

Florida's state budget for fiscal year 2005-2006 is roughly \$64.7 billion.

That's approximately:

\$1,239,972,580 per week

\$177,138,940 per day

\$7,380,789 per hour

\$123,013 per minute

\$2,050 per second!

What can Floridians do to keep state spending from sky rocketing in the future?

Adopt a **Taxpayer's Bill of Rights** to cap spending and put control over the state and local budget totals into the hands of taxpayers.

A meaningful Taxpayer's Bill of Rights should:

- limit growth in state and local budgets to the greater of the combination of population and inflation growth or 3.5%
- require voter approval for any new or increased taxes above the limit
- maintain a budget stabilization and/or emergency fund
- return unexpected surpluses in revenues that exceed the needs of the budget stabilization or emergency fund to the taxpayers
- use previous year's actual appropriations as base for calculating new limit

Florida's taxpayers thought they put a cap on spending in 1994 when they approved a constitutional amendment that limits state revenues to personal income growth.

This measure is flawed in several ways:

- it attempts to limit revenues rather than what really matters – appropriations and expenditures
- it uses personal income growth which is not a relevant indicator of change in needs for government services and therefore should not be used when considering growth in the state budget
- worst of all it uses the allowable limit of the previous year to calculate the current year's limit rather than actual appropriations – this has had the effect (convenient for big spenders) of pushing our limit up and out of reach, essentially “ratcheting up” allowable growth in expenditures.

Imagine imposing an allowance on your teenager, but promising there will always be more than whatever he/she spends. That's not an allowance at all! And Florida's spending cap is *no* cap at all.

In fact, after studying the cap at the time of its adoption in 1994, JMI Senior Fellow Randall Holcombe concluded that had we had the cap in place for the decade preceding its adoption it would have made little to no difference in controlling spending. The cap has had the same impotent effect in the years since. That is why Florida needs a *meaningful* cap on spending in the form of a Taxpayer's Bill of Rights.

Links:

To learn more about Colorado's Taxpayer's Bill of Rights, visit <http://i2i.org/TABOR2003.aspx>

To read Article VII, Section 1(e) of the Florida Constitution (Florida's current spending cap), visit <http://www.leg.state.fl.us/Statutes/index.cfm?Mode=Constitution&Submenu=3&Tab=statutes#A07S01>

To read Randall Holcombe's JMI study: *Florida's Spending Cap: Will it Work?* visit <http://www.jamesmadison.org/article.php/182.html>

To read about the growing support among states for a Taxpayer's Bill of Rights, visit <http://heartland.org/Article.cfm?artId=17322>