

The Senate Rules Committee offered the following substitute to SR 594:

A RESOLUTION

Proposing an amendment to the Constitution so as to provide for limitations on state government taxation and expenditures; to provide for a short title; to provide for definitions; to provide for spending limits; to provide for excess revenues; to provide for the authority of the General Assembly with respect to the foregoing; to provide for the submission of this amendment for ratification or rejection; and for other purposes.

BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

The Constitution is amended by adding a new Article IXA to read as follows:

"ARTICLE IXA.

TAXPAYER PROTECTION AMENDMENT OF 2014

SECTION I.

TAX AND EXPENDITURE LIMITATIONS

Paragraph I. *Definitions.* As used in this article, the term:

(1) 'Annual population change' means the most recent available annual percentage change in population for the State of Georgia.

(2) 'Fiscal year' means the state fiscal year specified under Article III, Section IX, Paragraph II(b).

(3) 'Fiscal year spending' means the total amount of moneys appropriated in the General Appropriations Act by the General Assembly and recommended by the Governor as determined by the revenue estimate under Article III, Section IX, Paragraph IV(b) except:

(A) Appropriations funded by moneys received from the federal government;

(B) Appropriations funded by discretionary user charges to the extent that such charges do not exceed the cost of the goods or services;

25 (C) Proceeds of gifts or bequests made for purposes specified by the donor;

26 (D) Lottery funds;

27 (E) Motor fuel tax proceeds;

28 (F) Tobacco settlement funds;

29 (G) Care management organization fees and nursing home provider fees; and

30 (H) Moneys appropriated for homeowner's incentive adjustment tax relief under
31 Article VII, Section IIA.

32 (4) 'Population' means the number of people residing in Georgia, excluding armed
33 forces stationed overseas, as determined by the United States Bureau of the Census.

34 (5) 'State government inflation' means the most recent available annual percentage
35 change in the gross output of state and local governments as defined by the National
36 Income and Product Accounts and determined by the United States Bureau of Economic
37 Analysis.

38 Paragraph II. *Spending limits.* For any fiscal year that commences on or after
39 July 1, 2015, the fiscal year spending as determined by the revenue estimate under Article
40 III, Section IX, Paragraph IV(b) shall not exceed the greater of:

41 (1) The fiscal year spending for any previous fiscal year; or

42 (2) The immediately preceding fiscal year spending adjusted for state government
43 inflation and annual population change.

44 Paragraph III. *Excess revenues.* For any fiscal year that commences on or after
45 July 1, 2015, if revenue from sources not excluded from total state revenues exceeds the
46 limit on total state fiscal year spending calculated in accordance with Paragraph II of this
47 section, for that fiscal year the excess shall be appropriated by vote of the General
48 Assembly and shall first fund increases due to student enrollment for local school systems,
49 then excess revenues shall be used for any combination of one or more of:

50 (1) Transfer to the Revenue Shortfall Reserve to the extent necessary to ensure that the
51 fund balance is equal to 15 percent of the fiscal year spending for the previous fiscal year;
52 and

53 (2) Retirement of existing state general obligation debt.

54 In any year in which the Revenue Shortfall Reserve is greater than 15 percent of the fiscal
55 year spending for the previous fiscal year, the state income tax rate shall be reduced by
56 one-quarter of 1 percent.

57 Paragraph IV. *Spending limit override.* The General Assembly shall be authorized to
58 exceed the limits specified under this article, but only upon the exhaustion of the Revenue
59 Shortfall Reserve and the adoption of a joint resolution by a two-thirds' vote of both houses
60 of the General Assembly voting in a roll-call vote. The General Assembly by law shall set
61 forth the amount of the spending limit override and the method by which it shall be

62 defrayed. In no event shall such expenditures be included in the computation of the
 63 limitation imposed by Paragraph II of this section for any other year.

64 Paragraph V. *Exception for spending required by federal court order.* Nothing in this
 65 article shall apply to or limit spending which is required by order of a federal court.

66 Paragraph VI. *Implementation.* The General Assembly shall enact legislation that may
 67 be necessary to implement and enforce the provisions of this article."

68 **SECTION 2.**

69 The above proposed amendment to the Constitution shall be published and submitted as
 70 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
 71 above proposed amendment shall have written or printed thereon the following:

72 "() YES Shall the Constitution of Georgia be amended so as to provide for
 73 () NO limitations on state government expenditures and reduction in taxation?"

74 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

75 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
 76 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
 77 become a part of the Constitution of this state.