



For April 3, 2001

TAX REFORM

[HJR 689](#) by Rep. Rob Wallace (R-Tampa), was approved by the House Judicial Oversight Committee today. The Joint Resolution would require a three-fifths majority vote of the legislators in both the House and the Senate on a bill to raise taxes, or fees, or to repeal a sales tax exemption. Currently, as with any bill, only a simple majority is required for a law to win adoption.

If approved by the House and Senate, the proposed amendment would go to the voters for approval in 2002.

AIF believes this proposal has merit. Tax increases, fee increases and the removal of sales tax exemptions, are in many respects, all too easy for the legislature to adopt when the state's revenues tighten. A two-thirds vote, as opposed to a simple majority, would require the bill's sponsor or sponsors to make a more compelling and considered case for any proposed tax increase, fee increase or sales tax exemption removal. The state government's authority to tax or accrue the money held by businesses or individuals is a tremendous power. The authority should not be executed lightly.

Constitutional Amendments

The House Judicial Oversight Committee adopted HJR 825 by Rep. Andy Gardiner (R-Orlando) today. The bill would require a three-fifths (60 percent) approval by voters to adopt a constitutional amendment. It was developed in the wake of voter approval (53%-47%) of a constitutional amendment last November to require the establishment of a statewide high-speed rail system. If approved by the House and Senate, the proposed amendments would go to the voters for approval in 2002.

As if the adoption of the constitutional amendment by such a bare majority is not enough to cause one to question the whole process, a small percentage of those Florida citizens eligible to vote actually voted. In other words, a very small percentage of Florida's citizens are responsible for amending the state's constitution to mandate the creation of a statewide high-speed rail system.

The Florida Constitution is a document crafted to govern the rights, privileges and governmental authorities for benefit of Florida's citizens. It is an organizing document designed to provide an outline for the governance of Florida's citizens. The actual execution of governance, the establishment of laws and regulatory policy and the assurance that the governance does not exceed the powers granted by the constitution are to be conducted by the governor, the legislature and the courts. In the case of the high-speed rail system, there are exceptional costs

and complex policy questions related to the merits of such a system that far exceed the bare paragraph allotted for such a decision on an election day ballot. The now constitutionally mandated rail system could cost in the tens of billions of dollars. Will Florida's employers have to fund this?

This bill represents an important first step in a necessary debate on the manner in which we amend our state's most important document

Stay tuned to our daily brief and to our web site at www.fbnet.com as the legislature makes some very important decisions on the state's economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF). Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at <http://fbnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.