session" Proposed Committee Bills (PCB) and, thus, ensure that committee members are given an adequate opportunity to read and debate the PCB before being asked to vote on it.

Background: The number of PCBs has increased substantially over the past few years. Many are frequently unveiled late in the session allowing little time for debate or input by either the public or Members. There have been many instances where a PCB was introduced in a council, amended with a strike-all amendment that was not available until hours before the meeting, and sent to the House floor. While there may be a need to handle some PCBs in this manner, in recent years it seems this process has been more the rule than the exception. Rushing legislation in this manner should be considered unwise and the state would benefit from limitations on its scope and effect.

Legislative Committee on Intergovernmental Relations

Recommendation: The Legislative Committee on Intergovernmental Relations (LCIR) is a repository of knowledge on local government issues. The 15 members of the LCIR are a combination of state and local government officials (8 legislators and 7 local government officials) that facilitates the development of intergovernmental policies and practices for the legislature. It is recommended that the legislative status of the LCIR be elevated in order to provide the legislature with more than issue-specific advice. The

LCIR could be elevated in its legislative function to a status that would, alternatively, either: hear and vote on proposed legislation (requiring that its non-legislative member hold ex-officio status), or become the legislative location for workshops and recommendations to the committee of substance on proposed legislation affecting Florida's local governments.

Background: The LCIR is a part of the legislative branch of state government that is statutorily authorized to act as a forum for the discussion and study of intergovernmental problems and evaluate the interrelationships among local, regional, state, interstate, and federal agencies in the provision of public services. It prepares studies and makes recommendations to the presiding officers of the Legislature and the Governor. Importantly, it is charged with analytical functions concerning the structure, functions, revenue requirements, and fiscal policies of the state and its political subdivisions. It is also charged with evaluating the fiscal impact of new state programs or amendments to existing programs on municipalities and counties. In short: the LCIR's functions are central to the improvement of the coordination and cooperation between the state and its local governments. It is logical that this legislative tool should be used preemptively where it concerns the impact of proposed legislation affecting Florida's local governments.

Legislative and Staff Training

Recommendation: A primary foundation for effective legislation affecting Florida's local governments is Legislators possessing a solid grounding in their issues, function, and structure. It is recommended that the legislature add local government issues, functions, and structures, to the training provided to newly elected Members and add or enhance the training for staff regarding mandates and the preparation of fiscal impacts to local governments.

Background: Legislators that have been provided a thorough overview of the purposes and functions of Florida's local governments are more likely to have a reasoned approach to legislation which will have an impact upon them. They will grasp the issues underlying proposed legislation and perceive questions that must be answered concerning its impact before voting. Legislative staff that has a complete insight into the fiscal structure of local governments will, similarly, perceive the impact of mandates and be able to responsibly report them in their analysis.

Legislative and Staff Research

Recommendation: While enhanced training of Legislators and staff can aide the process that generates effective legislative policy, a complete understanding of local government issues, processes, structures, and functions can take years to develop. To provide immediate access to an effective knowledge base, it is recommended that the legislature consider the use of the Center for Florida Local Government Excellence (CFLGE) as an independent resource for the accomplishment of research on local government issues for

legislative committees and subcommittees considering local government legislation. In using CFLGE as an independent research resource, a subsidiary benefit will be realized by allowing committee staff to be thoroughly mobile in the legislative staff structure and not tied solely to local government-based legislative issues.

Background: The Center for Florida Local Government Excellence was formed as a cooperative partnership involving the Florida City and County Management Association (FCCMA), the Reubin O'D. Askew School of Public Administration and Policy at Florida State University (FSU), and the John Scott Dailey Florida Institute of Government (IOG). Its Division of Research works with faculty, staff and elected and appointed officials from local governments, state agencies, special districts, and non-profit organizations to research current and emerging Florida Local Government concerns and offer training to Florida local governments to improve efficiency and address challenges facing this level of government. The training programs and research projects utilize the expertise of faculty members and practitioners in a variety of disciplines to meet specific Florida needs. The Center also serves as a central clearinghouse and information referral source for state and local governments and publishes and disseminates statewide its original research and studies.

Appendix

Table: Timeline of Tax Clauses in Florida Constitutions

Constitution	Year	Section	Authorization for
1838	1838	Article VIII	Authorizes General Assembly to develop an "equal and uniform mode of taxation, to be general throughout the State," and to allow same for cities and counties.
1861	1861	Article IV, Section 22	General Assembly authorized to tax the lands and slaves of non-residents higher than the like property of residents.
1865	1865	Article VIII, Section V	Authorizes a "capitation tax."
1868	1868	Article VIII	Creates a "common school fund" supported by 1 mill on the dollar of all taxable property. Allocated to counties based on numbers of children. Requires counties to provide funding not less than half of what they receive for schools from the state.
1868	1868	Article IX	Exempts homesteads (up to $1,000) from forced sale due to debts, including tax debts.
1868	1868	Article XII	Limits capitation tax to $1 for each unit of government (state, county, city).
1868	1868	Article XII	Authorizes state to issue bonds.
1868	1875	Article XII, Section 7	Prohibits state from pledging its credit to individuals or corporations.
1868	1875	Article XVI, Section 24	Corporate Property Tax.

1885	1885	Article IX, Section 5	Authorizes poll tax (making payment of capitation tax a prerequisite for voting).
1885	1885	Article IX, Section 6	Allows issuance of State bonds only for the purpose of repelling invasion or suppressing insurrection.
1885	1885	Article IX, Section 9	$200 homestead exemption for widows and disable.
1885	1916	Article IX, Section 9	$500 homestead exemption for widows and disabled.
1885	1924	Article IX, Section 11	$500 homestead exemption for all households.
1885	1924	Article IX, Section 1	Taxes on intangible property, with authorization for varying rates up to 5 mills on the dollar.
1885	1930	Article IX, Section 6	Allows counties, cities, and districts to issue bonds, contingent up majority approval in an election.
1885	1930	Article IX, Section 12	Exempts various manufacturing industries from taxation until 1948.
1885	1930	Article IX, Section 11	Inheritance tax.
1885	1930	Article IX, Section 13	Motor vehicles license tax (in lieu of property tax on vehicles).
1885	1934	Article IX, Section 14	Motion picture studios exempted from taxation until 1943.
1885	1938	Article IX, Section 2	Authorized Legislature to raise taxes for public education and higher education.
1885	1940	Article IX, Section 2	Prohibits state from levying property tax for state purposes except on intangible property.
1885	1940	Article IX, Section 15	Authorizes Legislature to distribute revenues from excise taxes on pari-mutuel pools to the counties.
1885	1940	Article IX, Section 9	Restricted $500 homestead exemption to widows and disabled.

1885	1942	Article IX, Section 16	Created "State Road Distribution Fund" with 2 cents from gas tax earmarked for roads. Created State Board of Administration to manage the fund.
1885	1944	Article IX, Section 1	Authorized intangibles tax to be raised to 2 mills on the dollar to be paid at deed recordation.
1885	1963	Article IX, Section 17	Authorizes a State Lands Acquisition Trust Fund to be supported by revenue bonds and taxes.
1885	1964	Article IX, Section 13	Lets motor vehicles license tax be set by Legislature.
1885	1966	Article IX, Section 14A	Allows "stock in trade or inventory and livestock" to be exempted in part from ad valorem taxation as personal or tangible property as the legislature may prescribe by general law.
1968	1968	Article VII, Section 1	All forms of taxation other than ad valorem on real property shall be preempted to the state except as provided by general law.
1968	1968	Article VII, Section 3	Allows legislature to exempt property of households (at least $1,000) and disabled (at least $500).
1968	1968	Article VII, Section 4	Agricultural land to be taxed at use value. Allows stock in trade to be taxed at a percentage of value.
1968	1968	Article VII, Section 5	Limits taxes on estates, inheritances, and incomes to the amount which may be from any similar tax levied by the United States or any state.

1968	1968	Article VII, Section 6	$5,000 homestead exemption. Allows also $10,000 homestead exemption for homeowners 65 and older.
1968	1968	Article VII, Section 9	10 mill limit on counties, cities, and school districts.
1968	1970	Article VII, Section 14	Allows state bonds to be issued for water and air pollution abatement and landfills without elections.
1968	1971	Article VII, Section 5	Allows net income tax on corporations up to 5% percent unless 3/5ths vote in Legislature approves higher than 5%.
1968	1972	Article VII, Section 5	Authorizes revenue bonds to establish a fund for student loans.
1968	1974	Article VII, Section 10	Authorizes cities and counties to issue revenue bonds.
1968	1976	Article VII, Section 9	Sets millage limits for water management purposes for the northwest portion of the state (0.05 mill) and for the rest of the state (1 mill).
1968	1980	Article VII, Section	Second gas tax of 2 cents.
1968	1980	Article VII, Section 9	Homestead exemption of $25,000 for school district levies. $10,000 exemption for all other levies for residents 65 and older.
1968	1980	Article VII, Sections 6 and 8	$25,000 homestead exemption for all levies effective 1982.
1968	1980	Article VII, Section 16	Allows revenue bonds to be issued for housing and housing refinance without elections.

1968	1980	Article VII, Section 3	Authorizes counties and cities to grant "community and economic development ad valorem tax exemptions" to new businesses and expansions of existing businesses, if approved in an election.
1968	1980	Article VII, Section 3	Allows ad valorem tax exemption for renewable energy sources.
1968	1980	Article VII, Section 14	Allows state bonds to be issued for water and air pollution abatement and landfills without elections.
1968	1984	Article VII	Exemption of homesteaded property up to $1,000 from forced sale.
	1984		Bonds for state capital outlay.
	1984		Authorized the continuation of public education capital outlay bonds for the construction of public school and higher education buildings.
1968	1986	Article X, Section 15	Authorizes state-operated lottery with net proceeds to go to State Education Trust Fund.
1968	1988	Article VII, Section 3	Extends exemption for widows to widowers.
	1988		Tax and Budget Reform Commission.
	1988	Article VII, Section 4	Allows aquifer recharge lands to be assessed at use value.
	1988	Article VII, Section 17	Authorizes general obligation bonds for road and bridge construction.
	1990	Article VII, Section 18	Prohibits unfunded mandates except with 2/3rds vote of Legislature.
	1992	Article VII, Section 3	Allows exemptions for historic property.

	1992	Article VII, Section 9	Authorizes cities and counties to levy up to a 1 cent sales tax, earmarked for local government services.
	1992	Article VII	Save our homes amendment limiting rise in valuations for homesteaded property to 3% per year or CPI, which ever is least.
	1994	Article VII, Section 1	Limits state revenue collections to the prior year's revenue plus an adjustment for growth, with excess collections deposited in the budget stabilization fund until fully funded and then refunded to taxpayers.
	1996		Requires 2/3rds popular vote for constitutional amendments that impose new state taxes or fees.
	1998	Article VII, Section 6	Second $25,000 homestead exemption for low income seniors.
	1998	Article V, Section 14	State funding for the court system.
	2002		Exemption for home additions for aged parent or spouse.
	2004		Miami-Dade and Broward slot machines.
	2007		Save Our Homes portability. Raises Homestead Exemption to $50,000.

Table: Proposed Constitutional Amendments, 1969 - 2007

	Year	Source	Summary	Outcome
1	1969	Legislature	Bonds for Higher Education	Pass
2	1970	Legislature	Article V	Fail
3	1970	Legislature	Term of Office for House	Fail
4	1970	Legislature	Voting Age	Fail
5	1970	Legislature	Legal Majority at 18	Fail
6	1970	Legislature	Bonds for Sewerage	Pass
7	1970	Legislature	School Construction Bonds	Fail
8	1970	Legislature	Sovereignty Lands`	Pass
9	1971	Legislature	Corporate Income Tax	Pass
10	1972	Legislature	Motor Vehicle License Tax	Pass
11	1972	Legislature	Homestead	Pass
12	1972	Legislature	Bonds for College	Pass
13	1972	Legislature	Initiative Amendment	Pass
14	1972	Legislature	Florida Court Structure	Pass
15	1972	Legislature	Bonds	Pass
16	1972	Legislature	Environmental Bonds	Pass
17	1974	Legislature	Capital Outlay Projects	Pass
18	1974	Legislature	Motor Fuel Bonds	Fail
19	1974	Legislature	Judicial Qualifications Comm	Pass
20	1974	Legislature	Game & Fish Commission	Pass
21	1974	Legislature	Protection of Handicapped	Pass
22	1974	Legislature	Pledging Public Credit	Pass
23	1974	Legislature	Tax Assessor Name Change	Pass
24	1976	Legislature	Bonds	Fail
25	1976	Initiative	Public Disclosure Initiative	Pass
26	1976	Legislature	Merit Selection & Retention	Pass
27	1976	Legislature	Judicial Qualifications Comm	Pass
28	1976	Legislature	Water Management	Pass
29	1976	Legislature	Administrative Rules	Fail
30	1976	Legislature	Capitol and Mansion Comm	Fail
31	1976	Legislature	Bonds	Fail
32	1976	Legislature	Retirement	Pass
33	1976	Legislature	State Employees	Fail
34	1978	CRC	Finance and Taxation	Fail
35	1978	CRC	Circuit Court Judges	Fail
36	1978	CRC	Legislative	Fail
37	1978	CRC	Education	Fail
38	1978	CRC	CRC Basic Document	Fail
39	1978	CRC	PSC	Fail
40	1978	CRC	Abolition of Cabinet	Fail
41	1978	CRC	Declaration of Rights	Fail
42	1978	Initiative	Casino Gambling	Fail
43	1980	Legislature	Water Facilities St. Bonds	Pass
44	1980	Legislature	Bonds for Housing	Pass

45	1980	Legislature	Jurisdiction of Sup. Ct.	Pass
46	1980	Legislature	Passage of Bills	Pass
47	1980	Legislature	Abolishing CRC	Fail
48	1980	Legislature	Right of Privacy	Pass
49	1980	Legislature	Homestead Exemption	Pass
50	1980	Legislature	Homestead Exemption	Pass
51	1980	Legislature	Renewable Energy Source	Pass
52	1980	Legislature	Tax Assessment of Agric.	Pass
53	1980	Legislature	Economic Development Tax Exe	Pass
54	1980	Legislature	2nd Gas Tax	Pass
55	1982	Legislature	Search and Seizure	Pass
56	1982	Legislature	Pretrial Release & Detention	Pass
57	1984	Legislature	Public Education Capital Out	Pass
58	1984	Legislature	St. Capital Projects Bonds	Pass
59	1984	Legislature	Procedures of the JNC	Pass
60	1984	Legislature	Disbursement of State funds	Pass
61	1984	Legislature	Legislative speech and debate	Fail
62	1984	Legislature	Homestead Exemption	Pass
63	1984	Legislature	Eligibility for County Court	Pass
64	1984	Legislature	Election of Co. Comm.	Pass
65	1986	Initiative	Lottery	Pass
66	1986	Legislature	Statewide Prosecutor	Pass
67	1986	Legislature	Sup.Ct. Advisory Plans	Pass
68	1986	Initiative	Casino Gambling	Fail
69	1986	Legislature	Homestead	Fail
70	1988	Legislature	Road & Bridge Const. Bonds	Pass
71	1988	Legislature	Civil Traffic Hrg. Officers	Pass
72	1988	Legislature	Dept. of Veterans Affairs	Pass
73	1988	Legislature	Tax & Budget Comm.	Pass
74	1988	Legislature	Trial Judge Office Term	Fail
75	1988	Legislature	Rights of Crime Victims	Pass
76	1988	Initiative	English Only	Pass
77	1988	Initiative	Liability Cap on Damages	Fail
78	1988	Legislature	Tax Exemption	Pass
79	1988	Legislature	Assessment of highwater rech	Pass
80	1988	Legislature	Impeachment of Co. Judges	Pass
81	1990	Legislature	Local Expenditures and Revenue	Pass
82	1990	Legislature	Open Government	Pass
83	1990	Legislature	Legislative Session	Pass
84	1990	Legislature	Handgun Waiting period	Pass
85	1992	TBRC	Bonds	Pass
86	1992	TBRC	Appropriations Act	Pass
87	1992	Initiative	Term Limit Initiative	Pass
88	1992	Legislature	General Elections	Pass
89	1992	TBRC	Taxpayer Bill of Rights	Pass
90	1992	Legislature	Access to Public Records	Pass
91	1992	Legislature	Tax Exemptions	Pass

92	1992	Legislature	Tax Exemption	Pass
93	1992	Initiative	Homestead Initiative	Pass
94	1992	TBRC	One-cent Sales Tax	Fail
95	1994	Legislature	State Revenue Collection	Pass
96	1994	Legislature	Term of Regular Session	Pass
97	1994	Initiative	Multiple Subject	Pass
98	1994	Initiative	Marine Net Fishing	Pass
99	1994	Initiative	Limited Casino	Fail
100	1996	Initiative	Tax Limitation	Pass
101	1996	Initiative	Everglades Abatement	Pass
102	1996	Initiative	Everglades Trust Fund	Pass
103	1996	Initiative	Sugar Fee for Everglades	Fail
104	1996	Legislature	Judiciary	Pass
105	1996	Legislature	CRC	Pass
106	1998	Legislature	Preserve death penalty	Pass
107	1998	CRC	Public education of children	Pass
108	1998	CRC	Election process revision	Pass
109	1998	CRC	Restructure state cabinet	Pass
110	1998	CRC	Basic rights	Pass
111	1998	Legislature	Seniors homestead exemption	Pass
112	1998	CRC	State funding for courts	Pass
113	1998	Legislature	Hist prop tax exemption	Pass
114	1998	CRC	Creation of fish and wildlife	Pass
115	1998	Legislature	Records in branch offices	Pass
116	1998	CRC	Local option gun control	Pass
117	1998	CRC	Citizen access to local office	Fail
118	1998	CRC	Misc	Pass
119	2000	Initiative	High speed rail	Pass
120	2002	Legislature	Econ impact statements	Pass
121	2002	Legislature	Sunshine ex extraord maj	Pass
122	2002	Legislature	Preserve death penalty 2	Pass
123	2002	Initiative	Board of Regents	Pass
124	2002	Initiative	Pre-K program	Pass
125	2002	Initiative	Class size	Pass
126	2002	Initiative	No smoking pub bldgs	Pass
127	2002	Initiative	Animal cruelty (preg pigs)	Pass
128	2002	Legislature	Add-on quarters exemption	Pass
129	2002	Legislature	Dade Charter propose via leg	Fail
130	2004	Legislature	Earlier submission of citizen initiative	Pass
131	2004	Initiative	Repeal high speed rail	Pass
132	2004	Initiative	Patients right to know med mal	Pass
133	2004	Initiative	Minimum wage	Pass
134	2004	Initiative	Protection from repeated med mal	Pass
135	2004	Legislature	Parental notification of minor's abortion	Pass
136	2004	Initiative	70% of med mal awards to victims	Pass
137	2004	Initiative	Slots at Dade-Broward parimutuals	Pass
138	2006	Initiative	Protect people, especially youth	Pass

139	2006	Legislature	State planning/budget process	Pass
140	2006	Legislature	Require 60% for amendments	Pass
141	2006	Legislature	Prop tax discount for disabled vets	Pass
142	2006	Legislature	Increase homestead exemption	Pass
143	2006	Legislature	Eminent domain	Pass
144	2008	Legislature	Assessment limit portability	Pass