



Office of Missouri State Auditor
Nicole Galloway, CPA

ADMINISTRATION
Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2016

Report No. 2017-033

May 2017

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Conclusions in the review of Article X, Sections 16 through 24

Background

The Constitution of Missouri was amended in 1980 to add Article X, Sections 16 through 24, commonly referred to as the Hancock Amendment. This tax limitation amendment places restrictions on the amount of personal income used to fund state government, and the amount by which fees and taxes can be increased. Mathematical formulas are used by the Office of Administration, Division of Budget and Planning (OA-BP) to determine the relevant threshold amounts each year.

Section 18(a-d) of the Hancock Amendment limits the amount of Missourians' personal income that may be used to fund state government to no greater than the portion used to do so in 1981, when it was 5.6 percent. Because 5.6 percent of Missourians' personal income went to fund state government in 1981, no more than 5.6 percent can be used to do so in future years, unless revenues are specifically excluded by a vote of the people.

Section 18(e) requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the OA-BP, the relevant annual revenue limit for fiscal year 2016 was \$94.3 million.

Fiscal Year 2016 Conclusions

For the fiscal year ended June 30, 2016, total state revenue was approximately \$4.1 billion under the refund threshold, which means no Hancock refund is due. This revenue limit has not been exceeded since the year ended June 30, 1999.

In addition, the OA-BP determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by up to a total of \$127.7 million, which exceeds the tax and fee increase revenue limit of \$94.3 million. The projected net increase does not include 9 bills for which the Section 18(e) fiscal impact could not be projected. If the fiscal note fiscal impact projections materialize, the Section 18(e) revenue limit would be exceeded for the 2016 legislative session. Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. This is the first year the limit has been projected to be exceeded since the law went into effect in 1996.

Because of the limited objective of this review, no overall rating is provided.

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Review of Article X, Sections 16 Through 24, Constitution of Missouri

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

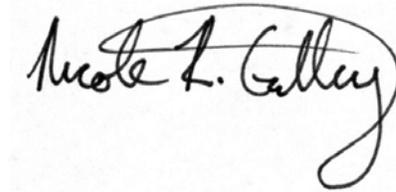
We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2016, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We had previously reported on revenues of the state for the years ended June 30, 1982 through 2015. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formulas to calculate the state's revenue limits.
2. Determine the specific items included in total state revenue.
3. Verify the accuracy of the revenue limit computations and compare the limits to total state revenue and projected tax and fee increases from legislative actions.
4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing data and reports from the statewide accounting system.

The Executive Summary and the Background, Methodology, and Conclusions present our comments and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA
Audit Manager:	Jeffrey Thelen, CPA, CISA
Audit Manager:	Robyn Vogt, M.Acct., CPA

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Executive Summary

Executive Summary

The amendment, commonly referred to as the Hancock Amendment, limits annual state revenues, and tax and fee increases.

Total State Revenue (TSR) Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

For the year ended June 30, 2016, total state revenue (TSR) was approximately \$4.1 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2016. This revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years, the amount of TSR under the refund threshold has ranged from \$3.6 billion to \$4.1 billion.

Tax and fee increases Section 18(e)

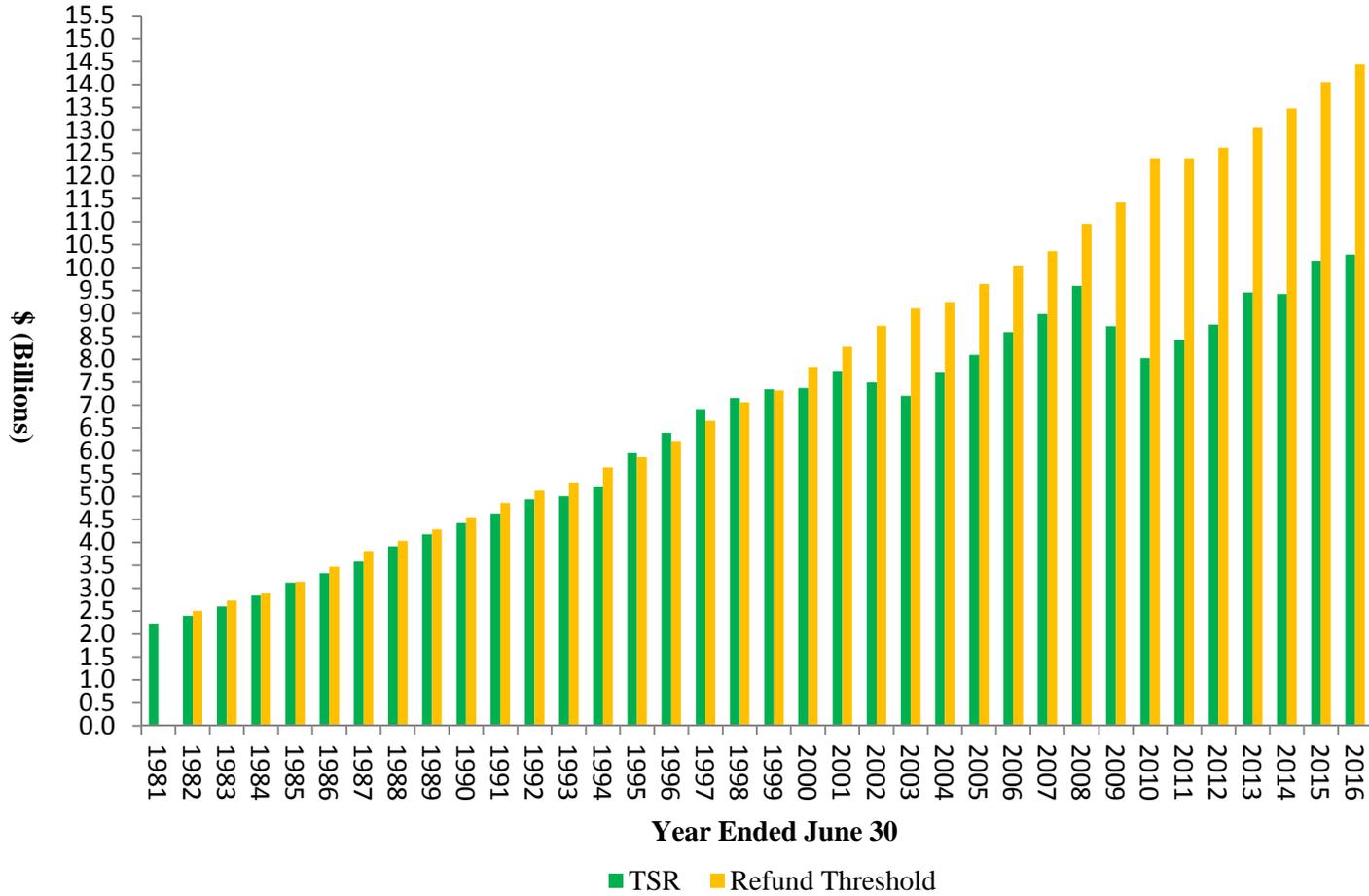
Section 18(e) of the Hancock Amendment states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less.

For the year ended June 30, 2016, the Office of Administration, Division of Budget and Planning (OA-BP) determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by up to a total of \$127.7 million, which exceeds the tax and fee increase revenue limit of \$94.3 million. The projected net increase does not include 9 bills for which the Section 18(e) fiscal impact could not be projected. If the fiscal note fiscal impact projections materialize, the Section 18(e) revenue limit would be exceeded for the 2016 legislative session.

Actual compliance with the Section 18(e) revenue limit is determined by measuring the aggregate actual new annual revenues produced in the first fiscal year each tax and fee increase and decrease is fully effective. This is the first year the limit has been projected to be exceeded since the law went into effect in 1996.

A bar graph of TSR compared to the refund threshold follows:

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 CHART OF TOTAL STATE REVENUE VERSUS REFUND THRESHOLD



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5, which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment is commonly referred to as the Hancock Amendment.

This review addresses the components of the amendment that relate to state revenues, primarily the requirements outlined in Section 18(a-d) which limit annual state revenues and Section 18(e) which limits tax and fee increases.

Total State Revenue Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires annual total state revenue limits. The amendment limits the amount of personal income that may be used to fund state government to no greater than the portion used to do so in 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

The Office of Administration, Division of Budget and Planning (OA-BP) calculates annual total state revenue (TSR), revenue limits, refund thresholds, and refund amounts.

Calculation

The table below summarizes the calculated TSR, revenue limits, refund thresholds, and refund calculations for the 5 years ended June 30, 2016.

	Year Ended June 30,				
	2012	2013	2014	2015	2016
	(in millions)				
TOTAL STATE REVENUE (TSR)					
Total revenues	\$ 24,304.54	24,736.17	24,616.14	25,845.98	26,737.22
Less excluded revenue	(14,220.97)	(14,050.75)	(13,878.69)	(14,442.15)	(15,019.33)
Less expenditure refunds	(1,342.75)	(1,240.31)	(1,328.25)	(1,278.49)	(1,459.78)
Add refundable tax credits	14.85	17.21	19.19	24.22	29.83
TSR	\$ 8,755.67	9,462.32	9,428.39	10,149.56	10,287.94
REVENUE LIMIT AND REFUND THRESHOLD					
Missouri personal income (MPI)	\$ 220,635.00	228,218.00	235,661.00	245,771.39	252,482.44
Base year ratio (BYR)	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	12,442.71	12,870.35	13,290.10	13,860.28	14,238.75
Judicial article amendment	50.53	51.50	51.86	52.42	52.70
Revenue limit	12,493.24	12,921.85	13,341.96	13,912.70	14,291.45
1 percent adjustment	124.93	129.22	133.42	139.13	142.91
Refund threshold	\$ 12,618.17	13,051.07	13,475.38	14,051.83	14,434.36
REFUND CALCULATION					
TSR	\$ 8,755.67	9,462.32	9,428.39	10,149.56	10,287.94
Less refund threshold	12,618.17	13,051.07	13,475.38	14,051.83	14,434.36
Over (under) threshold	(3,862.50)	(3,588.75)	(4,046.99)	(3,902.27)	(4,146.42)
1 percent adjustment	0.00	0.00	0.00	0.00	0.00
Refund	\$ 0.00	0.00	0.00	0.00	0.00



Review of Article X, Sections 16 Through 24,
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The calculation shows for the year ended June 30, 2016, TSR was approximately \$4.1 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2016. This revenue limit has not been exceeded since the year ended June 30, 1999.

Revenue limit formula

The OA-BP calculated the 1981 base year ratio of personal income to TSR as 5.6 percent, and uses this ratio to calculate annual revenue limit.

Section 18(a) establishes the revenue limit formula as follows:

$$\begin{array}{l} \text{Revenue limit} \\ \text{for fiscal year} \\ \text{(FY) 20XX} \end{array} = \frac{\text{Total state revenue (TSR)} \\ \text{in FY 1981}}{\text{CY 1979 Missouri} \\ \text{personal income (MPI)}} \times \begin{array}{l} \text{The greater of MPI in the} \\ \text{calendar year (CY) prior} \\ \text{to the CY in which} \\ \text{appropriations are made} \\ \text{for FY 20XX or Average} \\ \text{MPI for 3 CYs preceding} \\ \text{FY 20XX.} \end{array}$$

The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) sets the revenue limit to ensure no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment.

The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC). The OA-BP uses the MPI first officially published by the DOC after the close of the calendar year to calculate the revenue limit for the applicable fiscal year. The OA-BP does not adjust the MPI used in the BYR or the second part of the formula for subsequent adjustments to the MPI by the DOC. Section 17(2) refers to ". . . total income . . . as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests the revenue limit should be recalculated each time the MPI is adjusted by the DOC. For example, the BYR would be adjusted whenever the CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI provides at least two benefits. First, by having a consistent and unchanging BYR, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a



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refund where one previously was not due. Therefore, we find this approach reasonable so long as it is followed consistently.

The BYR was calculated by the OA-BP as follows (dollar amounts are in millions):

$$\frac{\$2,232,204,096}{\$ 39,581.0} = .05639584891$$

In its calculations of the revenue limit, the OA-BP rounded the BYR to .056395. To determine the revenue limit for the fiscal year, this amount is multiplied by the MPI in the calendar year preceding the calendar year in which appropriations were made for the fiscal year or the average MPI for the 3 calendar years preceding the fiscal year. For the fiscal year 2016 revenue limit calculation, the OA-BP used the CY 2014 MPI that was greater than the average MPI for the preceding 3 calendar years.

Adjustments

Section 18(d) provides the revenue limit may be adjusted, ". . . if responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, which was effective on July 1, 1981. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that this adjustment to the revenue limit is appropriate.

Refund threshold

Section 18(b) allows the state to exceed the revenue limit by less than 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

TSR

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.



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TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and received by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not included in TSR. These funds include university local funds; local sales and use tax fund collections made by the Department of Revenue; various funds held in trust for inmates, patients, etc.; and various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and were not appropriated. Thus, it seems reasonable to conclude these funds should not be included in TSR.

From the revenue amounts obtained from SAM II, 6 funds are entirely excluded and 25 types of revenues are excluded to arrive at TSR, as defined in Section 17(1). These excluded funds and revenue types, and other exclusions and limits considered to arrive at TSR are described at Appendix C. A detailed schedule of SAM II revenue, adjustments for excluded funds and revenue types and other exclusions and limits, and resulting TSR for the 5 years ended June 30, 2016, is shown at Appendix A.

Tax and Fee Increases Section 18(e)

A 1996 amendment added Section 18(e) to the Hancock Amendment which imposes an additional revenue limit on tax and fee increases.

Section 18(e) states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less. Sections 18(e) and 23 provide any taxpayer can bring suit in a court of law to enforce the provisions of the Hancock Amendment.

The OA-BP calculates the limits and monitors new legislation for tax and fee increases and decreases. The OA-BP's Section 18(e) calculations, spreadsheets, and support for fiscal year 2016 are at Appendix F.

Calculation

The following table summarizes the OA-BP's annual projected net increases/decreases from legislative actions based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, calculated revenue limits, and projected amounts over/under revenue limits for the 5 years ended June 30, 2016.



Review of Article X, Sections 16 Through 24,
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	Year Ended June 30,				
	2012	2013	2014	2015	2016
LEGISLATIVE ACTIONS*					
Net tax and fee increases/decreases	\$ (1,296,951)	28,637,998	At least (619,541,539)	(20,823,150)	Up to 127,712,253
REVENUE LIMIT					
By MPI growth	\$ 103,157,003	106,086,662	110,160,390	115,701,458	117,529,541
By 1 percent of TSR	\$ 80,225,205	84,244,171	87,556,705	94,623,204	94,283,895
Revenue limit (lesser amount)	\$ 80,225,205	84,244,171	87,556,705	94,623,204	94,283,895
DIFFERENCE					
Over (under) limit	\$ N/A	(55,606,173)	N/A	N/A	Up to 33,428,358

* Legislative action amounts do not include bills for which Section 18(e) fiscal impact could not be projected.
 N/A For fiscal years 2012, 2013, and 2015, the projections showed a net decrease in taxes and fees.

For the year ended June 30, 2016, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by up to a total of \$127.7 million, which exceeds the tax and fee increase revenue limit of \$94.3 million. As noted in the Legislative actions section, the projected net increase does not include 9 bills for which the Section 18(e) fiscal impact could not be projected. If the fiscal note fiscal impact projections materialize, the Section 18(e) revenue limit would be exceeded for the 2016 legislative session. As noted in the Compliance section below, actual compliance can be determined after each bill is fully effective. This is the first year the limit has been projected to be exceeded since the law went into effect in 1996.

Revenue limit formula

Section 18(e) establishes the revenue limit as the lesser of (1) \$50 million adjusted annually by the percentage change in MPI for the second previous year, or (2) 1 percent of TSR for the second fiscal year prior to the legislative session.

For fiscal year 2016, the OA-BP calculated the MPI growth limit at \$117.5 million by multiplying the fiscal year 2015 MPI growth limit (\$115.7 million) by the percentage change in the MPI for fiscal year 2014 (1.58%). The OA-BP calculated the TSR limit at \$94.3 million by multiplying the fiscal year 2014 TSR (\$9.43 billion) by 1 percent. The revenue limit was established at the lessor of these amounts, or the TSR limit of \$94.3 million.

Legislative actions

After each legislative session, OA-BP personnel prepare a spreadsheet to quantify the potential fiscal impact of tax and fee increases and decreases from legislation enacted during the session. In accordance with Section



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18(e), the OA-BP includes each House Bill and Senate Bill truly agreed and finally passed during the session, except bills vetoed by the governor and not overridden by the general assembly, and the estimated fiscal impact amount. The OA-BP determines estimated Section 18(e) fiscal impact amounts by compiling information and amounts in fiscal notes for each bill. The fiscal notes are prepared by the Oversight Division with input from state agencies and local political subdivisions. In accordance with Section 18(e), the OA-BP compiles an amount for the first fiscal year the bill is fully effective. For most bills with Section 18(e) fiscal impact, the OA-BP determines an increase or decrease amount based on information in the fiscal note. For some bills, the fiscal note indicates the fiscal impact is "unknown." Accordingly, the OA-BP lists "unknown," rather than a dollar amount, in the legislative actions spreadsheet for these bills. OA-BP personnel indicated they did not attempt to develop a more precise estimate for this calculation because in some cases, it is not possible to quantify the potential impact of the legislation. The legislative actions spreadsheet contains a net total tax and fee increase/decrease for all bills combined, which is compared to the calculated revenue limit to determine potential Section 18(e) compliance. The netting of the tax and fee increases and decreases is reasonable and in compliance with the amendment language.

The OA-BP legislative actions spreadsheet for the fiscal year 2016 legislative session included 115 bills, 27 of which the OA-BP determined had potential Section 18(e) fiscal impact. The following table summarizes the information contained in the OA-BP legislative actions spreadsheet for the 27 bills with potential Section 18(e) fiscal impact. None of the listed bills was submitted for public vote.



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2016 Legislative Session
 Bills with Section 18(e) Fiscal Impact*

Bill Number	Bill Description	Amount for First Fully Effective Year**		
		State Section 18(e) Impact	Local Section 18(e) Impact	Total Section 18(e) Impact
HB1435	Modifies current provisions regarding sales tax refund claims	\$ (Minimal)	0	(Minimal)
HB1599	Establishes procedures for an adopted person to obtain a copy of his or her original birth certificate	Unknown	0	Unknown
HB1681	Exempts yoga training courses, programs, or schools from provisions of law regulating proprietary schools	(2,500)	0	(2,500)
HB1816	Adds provisions relating to the maintenance of licensure of physicians	10,000	0	10,000
HB1941	Provides licensing and taxation for daily fantasy sports games	Unknown	0	Unknown
HB2030	Authorizes a tax deduction equal to fifty percent of the capital gain resulting from the sale of employer securities to certain Missouri stock ownership plans	(Up to 10,300,000)	0	(Up to 10,300,000)
HB2194	Changes the laws regarding insurance policy renewal so that insurers are no longer required to nonrenew when transferring a policy to an affiliate	10,000	0	10,000
HB2380	Allows owners of personal motor vehicles and owners of commercial motor vehicles licensed in excess of twelve thousand pounds to apply for special personalized license plates	11,790,928	3,386,054	15,176,982
HB2381	Changes the laws regarding mine property	Minimal	0	Minimal
SB0572	Modifies municipal ordinance violation calculation for annual general operating revenue limits	0	(Unknown)	(Unknown)
SB0588	Modifies provisions relating to petitions for the expungement of criminal records	Up to 154,299,250	0	Up to 154,299,250
SB0641	Creates an income tax deduction for payments received as part of a program that compensates agricultural producers for losses from disaster or emergency	(Unknown)	0	(Unknown)



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Bill Number	Bill Description	Amount for First Fully Effective Year**		
		State Section 18(e) Impact	Local Section 18(e) Impact	Total Section 18(e) Impact
SB0656	Modifies provisions relating to county sheriffs, self defense, unlawful use of weapons, and concealed carry permits	0	Unknown/ (Unknown)	Unknown/ (Unknown)
SB0657	Modifies provisions relating to liability for the use of incompatible motor fuel	Up to 1,364,759	0	Up to 1,364,759
SB0664	Modifies corporate registration report requirements for authorized farm corporations and family farm corporations	(16,358)	0	(16,358)
SB0665	Modifies provisions relating to agriculture	(2,000,000)	0	(2,000,000)
SB0700	Modifies the law relating to workers' compensation premium rates and volunteer fire associations	(830,880)	0	(830,880)
SB0786	Modifies the law relating to the prosecution of election offenses	Unknown	0	Unknown
SB0794	Creates a sales tax exemption for parts of certain types of medical equipment	(Could exceed 400,000)	(Could exceed 100,000)	(Could exceed 500,000)
SB0814	Allows an individual to deduct income earned through active military duty from their Missouri adjusted gross income	(Could exceed 3,600,000)	0	(Could exceed 3,600,000)
SB0823	Modifies provisions relating to taxation	(Minimal)	(Unknown)	(Unknown)
SB0861	Modifies provisions relating to transportation facilities	(Could exceed 6,688,000)	0	(Could exceed 6,688,000)
SB0919	Modifies provisions relating to intoxicating liquor	Minimal	0	Minimal
SB0988	Modifies provisions relating to health care providers	Unknown	0	Unknown
SB0994	Changes the laws regarding alcohol	54,000	135,000	189,000
SB0997	Establishes several provisions relating to higher education	Unknown	0	Unknown
SB1025	Exempts instructional classes from sales tax	(9,700,000)	(9,700,000)	(19,400,000)
Total, excluding 9 bills for which the Section 18(e) fiscal impact is unknown		Up to \$ 133,991,199	(6,278,946)	Up to 127,712,253

* Bills the OA-BP determined to have no Section 18(e) fiscal impact were excluded from this summary.

** For bills Section 18(e) fiscal impact could not be determined, the OA-BP indicated "unknown."



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Senate Bill 588

The bill with the most revenue impact for the 2016 legislative session is Senate Bill 588, which was truly agreed and finally passed on May 11, 2016 and becomes effective January 1, 2018. This bill revises state law regarding expungement of criminal records of specified offenses. The bill increases the fee for petitions for expungement of records from \$100 to \$250; increases the types of offenses for which records can be expunged; and decreases the waiting time before individuals can file a petition for expungement, from 20 years to 7 years for felonies and from 10 years to 3 years for misdemeanors.

To prepare the related fiscal note and estimate the fiscal impact of Senate Bill 588, the Department of Public Safety - Missouri Highway Patrol estimated 955,954 individuals within the state Criminal History System and 10,432,044 arrest records within the Traffic Arrests System met the criteria to file a petition for expungement. Using these estimates and assumptions regarding the percentage of petitions that will be filed (10 percent for the Criminal History System and 5 percent for the Traffic Arrests System), the Oversight Division projected the average annual number of expungements could be up to 617,197 and the related fees could total up to \$77,149,625 for the 6-month period January to June 2018, and up to \$154,299,250 for fiscal year 2019, the first year the legislation is fully effective. Accordingly, the OA-BP included "up to \$154,299,250" in the fiscal year 2016 legislative actions spreadsheet. Actual fiscal impact of this bill can be determined in July 2019, after the conclusion of fiscal year 2019.

Correspondence with the OA-BP

Following our review of the OA-BP's fiscal year 2016 Section 18(e) calculations, spreadsheets, and support, and because this is the first year the limit has been projected to be exceeded, we requested the OA-BP provide any additional detailed information, materials, or documents supporting the projected fiscal impact for the fiscal year 2016 legislative session. OA-BP officials responded they did not have any additional information to provide and their analysis is based on the official fiscal note for each bill. The OA-BP's fiscal year 2016 Section 18(e) calculations, spreadsheets, and support; our letter to the OA-BP; and OA-BP's response are at Appendix F.

Compliance

Section 18(e)(4) provides compliance with Section 18(e) shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year each individual tax or fee change is fully effective. For the fiscal year 2016 legislative session, actual compliance can be measured after each 2016 legislative session bill is fully effective.

Section 18(e)(5) provides any taxpayer or statewide elected official may bring action under Section 23 of the Hancock Amendment to enforce compliance with the provisions of Section 18(e). For actions brought by any statewide elected official, the Missouri Supreme Court shall have original



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jurisdiction. In such enforcement actions, the court shall invalidate the taxes and fees that should have received a public vote. The court shall order remedies in the amount of excess revenues collected, such as refunds or reductions in future taxes and/or fees.

Conclusions

TSR

For the year ended June 30, 2016, TSR was approximately \$4.1 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2016. This revenue limit has not been exceeded since the year ended June 30, 1999.

Tax and Fee Increases

For the year ended June 30, 2016, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by up to a total of \$127.7 million, which exceeds the tax and fee increase revenue limit of \$94.3 million. The projected net increase does not include 9 bills for which the Section 18(e) fiscal impact could not be projected. If the fiscal note fiscal impact projections materialize, the Section 18(e) revenue limit would be exceeded for the 2016 legislative session.

Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. This is the first year the limit has been projected to be exceeded since the law went into effect in 1996.

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2012	2013	2014	2015	2016
1001	Sales and use tax	\$ 1,928,981,152	1,956,108,763	1,977,037,033	2,013,256,448	2,109,630,089
1003	(8) Parks sales and use tax	40,226,069	41,011,615	42,830,073	44,211,573	46,171,505
1005	(7) Soil and water sales and use tax	40,226,073	41,011,618	42,830,077	44,211,575	46,171,508
1007	General revenue reimbursements - local sales and use tax	1,749,610	1,710,168	1,650,259	2,749,261	2,228,574
1009	Motor vehicle sales tax	2,503,662	3,013,954	4,090,999	5,060,318	4,722,745
1009	(24) Motor vehicle sales tax - Amendment 3	188,378,783	200,691,181	264,542,465	287,525,910	300,926,757
1011	(16) Conservation sales and use tax	100,566,000	102,532,262	107,076,440	110,528,741	115,429,774
1013	(2) Proposition C sales and use tax	789,216,003	803,929,533	841,225,588	868,206,165	906,517,715
1015	Sales and use taxes paid under protest	118,018	138,240	217,330	252,144	248,449
1022	Individual income tax	5,851,240,169	6,374,054,124	6,421,715,624	6,904,282,195	7,182,257,124
1024	Individual income taxes paid under protest	31,430	2,322	7,174	6,927	-
1026	Corporate income tax	432,582,659	469,446,717	479,242,902	525,403,403	466,496,555
1028	Corporate income taxes paid under protest	-	38,061	16,571	1,155,831	-
1033	County foreign insurance tax	191,997,525	191,390,872	202,752,455	239,393,674	247,446,081
1037	Worker's compensation insurance tax	13,245,133	14,058,446	15,700,482	17,199,724	17,156,163
1039	Worker's compensation insurance tax - second injury	41,671,672	42,328,061	54,987,065	90,502,981	106,107,160
1041	Excess lines of insurance tax	23,254,218	26,311,783	28,719,999	29,713,178	30,024,860
1049	Heavy beer tax	8,151,881	8,044,713	7,887,262	7,708,889	7,798,378
1053	Liquor tax	20,621,338	21,047,333	21,925,239	22,476,067	22,844,443
1055	Wine tax	5,568,215	5,598,899	5,947,749	6,023,763	6,205,469
1057	Cigarette tax	88,609,043	86,837,985	82,301,596	81,745,445	83,685,975
1059	Tobacco product tax	16,308,821	16,895,556	17,225,212	17,691,619	19,434,019
1060	Motor vehicle fuel tax	393,010,333	400,533,646	395,257,448	393,296,159	400,332,970
1060	(3) Motor vehicle fuel tax	166,913,857	163,022,120	164,058,506	165,022,444	172,484,819
1060	(24) Motor vehicle fuel tax - Amendment 3	148,139,684	144,685,683	145,605,497	146,461,013	153,104,463
1062	Special fuel non-gas tax	270,729	262,158	258,291	566,554	944,100
1062	(24) Special fuel non-gas tax - Amendment 3	148,356	138,610	128,033	128,680	108,038
1064	Aviation fuel tax	295,198	274,827	264,010	252,969	257,088
1070	Corporation franchise tax	70,171,529	56,194,216	61,314,630	32,211,295	19,512,409
1073	Estate tax	170,966	174,751	129,700	92,215	56,183
1074	(12) Bingo tax	2,113,377	2,000,965	1,810,599	1,770,286	1,705,122
1076	(13) Gaming commission gross receipts tax	337,316,302	329,024,116	314,364,443	320,386,965	323,585,514
1079	County private car tax	2	218	83	-	-
1080	Real and personal property tax	26,395,744	26,662,885	26,731,442	27,568,831	28,189,016
1082	Delinquent real and personal property tax	3,013,387	3,232,208	2,994,380	2,696,733	2,702,974
1084	Hazardous waste fees	1,426,033	2,671,827	2,365,426	2,321,743	2,331,512
1086	Miscellaneous taxes protested	-	-	-	536	-
1088	Nursing facility reimbursement allowance	17,009,046	18,111,951	18,329,061	18,022,997	20,891,666
1089	Pharmacy reimbursement allowance	95,230,655	95,070,564	91,412,290	87,807,243	95,736,817
1090	Federal reimbursement allowance	42,381,428	19,305,322	15,956,994	15,380,839	15,806,286
1093	Athletic events tax	159,800	165,508	112,214	129,711	154,464
1094	Ambulance service reimbursement allowance	5,252,545	8,135,233	7,956,001	7,894,871	7,863,496
1095	Surcharges	236,155	189,214	154,948	140,769	132,698
1097	Agency collected sales taxes	205,722	225,236	230,578	214,314	216,632
1098	Telecommunications tax	-	-	-	28	-
1099	Other taxes	285,249	83,390	79,512	44,349	91,624
1100	Professional licenses or permits	25,311,321	29,001,314	27,594,721	29,225,729	26,707,324
1102	Recreational licenses or permits	5,525,790	4,965,053	5,559,494	5,927,972	6,324,511
1106	Motor vehicle licenses or permits	121,364,737	122,181,185	124,206,058	125,787,801	131,250,543
1106	(24) Motor vehicle licenses or permits - Amendment 3	53,890,370	54,681,388	54,180,250	54,865,114	55,461,349
1108	Interstate transportation licenses or permits	50,488,456	48,344,030	50,908,751	53,343,143	56,630,383
1108	(24) Interstate transportation licenses or permits - Amendment 3	22,855,732	21,809,372	23,011,734	24,046,211	25,644,751
1110	Driver's licenses or permits	7,187,607	6,832,517	6,331,641	7,461,353	7,165,485
1110	(24) Driver's licenses or permits - Amendment 3	8,580,448	8,248,271	7,677,449	8,692,977	8,195,615
1112	Land reclamation commission permits	570,035	566,245	601,738	549,999	586,109
1114	Salesman licenses or permits	618,310	740,050	802,435	841,500	1,024,810
1116	Vehicle and boat manufacturer and dealer licenses	877,445	866,356	869,682	875,649	906,202
1118	Liquor licenses or permits	4,964,474	5,035,454	5,308,776	5,122,020	5,358,359
1120	Gaming commission licenses	1,601,155	1,555,913	1,829,568	1,633,790	1,992,445
1124	Motor carrier licenses	2,553,651	2,692,836	2,791,638	2,961,695	2,492,555
1126	Hunting and fishing licenses and commission permits	31,361,102	30,653,188	31,725,219	31,788,573	33,011,845
1127	Hunting and fishing special tags	1,127,630	961,550	1,015,201	1,038,386	1,356,543
1128	Hazardous waste transporter licenses	316,891	281,665	322,289	335,378	343,769

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2012	2013	2014	2015	2016
1130	Water pollution control permits	4,487,263	4,226,907	4,065,386	4,715,396	5,494,736
1132	(24) Overdimension/overweight permits - Amendment 3	8,752,113	8,452,114	9,545,940	9,277,614	9,563,794
1134	Merchant licenses	1,466,297	1,448,958	1,551,865	1,578,713	1,558,949
1136	Tobacco licenses	27,300	27,100	27,000	27,300	27,800
1138	Temporary licenses	1,100	575	375	275	525
1140	Duplicate plates	1,574,829	1,548,829	1,468,228	1,442,386	1,481,181
1142	Duplicate driver license	1,917,506	1,962,246	1,819,152	1,862,866	1,994,714
1149	Other licenses and permits	3,949,879	3,885,485	3,593,531	3,605,389	3,730,385
1149	(24) Other licenses and permits - Amendment 3	1,497,535	1,259,068	1,493,436	1,743,776	1,277,111
1150	Lobbyist registration fees	11,020	11,130	10,920	11,000	11,230
1152	Motorboat fees	11,848,667	11,829,678	12,145,169	12,549,673	12,358,613
1154	Narcotics and dangerous drugs fees	562,899	504,880	750,873	876,520	880,086
1156	Occupational boards exam fees - individual exam fees	751,999	811,132	788,310	801,324	843,897
1160	(24) Non-motor fuel decal fees - Amendment 3	109,476	185,168	234,285	285,643	247,609
1162	Filing fees	24,409,792	17,882,469	18,691,254	19,047,755	19,812,035
1163	Certifying/authenticating fees	37,876	45,411	130,938	11,809	55,699
1164	Transfer fees	31,088	28,608	31,108	34,040	33,548
1165	Service contract registration fee	95,200	105,100	119,000	116,100	131,500
1169	Other registration fees	4,477,531	10,664,905	11,090,142	11,501,235	11,916,069
1174	Asbestos fees	290,136	215,940	241,620	235,535	245,555
1176	Egg license fees	-	-	27,083	15,885	58,646
1178	Milk control fees	124,514	114,907	79,082	30,309	96,454
1180	Home health care license fees	116,050	121,800	113,825	120,200	111,750
1182	Nursing home license fees	129,945	122,011	127,806	142,069	137,660
1184	Title V emissions fees	7,913,341	7,300,494	7,492,099	7,081,848	7,865,484
1185	Emission fees/non Title V facilities	354,144	348,521	348,043	349,628	448,478
1186	Boarding home license fees	707,457	712,735	710,206	737,607	719,001
1188	Public utilities fees	19,494,211	19,996,899	20,118,625	19,695,636	19,842,506
1190	Hospital license fees	83,123	84,559	85,884	89,082	81,871
1192	Grain warehouse license fees	36,604	38,162	32,184	36,367	42,072
1194	Missouri primacy fees	4,723,917	4,771,139	4,520,406	4,748,831	4,835,262
1198	Transport load fees	11,302,684	11,227,662	11,239,640	11,195,303	11,567,440
1200	Storage tank registration fees	52,215	42,980	192,916	193,725	205,110
1202	Tourist cabin permit fees	181,022	183,095	181,910	181,401	179,526
1206	Solid waste disposal fees	11,307,064	10,462,793	10,576,521	10,946,036	11,764,753
1208	New tire fees	2,084,386	1,988,327	2,060,844	2,166,653	2,217,207
1209	Battery fee	683,152	678,421	738,351	683,452	680,264
1210	Ground water protection fees	710,064	920,000	667,969	616,030	693,711
1211	Radioactive waste transport fee	286,075	318,600	248,625	289,850	256,975
1214	Insurance regulatory fees, renewals and purchasing groups	2,451,999	2,105,145	2,804,144	2,435,554	2,269,071
1216	Air conservation commission permit fees	253,489	298,638	212,155	246,325	333,850
1218	Bingo license fees	41,730	39,580	38,010	35,085	31,930
1220	Lab fees	5,256,158	5,572,347	5,725,578	6,079,666	6,305,303
1222	Program administration fees	1,055,518	1,091,830	1,056,753	1,069,294	1,413,854
1223	Confined animal feed operation indemnity fees	2,143	2,143	4,392	-	2,196
1224	Railroad assessments	820,331	784,786	756,623	1,027,245	422,007
1227	Enhanced vehicle emission inspection fees	1,934,155	1,970,590	2,000,573	2,096,697	2,130,025
1233	Grain warehouse inspection fees	2,178,611	1,749,142	2,563,861	3,583,890	3,371,837
1235	Milk inspection fees	1,215,032	1,158,584	1,032,307	1,011,168	1,030,191
1237	Ice cream products inspection fees	36,430	32,806	35,125	33,150	31,731
1239	Mine inspection fees	80,344	64,606	67,789	61,016	67,080
1241	Mobile home and recreational vehicle inspection fees	364,287	357,436	401,934	383,477	426,507
1243	Oil inspection fees	2,384,809	2,360,750	2,362,714	2,344,403	2,417,687
1249	Other inspection fees	2,513,585	2,461,158	2,526,682	2,523,411	2,621,839
1250	Collection fees	26,285,623	26,739,487	28,363,897	30,805,269	32,230,771
1251	Bankruptcy collections	6,398	-	-	-	-
1252	Admission fees	1,250,114	1,320,732	1,351,851	1,366,316	1,643,202
1252	(13) Admission fees - riverboat gambling	51,348,977	48,803,064	44,870,917	44,222,953	42,523,664
1254	State auditor fees	182,644	185,072	171,721	171,573	166,770
1260	Grade crossing safety fees	1,273,362	1,305,614	1,310,711	1,325,763	1,336,137
1262	Loan administration fees	6,372,132	6,516,695	6,923,903	7,127,199	8,311,128
1263	Contract fees	-	-	-	117,855	1,048,116

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2012	2013	2014	2015	2016
1263	(A) Contract fees - Fund 657	-	-	-	384	-
1264	Court fees	41,058,636	40,544,604	39,013,101	39,184,711	35,253,537
1266	Financial institutions examination fees	10,104,394	10,176,788	11,112,130	10,676,424	10,386,467
1268	Consumer finance license fees	1,044,175	999,525	956,625	963,425	1,351,002
1270	Transcript fees	102,947	92,683	102,687	128,674	98,305
1274	Marketing development fees	38,258	36,502	42,194	29,947	31,393
1276	Miscellaneous insurance fees	89,220	90,660	93,380	91,690	91,400
1278	Gaming commission administrative income	314	-	145	-	28
1279	(A) Lottery commission fees	277,070	301,162	298,707	301,291	262,260
1280	Motor vehicle inspection sticker fees	3,767,945	3,778,928	3,840,955	3,850,742	3,844,936
1282	Logo sign advertising fees	4,602,664	3,167,882	4,434,405	4,561,512	6,440,866
1284	Public defender fees	1,424,603	1,176,797	1,335,978	1,339,899	1,356,885
1286	Witness fees	9,141	5,758	5,561	9,212	4,808
1288	County recorders fees	6,750,687	7,472,773	6,460,207	6,247,774	6,472,305
1290	Training or conference fees	127,634	183,421	169,658	205,630	205,462
1294	Electronic monitoring fee	115,177	78,278	76,488	63,381	52,187
1295	Intervention fees	9,137,637	9,851,227	9,006,410	8,503,124	8,429,899
1298	Substance abuse offender program fees	6,737,998	6,291,593	5,831,337	5,402,865	4,834,915
1302	Criminal records check fees	10,333,134	10,798,720	10,027,568	11,037,517	12,170,148
1303	Other fees	12,788,351	10,700,540	10,278,791	10,976,155	11,062,952
1305	(4) Bond sales proceeds	1,867,300	-	-	167,828,087	210,116,282
1306	Proceeds from capital leases	1,486,676	-	2,592,318	5	-
1310	Land sales	4,403,124	8,422,605	5,938,834	3,444,324	8,871,857
1312	Sales of natural resources products	3,667,239	2,849,276	3,892,772	2,702,674	2,764,888
1314	Sales of agriculture products	2,391,119	2,874,050	3,239,003	2,890,674	2,355,652
1316	Manufactured product sales	8,505,830	8,827,769	7,779,143	8,418,694	7,456,017
1318	Information sales	2,500,392	2,351,654	2,537,175	2,579,080	2,197,919
1320	Souvenir sales	452,030	474,186	582,266	936,945	1,188,846
1322	Surplus property sales - state	3,082,652	3,704,451	2,761,141	2,921,816	2,443,802
1322	(22) Surplus property sales - state - Fund 710	1,331,787	1,414,547	1,725,866	2,003,696	1,996,692
1324	Surplus property sales - federal	2,950,034	2,989,213	2,295,451	2,059,579	2,401,222
1326	Unclaimed property sales	876	1,205	-	2,971	7,228
1328	Sales of fixed assets - control	10,762,095	10,727,324	7,931,754	6,972,758	8,237,789
1330	Vital records sales	1,047,539	1,149,125	1,082,840	1,010,445	1,033,867
1332	Lottery ticket sales	-	-	64	-	-
1332	(A) Lottery ticket sales - Fund 657	464,048,652	490,432,070	492,825,818	463,931,842	544,750,138
1334	Cafeteria sales	546,748	661,975	800,225	895,283	848,497
1338	Other sales	371,843	259,540	258,697	1,401,509	150,851
1342	Supply sales	143	-	31	249	206
1401	Land rentals/leases	17,090	31,690	64,383	38,650	101,391
1403	State facilities rentals/leases	985,555	1,486,747	1,413,722	1,504,187	1,320,462
1404	Parking rentals/leases	60,356	63,176	63,552	69,989	69,424
1405	Concessions and recreational rentals/leases	2,471,197	2,567,237	2,495,952	2,951,494	3,034,114
1407	Housing/building rentals/leases	237,191	255,524	218,818	260,615	235,093
1409	Other leases and rentals	1,385,089	736,716	1,079,948	1,458,148	1,503,996
1414	(1) Medicare	7,544,088	5,359,704	6,781,464	5,691,724	6,509,624
1418	(1) Medicaid	96,595,375	90,326,464	81,573,482	73,123,636	72,032,939
1419	(1) Medicaid - case managers	-	100	6,462	-	113,400
1420	(1) Medicaid - community based	193,452,249	205,718,504	214,026,223	240,617,515	259,045,530
1422	Private payments	2,067,010	1,813,703	1,862,213	4,055,811	4,725,731
1424	Insurance payments	714,174	327,885	445,098	510,326	443,538
1426	Other payments	11,555	28,989	9,474	12,863	7,547
1434	Institutional support fees	248,416	-	-	-	1,284
1436	Room and care	26,341,112	26,953,266	28,363,819	28,109,625	27,664,512
1442	Mail/freight services	-	-	8	-	-
1444	Telephone billing	1,330	-	-	-	-
1446	Printing service	197,214	195,571	197,944	158,884	150,009
1448	Computer services	846	847	79,095	288,876	524,018
1450	Administration services	-	12,658	36,613	38,548	19,962
1501	Private donations	4,836,387	5,297,073	5,600,103	7,797,052	4,554,090
1502	Other governmental entity donations	30,103,121	5,000,000	4,050,000	1,050,032	-
1507	(1) NASAO (airport inspections)	20,150	26,000	30,550	27,950	20,150

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2012	2013	2014	2015	2016
1510	(1) US Department of Agriculture	487,260,888	490,290,851	485,385,631	500,917,291	514,422,704
1512	(1) US Department of Defense	29,677,895	32,995,530	30,693,698	32,534,000	38,537,907
1513	(1) US Department of Homeland Security	4,625,937	2,909,266	2,786,890	3,808,312	2,854,523
1514	(1) US Department of Housing and Urban Development	61,464,304	48,483,173	45,313,039	40,676,241	46,977,140
1516	(1) US Department of Interior	26,594,330	27,550,163	29,116,162	27,826,979	29,441,709
1518	(1) US Department of Justice	2,730,436	2,575,272	3,808,162	2,856,329	5,251,610
1520	(1) US Department of Labor	155,545,244	156,406,546	125,567,984	126,368,853	120,842,194
1522	(1) US Department of Education	660,448,985	657,586,937	651,573,896	653,328,831	657,882,449
1522	(C) US Department of Education - Fund 880	4,972,235	4,968,022	6,631,940	4,125,941	3,075,670
1522	(C) US Department of Education - Fund 881	87,420,487	93,334,531	89,823,025	72,379,643	47,726,056
1524	(1) US Department of Transportation	934,758,552	983,599,456	913,853,780	856,690,126	908,711,359
1526	(1) National Foundation for the Arts and Humanities	4,002,915	3,666,292	3,402,815	3,667,829	3,861,753
1528	(1) US Veterans Administration	53,316,924	61,159,036	63,243,170	69,070,475	71,189,569
1529	(1) US General Services Administration	-	43,391	50,091	36,789	27,192
1530	(1) US Environmental Protection Agency	91,435,790	153,021,768	89,482,740	92,295,480	84,163,611
1532	(1) US Department of Energy	2,982,042	6,005,146	10,598,978	6,869,770	6,841,344
1534	(1) Federal Emergency Management Agency	74,016,355	72,661,743	48,677,321	136,785,815	90,290,749
1536	(1) US Department of Health and Human Services	6,506,141,900	6,431,112,075	6,699,531,165	7,047,608,534	7,283,666,051
1538	(1) National/community services	1,732,313	3,677,716	2,752,733	3,659,053	4,157,499
1540	(E) US Social Security Administration - Fund 727	-	-	-	-	23,237
1540	(1) US Social Security Administration	43,570,139	46,294,342	41,684,705	45,917,912	53,118,438
1542	(1) National Archives and Records	30,882	6,789	80,676	15,025	43,615
1544	(1) Elections Assistance Commission	-	24,162	-	-	-
1546	(1) US Department of Treasury	8,886,997	5,244	9,160,236	-	10,476
1548	(1) Equal Employment Opportunity Commission	-	-	134	-	-
1549	(1) Miscellaneous federal revenues	35,316,069	34,938,505	46,737,165	48,644,049	39,911,964
1551	County mental health programs	17,999,724	13,263,536	12,094,852	11,311,919	12,946,158
1557	(1) American Recovery and Reinvestment Act	475,424,794	153,213,693	83,364,036	40,937,451	27,772,004
1558	(1) American Recovery and Reinvestment Act - other	367,067	238,070	98,176	-	-
1560	(1) Federal pass-through grants	78,646,931	61,246,642	47,604,707	37,998,600	19,553,864
1601	Time deposits interest	3,614,152	3,864,773	1,759,898	1,611,893	1,558,436
1601	(2) Time deposits interest - Fund 688	67,544	94,686	40,548	40,894	36,417
1601	(A) Time deposits interest - Fund 657	15,067	20,393	8,630	9,615	11,594
1601	(7) Time deposits interest - Fund 614	33,456	39,420	17,658	22,182	21,547
1601	(8) Time deposits interest - Fund 613	17,005	29,258	12,552	11,456	10,151
1601	(B) Time deposits interest - Fund 905	6,853	9,488	4,274	5,275	4,474
1601	(12) Time deposits interest - Fund 289	1,359	1,480	452	150	88
1601	(13) Time deposits interest - Fund 285	17,176	20,688	9,321	8,292	7,262
1601	(D) Time deposits interest - Fund 963	882	1,230	512	513	442
1601	(16) Time deposits interest - Fund 609	34,554	56,042	25,879	28,629	25,434
1601	(C) Time deposits interest - Fund 880	23,809	36,591	22,942	27,827	25,249
1601	(C) Time deposits interest - Fund 881	40,064	51,270	12,854	9,036	6,758
1601	(E) Time deposits interest - Fund 727	-	-	-	-	3
1603	U.S./agency securities interest	25,185,835	20,360,811	21,271,757	19,236,045	21,062,373
1603	(2) U.S./agency securities interest - Fund 688	295,075	307,343	314,250	276,482	291,279
1603	(A) U.S./agency securities interest - Fund 657	74,052	63,503	67,509	64,305	90,912
1603	(7) U.S./agency securities interest - Fund 614	146,904	132,540	136,776	149,111	172,161
1603	(8) U.S./agency securities interest - Fund 613	72,001	91,337	97,185	77,050	81,195
1603	(B) U.S./agency securities interest - Fund 905	29,935	29,795	33,279	35,597	35,689
1603	(12) U.S./agency securities interest - Fund 289	6,305	5,809	3,521	996	785
1603	(13) U.S./agency securities interest - Fund 285	75,941	67,409	71,221	55,813	58,132
1603	(D) U.S./agency securities interest - Fund 963	5,879	6,115	6,256	5,880	6,021
1603	(16) U.S./agency securities interest - Fund 609	147,624	173,935	201,135	192,528	202,650
1603	(C) U.S./agency securities interest - Fund 880	107,257	109,286	180,476	187,577	201,919
1603	(C) U.S./agency securities interest - Fund 881	177,753	175,470	96,161	60,978	53,579
1603	(E) U.S./agency securities interest - Fund 727	-	-	-	-	26
1605	Other investment interest	410,035	182,587	133,832	238,000	945,400
1608	Realized gains and losses	-	-	-	13,079	-
1610	Interest on loans	2,545,606	3,844,323	5,963,729	12,020,643	2,306,462
1612	(25) Interest - federal	23,802,563	22,442,061	12,442,473	4,271,580	6,414
1614	Interest on receivables	9,082	4,697	5,686	2,083	2,189
1616	Interest on settlements	2,718	295,109	393,324	24,438	30,187

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2012	2013	2014	2015	2016
1618	Other interest	36,972	24,831	67,098	10,695	25,214
1618	(16) Other interest - Fund 609	-	116	-	-	-
1620	Safety responsibility	-	-	-	50	-
1621	Penalties	8,788,554	16,383,711	15,026,501	17,377,448	13,441,422
1621	(C) Penalties - Fund 881	487	88	61	38	1,232
1622	Penalties - control	50	-	-	-	-
1624	Settlements	6,183,019	55,120,514	5,310,083	39,019,494	5,602,284
1624	(A) Settlements - Fund 657	-	-	-	-	1,578
1624	(C) Settlements - Fund 880	-	-	-	582	-
1626	Court awards	1,801,074	1,266,313	12,167,031	11,122,925	12,786,154
1628	Insufficient funds charges	4,415	3,593	3,711	2,585	3,088
1634	Estates	508	218,619	247	3,950	792
1636	Unclaimed properties	81,360,731	95,900,842	92,346,642	100,888,189	94,224,664
1636	(A) Unclaimed properties - state - Fund 657	-	631	-	-	-
1700	(5) Salary refunds - federal	557,115	504,436	390,225	316,764	186,340
1701	(5) Salary refunds - state	15,792	5,477	7,845	8,307	3,259
1702	(5) Salary refunds - local/other	44,337	31,561	-	29	50
1703	(5) General relief pension refunds	3,469	4,646	1,987	1,711	2,123
1704	(5) Blind pension refunds	7,624	4,699	4,706	11,787	9,123
1706	(5) Dependent children pension refunds	424,232	262,817	254,651	166,610	154,613
1715	(5) Day care refunds	34,888	51,663	210,036	174,958	248,033
1717	(5) Medicare - Medicaid refunds	507,643,669	639,370,093	546,964,083	555,309,589	764,065,387
1719	(5) Cost in criminal cases refunds	846,638	958,828	1,055,769	1,145,795	1,107,583
1720	(5) American Recovery and Reinvestment Act refunds	901,781	988,108	902,499	3,406,265	234,023
1721	(5) Vendor refunds - federal	798,046	869,752	767,526	1,057,850	4,620,866
1722	(5) Vendor refunds - state	1,373,828	679,317	2,021,933	606,888	655,137
1722	(A) Vendor refunds - state - Fund 657	6,121	4,627	35,174	393	1,695
1723	(5) Vendor refunds - local/other	3,375,783	1,401,379	602,267	1,035,475	716,747
1723	(C) Vendor refunds - local/other - Fund 880	80,441	712	383	339	209
1724	(5) Political subdivision refunds	63	-	-	204	-
1725	(5) Excess court payment refunds	227,053	648,913	8,716	152,449	27,813
1727	(5) School refunds	9,909,164	9,526,783	6,710,912	3,773,819	6,417,301
1728	(5) Scholarship refunds	102,782	72,950	45,031	1,737,431	1,079,095
1728	(C) Scholarship refunds - Fund 880	-	-	-	-	270
1729	(5) Audit findings - federal	41,960	209	-	7,894	3,541
1730	(5) Audit findings - state	152,887	101	-	118	25
1731	(5) Audit findings - local/other	158,129	40,404	103,069	26,509	76,760
1732	(5) Utility refunds	27,323	3,305	101,704	112,228	136,184
1733	(5) Fuel tax refunds	219,368	4,205	203,876	184,901	168,077
1735	(5) Tax incremental financing (TIF) refund	2	-	974	-	-
1737	(5) Other refunds	5,253,820	3,264,579	5,434,645	3,267,783	2,445,440
1737	(B) Other refunds - Fund 905	-	-	-	176,756	-
1737	(C) Other refunds - Fund 880	1,073	6	-	-	-
1806	(18) Recovery costs	150,426,085	150,725,636	82,224,337	146,337,214	141,153,215
1806	(A) Recovery costs - Fund 657	-	-	-	6,565	-
1808	Deposit of surplus property funds	-	-	-	341	-
1811	(21) Local match	127,367,017	98,129,383	50,600,510	34,985,281	20,599,206
1812	(19) Cost reimbursements - federal	727,844	437,557	419,025	4,631,476	6,867,653
1813	(19) Cost reimbursements - state	71,087,608	46,502,004	18,340,057	16,172,695	16,176,101
1813	Cost reimbursements - state (included)	15,004,668	15,728,569	15,930,219	17,577,192	18,273,342
1814	(19) Cost reimbursements - local/other	204,205,080	187,364,955	187,174,831	170,106,348	179,458,857
1814	(B) Cost reimbursements - local/other - Fund 905	-	-	100,510	-	-
1814	(C) Cost reimbursements - local/other - Fund 880	2,890	8,615	6,630	4,461	2,175
1816	Bond account	8,968,358	9,214,123	8,760,097	8,693,952	8,020,533
1818	(17) Employee expense reimbursement - federal	6,030	819	1,463	6,207	6,623
1819	(17) Employee expense reimbursement - state	-	450	410	37,620	2,055
1820	(17) Employee expense reimbursement - local/other	73,000	754	-	4,033	2,115
1821	(17) Employee personal expense reimbursement	97,665	24,186	38,726	38,730	89,417
1822	(10) Outlawed checks	6,813,442	6,162,199	5,536,200	5,544,179	7,906,652
1822	(B) Outlawed checks - Fund 905	17,028	6,024	10,275	7,616	7,438
1824	(20) Canceled checks	2,036,483	2,182,674	1,861,189	4,730,204	4,523,255
1824	(B) Canceled checks - Fund 905	875	2,355	6,209	178	129

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2012	2013	2014	2015	2016
1824	(C) Canceled checks - Fund 880	-	950	-	-	-
1826	(9) Redeposit of investments principal	2,837,450	264,945	1,459,102	112,942	109,022
1828	(11) Redeposit of loan principal	61,093,018	68,996,096	69,361,487	74,454,908	83,588,497
1830	Telephone commissions	1,171,093	1,447,934	1,490,792	1,535,516	1,581,576
1832	Commission on sales	10,096	11,266	13,523	5,731	5,728
1834	Rebates	1,040,862	2,503,915	1,539,474	1,438,212	1,176,702
1834	(A) Rebates - Fund 657	5,979	5,334	5,114	3,981	5,095
1834	(C) Rebates - Fund 880	230	738	472	383	303
1834	(23) Rebates - WIC	54,902,466	52,386,707	57,273,740	81,979,391	48,507,981
1836	Housing and maintenance receipts	28,552	18,924	20,142	19,848	15,811
1838	Loan defaults	561,905	483,363	674,897	571,590	495,335
1840	(15) Loan proceeds	12,938,384	9,056,992	13,212,581	8,269,645	-
1842	(11) Loan repayment	169,744	218,043	200,599	248,334	328,190
1842	(C) Loan repayment - Fund 880	2,358	-	-	-	-
1842	(C) Loan repayment - Fund 881	63,747,551	64,238,375	61,363,561	57,594,427	53,537,794
1843	(11) Loans receivable contra account	3,859,410	4,170,829	5,394,634	5,354,505	5,680,374
1844	Insurance proceeds	1,886	-	1,516	-	7,988
1846	Capital credits/dividends	60,241	66,172	64,039	104,066	96,044
1848	Recycling receipts	380,262	317,333	286,314	232,498	207,286
1850	Forfeitures	4,888,368	1,703,594	2,274,761	1,882,450	1,503,970
1852	Overpayments	518,149	513,751	801,638	360,921	508,376
1856	(1) Other miscellaneous receipts - federal	5,030,652	7,536,647	5,213,456	5,950,285	4,961,120
1858	Other miscellaneous receipts - state	2,883,176	3,954,119	3,907,352	3,977,952	3,869,407
1858	(A) Other miscellaneous receipts - local/other - Fund 657	10,541	3,438	8,330	2,291	1,773
1858	(B) Other miscellaneous receipts - state - Fund 905	13,780,374	13,536,541	14,686,795	14,770,311	11,499,237
1860	Other miscellaneous receipts - local/other	8,082,121	7,390,306	2,385,011	3,820,925	2,664,027
1860	(A) Other miscellaneous receipts - local/other - Fund 657	3,148,119	3,359,445	4,419,428	3,755,680	2,986,561
1860	(C) Other miscellaneous receipts - local/other - Fund 880	403	-	-	-	-
1862	Fees for copying public records	241,633	258,947	257,705	272,648	273,622
1862	(A) Fees for copying public records - Fund 657	97	56	998	-	151
1866	Federal share of grantee sales	179,984	234,984	243,547	450,287	330,838
1868	Receivable overpayment - federal	161	-	76	58	178
1870	Receivable overpayment - state	2,841	19	790	67	40
1872	Receivable overpayment - local	944	1,345	40	96	250
6001	(6) Supply sales	408,216	401,968	451,132	390,128	479,411
6002	(6) Open records fees	8,874	12,065	16,184	15,081	8,987
6003	(6) Fleet services operations/maintenance	2,149,619	2,244,601	2,115,565	2,045,630	1,786,879
6005	(6) Fleet services replacement	1,476,091	1,590,541	1,522,658	1,678,517	1,630,894
6006	(6) Criminal records check fees	326,864	373,277	317,652	456,286	329,043
6007	(6) Mail/freight services	10,803,757	11,230,955	10,679,698	9,761,536	9,619,041
6009	(6) Telephone billing	32,302,801	34,581,943	36,473,586	36,836,383	37,945,584
6011	(6) Printing service	6,042,427	5,457,257	5,243,375	5,275,658	5,126,201
6013	(6) Reimbursement/recovery cost	33,101,501	59,725,679	27,114,023	31,672,678	27,485,232
6013	(C) Reimbursement/recovery cost - Fund 881	-	-	-	2,242	-
6015	(6) Leased facility	104,557,774	105,027,361	106,994,424	61,542,743	61,346,648
6017	(6) Sale of material, supplies, and services	691,783	564,009	909,355	810,590	1,151,871
6019	(6) Training	340,177	537,835	554,521	624,636	631,324
6021	(6) Computer services	23,599,449	19,567,908	22,297,639	24,413,038	29,571,066
6023	(6) Administration services	396,676	772,096	850,060	522,914	612,172
6025	(6) Flight operations services	349,239	399,173	298,650	770,175	492,045
6027	(6) Sale of manufactured products	19,842,283	17,974,645	18,969,055	19,461,962	20,665,985
6029	(6) Interagency receipts	39,991,261	51,636,237	42,755,745	41,407,133	34,873,321
6029	(C) Interagency receipts - Fund 880	20,237	-	-	-	-
6029	(C) Interagency receipts - Fund 881	552,518	588,922	522,508	591,646	562,670
6030	(6) Sampling &/or analysis	597,162	515,738	841,801	926,768	909,218
6031	(14) Redeposit of state funds	69,352	58,517	19,606	112,655	153,566
6032	(6) Deposit of unclaimed property	-	1,225	-	-	-
6033	(6) Permits	40,995	47,185	38,426	41,669	54,736
6034	(6) Registration fees	59,342	55,048	103,377	133,015	107,443
6035	(6) Taxes	7,954,247	7,890,094	8,419,180	9,609,364	8,613,452
6036	(6) Transcript fees	19,309	8,016	8,210	26,002	10,195
	Total revenues	24,304,536,535	24,736,168,819	24,616,141,577	25,845,977,839	26,737,217,477

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2012	2013	2014	2015	2016
Fund Exclusions:						
(A) Lottery Enterprise Fund - Fund 657		467,585,698	494,190,659	497,669,708	468,076,347	548,111,757
(B) Alternative Care Trust Fund - Fund 905		13,835,065	13,584,203	14,841,342	14,995,733	11,546,967
(C) Student Loan Funds - Funds 880 and 881		157,149,793	163,513,576	158,661,013	134,985,120	105,193,884
(D) Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963		6,761	7,345	6,768	6,393	6,463
(E) Division of Youth Services Child Benefits Fund - Fund 727		-	-	-	-	23,266
Revenue Source Exclusions:						
(1) Federal funds		10,041,620,203	9,738,679,227	9,742,199,727	10,103,924,854	10,352,212,487
(2) Proposition C sales and use tax/interest		789,578,622	804,331,562	841,580,386	868,523,541	906,845,411
(3) Proposition A gas tax and license fee increases		166,913,857	163,022,120	164,058,506	165,022,444	172,484,819
(4) Bond sales		1,867,300	-	-	167,828,087	210,116,282
(5) Refunds		532,119,753	658,694,225	565,792,454	572,505,364	782,357,520
(6) Interagency sales and receipts		285,059,847	320,614,856	286,974,316	248,421,906	243,450,748
(7) Soil and water sales and use tax/interest		40,406,433	41,183,578	42,984,511	44,382,868	46,365,216
(8) Parks sales and use tax/interest		40,315,075	41,132,210	42,939,810	44,300,079	46,262,851
(9) Redeposit of investment principal		2,837,450	264,945	1,459,102	112,942	109,022
(10) Outlawed checks		6,813,442	6,162,199	5,536,200	5,544,179	7,906,652
(11) Redeposit of loan principal		65,122,172	73,384,968	74,956,720	80,057,747	89,597,061
(12) Bingo		2,121,041	2,008,254	1,814,572	1,771,432	1,705,995
(13) Riverboat gambling		388,758,396	377,915,277	359,315,902	364,674,023	366,174,572
(14) Redeposit of state funds		69,352	58,517	19,606	112,655	153,566
(15) Loan proceeds		12,938,384	9,056,992	13,212,581	8,269,645	-
(16) Conservation sales and use tax/interest		100,748,178	102,762,355	107,303,454	110,749,898	115,657,858
(17) State employee expense reimbursement		176,695	26,209	40,599	86,590	100,210
(18) Recovery costs		150,426,085	150,725,636	82,224,337	146,337,214	141,153,215
(19) Cost reimbursements		276,020,532	234,304,516	205,933,913	190,910,519	202,502,611
(20) Canceled checks		2,036,483	2,182,674	1,861,189	4,730,204	4,523,255
(21) Local match		127,367,017	98,129,383	50,600,510	34,985,281	20,599,206
(22) Proceeds of surplus property sales - Fund 710		1,331,787	1,414,547	1,725,866	2,003,696	1,996,692
(23) DHSS program rebates		54,902,466	52,386,707	57,273,740	81,979,391	48,507,981
(24) Amendment 3 revenue derived from highway users		432,352,497	440,150,855	506,419,089	533,026,938	554,529,487
(25) Interest - federal		23,802,563	22,442,061	12,442,473	4,271,580	6,414
Other Exclusions and Limits:						
CMLA interest payment to the federal government		22,013	-	-	19,999	7,016
Agency remitted sales tax		247,169	260,481	239,471	224,953	236,007
Abandoned funds claim payments		36,413,798	38,155,004	38,604,634	39,309,427	38,888,067
Coding errors		-	-	-	(95)	-
Total exclusions		14,220,965,927	14,050,745,141	13,878,692,499	14,442,150,954	15,019,332,558
Total revenues after exclusions		10,083,570,608	10,685,423,678	10,737,449,078	11,403,826,885	11,717,884,919
Less SAM II expenditure refunds (Appendix B)						
Add refundable tax credits:		(1,342,748,745)	(1,240,311,060)	(1,328,253,309)	(1,278,493,892)	(1,459,778,233)
Business Facility		402,578	-	-	-	-
Enterprise Zone		280,469	231,246	109,188	141,943	-
BUILD		2,316,971	5,590,472	4,610,238	3,311,820	3,858,758
Missouri Quality Jobs		7,360,207	7,355,213	9,774,161	17,445,172	20,281,001
New Enhanced Enterprise Zone		3,067,886	3,522,698	3,834,717	2,395,322	3,470,176
Residential Dwelling Accessibility		5,266	-	-	-	-
Self-employed Health Insurance		1,082,658	451,242	793,147	829,513	1,523,728
Public Safety Officer Surviving Spouse, Residential Dwelling Assessibility, Sporting Event Credit, and Business Facility Credit		28,212	56,949	72,258	94,043	695,312
Brownfield Jobs and Investment Credit		304,395	-	-	-	-
Total State Revenue		\$ 8,755,670,505	9,462,320,438	9,428,389,478	10,149,550,806	10,287,935,661

Revenue amounts excluded from SAM II revenue amounts to arrive at Total State Revenue are discussed at Appendix C.

Appendix B

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Expenditure Refunds

Object Code	SAM II Expenditure Refunds	Year Ended June 30,				
		2012	2013	2014	2015	2016
3200	Bond refunds	\$ 3,381,743	3,766,775	4,037,533	4,612,996	20,246,084
3206	Deposit and escrow refunds	100,829	75,616	65,501	80,882	568,458
3212	Federal share grantee sales refunds	-	-	-	46	-
3213	Tax credit debt offset	424,562	211,413	99,150	65,941	68,893
3215	Debt offset refunds	10,184,106	9,312,765	8,811,600	10,102,444	12,275,735
3218	Motor vehicle license fee refunds	385,841	451,527	526,385	312,432	430,535
3221	Driver's license fee refunds	48,367	61,656	55,674	54,387	50,160
3227	License and permit fee refunds	163,468	236,183	135,557	537,491	830,932
3230	Registration fee refunds	37,308	29,217	26,604	26,142	29,604
3233	Regulatory fee refunds	59,869	15,030	12,237	22,222	11,202
3236	Inspection fee refunds	52,862	42,713	51,341	68,105	53,611
3239	Miscellaneous fee refunds	442,860	420,978	388,745	379,316	444,125
3242	Sales refunds	10,391	16,664	18,821	4,539	6,030
3245	Lease and rentals refunds	5,702	3,265	4,070	2,085	3,535
3248	Medical services refunds	6,331,354	6,010,508	7,406,446	10,030,985	7,794,112
3251	Contributions refunds	5,886,037	29,913	-	56,807	500
3254	Federal refunds	1,514,909	493,420	989,516	700,700	3,994,617
3257	Penalty and court award refunds	31,479	(856)	10,332	285	1,640
3260	Interagency billing refunds	295	1,884	-	-	300
3261	Receivable overpayment refunds	328,765	377,953	289,274	375,941	338,729
3267	Deferred revenue refunds	2,445,006	2,401,657	1,316,303	1,773,082	3,398,108
3268	Liability account refunds	-	-	3,276	-	-
3269	Other refunds	3,313,740	12,383,222	1,331,127	2,349,459	643,356
3272	Sales and use tax protested refunds	156,632	8,383	332	574,348	1,314
3281	County foreign insurance tax refunds	27,158,118	39,317,277	13,616,378	9,270,877	6,166,772
3284	County domestic insurance tax refunds	2,694,044	-	4,345,959	91,816	-
3287	Worker's compensation insurance tax refunds	286,762	513,702	96,395	169,765	308,555
3290	Worker's compensation 2nd injury insurance tax refunds	-	-	-	-	4,618
3291	Surplus lines insurance tax refund	-	16,672	42,391	31,040	54,296
3293	Cigarette tax refunds	19,851	26,810	50,251	20,732	19,696
3299	Aviation fuel tax refunds	8,902	4,131	20,025	5,607	5,772
3305	Special fuel (non-gas) tax refunds	22,218,784	20,461,228	19,702,979	19,891,763	16,618,103
3308	Fuel tax refunds	10,042,959	7,838,108	9,112,720	10,582,920	10,050,762
3311	Sales tax refunds	104	535	-	-	-
3314	Food tax exemption refunds	-	-	179	-	-
3317	General sales and use tax refunds	28,009,782	25,564,348	44,356,280	26,712,898	40,504,538
3326	Motor vehicle sales tax refunds	3,395,473	3,658,569	4,561,344	6,193,025	5,319,325
3329	Motor vehicle use tax refunds	1,128,147	1,060,387	286,517	64,376	3,210
3335	Boat tax refunds	5,036	4,784	3,760	3,680	3,688
3338	Individual tax refunds	930,792,552	879,453,248	948,964,266	943,383,972	1,032,515,749
3341	Senior citizens tax refunds	117,603,638	113,962,551	110,643,361	104,810,266	106,927,409
3344	Corporation tax refunds	157,035,524	108,715,703	142,741,406	120,498,356	181,455,603
3347	Franchise tax refunds	5,214,992	1,471,893	1,826,313	2,151,688	6,023,791
3350	Inheritance tax refunds	8,628	-	412	-	-
3356	Other tax refunds	1,819,324	1,891,228	2,302,549	2,480,476	2,604,766
	Total SAM II Expenditure Refunds	\$ 1,342,748,745	1,240,311,060	1,328,253,309	1,278,493,892	1,459,778,233

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Appendix C

TSR Exclusions

Various revenue amounts are excluded from Statewide Accounting System for Missouri (SAM II) revenue amounts to arrive at Total State Revenue (TSR), as shown on Appendix A. These exclusions, which include certain funds, certain revenue types, and other exclusions and limits, are discussed below.

Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

(A) Lottery Enterprise Fund

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded.

(B) Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Missouri Veterans Commission hold funds in trust for inmates and patients. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

(C) Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes the two student loan funds held in trust.

(D) Pansy Johnson-Travis Memorial State Gardens Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.

(E) Division of Youth Services Child Benefits Fund

The Division of Youth Services (DYS) Child Benefits Fund was administratively created to account for payments from the Social Security Administration held in trust for the benefit of youth in the DYS custody. Funds held in trust are not deemed to be state funds, and are therefore excluded. This fund was added as an excluded fund in fiscal year 2016. In prior years, most of the fund revenues were excluded as federal funds.



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Excluded Revenues

From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

- (1) Federal Funds
Article X, Section 17, Missouri Constitution, specifically excludes federal funds.
- (2) Proposition C Sales and Use Tax/Interest
In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded.
- (3) Proposition A Gas Tax and License Fee Increases
In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item (24) below.
- (4) Bond Sales
Attorney General Opinion 22-1982 concluded that proceeds of the state's general obligation bonds were not to be included in TSR.
- (5) Refunds
Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded. Refunds also include cost recoveries and prescription drug rebates received through the Medicaid and Children's Health Insurance programs which are excluded from TSR.
- (6) Interagency Sales and Receipts
Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded.
- (7) Soil and Water Sales and Use Tax/Interest
and
(8) Parks Sales and Use Tax/Interest
In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded.
- (9) Redeposit of Investment Principal
The redeposit of investment principal is excluded.
- (10) Outlawed Checks
Outlawed checks, which are state checks that were not cashed by the payee within the time allowed, are redeposited in the state treasury and are excluded.



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- (11) Redeposit of Loan Principal Redeposits of loan principal are excluded.
- (12) Bingo tax The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.
- (13) Riverboat Gambling In August 1992, the voters approved an amendment to Article III, Section 39(d), Missouri Constitution. This constitutional amendment requires that all state gaming revenues must be appropriated for public education and excludes these revenues from TSR.
- In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming, which had been enacted by voters as Proposition A in November 1992.
- Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.
- Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.
- On November 24, 1998, the Missouri Court of Appeals, Western District, entered its final decision in *Kelly v. Hanson*, 984 S.W. 2d 540 (Mo. App. W.D. 1998). The Missouri Court of Appeals, Western District, held that revenue from the \$1 portion of the state-imposed \$2 admission fee payable to the state is excluded from TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is



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included in TSR. The remaining \$1 portion of the \$2 admission fee is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

- (14) Redeposit of State Funds The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.
- (15) Loan Proceeds The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.
- (16) Conservation Sales and Use Tax/Interest In *Conservation Federation of Missouri v. Richard Hanson*, 994 S.W. 2d 27 (Mo. Banc. 1999), the Supreme Court held that the revenue derived from the one-eighth of 1 percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.
- (17) State Employee Expense Reimbursement The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.
- (18) Recovery Costs Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Monies received from tobacco companies under the Tobacco Master Settlement Agreement are included in the recovery costs exclusion. See Tobacco Master Settlement Agreement Proceeds section below. Also, see item (19) below.
- (19) Cost Reimbursements Monies received from other governments for reimbursements of costs incurred by the state are excluded.
- Regarding items (18) and (19), the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.
- (20) Canceled Checks Receipts derived from the redeposit of state checks that have been canceled are excluded.
- (21) Local Match Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these local match funds are not state funds, they are excluded.



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- (22) Proceeds of Surplus Property Sales
The proceeds from some sales of surplus property are initially deposited into the Proceeds of Surplus Property Sales Fund then disbursed from this fund to the state fund that owned the property. To avoid counting the same receipts in TSR twice, the state excludes amounts disbursed from the Proceeds of Surplus Property Sales Fund to other state funds.
- (23) DHSS Program Rebates
The Department of Health and Senior Services (DHSS) receives rebates through various federal programs, including the Special Supplemental Nutrition Program for Women, Infants, and Children and the HIV Care Formula Grants.
- (24) Amendment 3 Revenue Derived From Highway Users
In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.
- Section 30(a)(4) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, "The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of 'total state revenues' . . ."
- Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, "The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of 'total state revenues' . . ."
- As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.
- The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item (3))
- Sections 29, 30(c), and 30(d) have no Hancock implications.



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(25) Interest - Federal	Interest assessed and received on advances made to the state by the federal government. Since the interest is due to the federal government, it is excluded from TSR.
Other Exclusions and Limits	Other exclusions and limits have been considered to arrive at TSR, as follows:
Cash Management Improvement Act (CMIA)	The state has to enter into an agreement with the federal government that governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.
Agency Remitted Sales Tax	Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.
Abandoned Funds Claim Payments	Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.
Expenditure Refunds	Under Article X, Section 17(1), Missouri Constitution, TSR shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. In <i>Kelly v. Hanson</i> , 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. A schedule of expenditure refunds is included at Appendix B.
Tobacco Master Settlement Agreement Proceeds	The OA-BP excluded \$123,645,603 received from tobacco companies during fiscal year 2016. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorney Generals. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001. The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2016 were as follows:



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Fiscal Year	Amount
2001	\$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958
2010	140,318,927
2011	132,631,552
2012	135,246,224
2013	135,166,246
2014	66,085,418
2015	132,261,643
2016	123,645,603

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "*all money recovered from others for costs incurred by the state or to be incurred by the state.*" The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. For our fiscal year 2001 report, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs prior to fiscal year 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These three research projects showed that Medicaid costs attributable to smoking were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.

A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report



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provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies, but they believe continued exclusion is reasonable.

Federal Reimbursement
Allowance and Nursing Facility
Reimbursement Allowance

The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program when collected by an offset against Medicaid claims, is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.

Appendix D

Review of Article X, Sections 16 Through 24,
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 Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source Code	SAM II Revenues	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2012	2013	2014	2015	2016			
1536	US Department of Health and Human Services	\$ 6,506,141,900	6,431,112,075	6,699,531,165	7,047,608,534	7,283,666,051	33,968,059,725	26.91	26.91
1022	Individual income tax	5,851,240,169	6,374,054,124	6,421,715,624	6,904,282,195	7,182,257,124	32,733,549,236	25.93	52.84
1001	Sales and use tax	1,928,981,152	1,956,108,763	1,977,037,033	2,013,256,448	2,109,630,089	9,985,013,485	7.91	60.75
1524	US Department of Transportation	934,758,552	983,599,456	913,853,780	856,690,126	908,711,359	4,597,613,273	3.64	64.39
1013	Proposition C sales and use tax	789,216,003	803,929,533	841,225,588	868,206,165	906,517,715	4,209,095,004	3.33	67.72
1522	US Department of Education	752,841,707	755,889,490	748,028,861	729,834,415	708,684,175	3,695,278,648	2.93	70.65
1060	Motor vehicle fuel tax	708,063,874	708,241,449	704,921,451	704,779,616	725,922,252	3,551,928,642	2.81	73.46
1717	Medicare - Medicaid refunds	507,643,669	639,370,093	546,964,083	555,309,589	764,065,387	3,013,352,821	2.39	75.85
1510	US Department of Agriculture	487,260,888	490,290,851	485,385,631	500,917,291	514,422,704	2,478,277,365	1.96	77.81
1332	Lottery ticket sales	464,048,652	490,432,070	492,825,882	463,931,842	544,750,138	2,455,988,584	1.95	79.76
1026	Corporate income tax	432,582,659	469,446,717	479,242,902	525,403,403	466,496,555	2,373,172,236	1.88	81.64
1076	Gaming commission gross receipts tax	337,316,302	329,024,116	314,364,443	320,386,965	323,585,514	1,624,677,340	1.29	82.93
1009	Motor vehicle sales tax	190,882,445	203,705,135	268,633,464	292,586,228	305,649,502	1,261,456,774	1.00	83.93
1420	Medicaid - community based	193,452,249	205,718,504	214,026,223	240,617,515	259,045,530	1,112,860,021	0.88	84.81
1033	County foreign insurance tax	191,997,525	191,390,872	202,752,455	239,393,674	247,446,081	1,072,980,607	0.85	85.66
1814	Cost reimbursements - local/other	204,207,970	187,373,570	187,281,971	170,110,809	179,461,032	928,435,352	0.74	86.39
1106	Motor vehicle licenses or permits	175,255,107	176,862,573	178,386,308	180,652,915	186,711,892	897,868,795	0.71	87.10
1557	American Recovery and Reinvestment Act	475,424,794	153,213,693	83,364,036	40,937,451	27,772,004	780,711,978	0.62	87.72
1520	US Department of Labor	155,545,244	156,406,546	125,567,984	126,368,853	120,842,194	684,730,821	0.54	88.26
1806	Recovery costs	150,426,085	150,725,636	82,224,337	146,343,779	141,153,215	670,873,052	0.53	88.80
1011	Conservation sales and use tax	100,566,000	102,532,262	107,076,440	110,528,741	115,429,774	536,133,217	0.42	89.22
1530	US Environmental Protection Agency	91,435,790	153,021,768	89,482,740	92,295,480	84,163,611	510,399,389	0.40	89.62
1089	Pharmacy reimbursement allowance	95,230,655	95,070,564	91,412,290	87,807,243	95,736,817	465,257,569	0.37	89.99
1636	Unclaimed properties	81,360,731	95,901,473	92,346,642	100,888,189	94,224,664	464,721,699	0.37	90.36
6015	Leased facility	104,557,774	105,027,361	106,994,424	61,542,743	61,346,648	439,468,950	0.35	90.71
1057	Cigarette tax	88,609,043	86,837,985	82,301,596	81,745,445	83,685,975	423,180,044	0.34	91.04
1534	Federal Emergency Management Agency	74,016,355	72,661,743	48,677,321	136,785,815	90,290,749	422,431,983	0.33	91.38
1418	Medicaid	96,595,375	90,326,464	81,573,482	73,123,636	72,032,939	413,651,896	0.33	91.71
1305	Bond sales proceeds	1,867,300	-	-	167,828,087	210,116,282	379,811,669	0.30	92.01
1108	Interstate transportation licenses or permits	73,344,188	70,153,402	73,920,485	77,389,354	82,275,134	377,082,563	0.30	92.31
1828	Redeposit of loan principal	61,093,018	68,996,096	69,361,487	74,454,908	83,588,497	357,494,006	0.28	92.59
1039	Worker's compensation insurance tax - second injury	41,671,672	42,328,061	54,987,065	90,502,981	106,107,160	335,596,939	0.27	92.86
1811	Local match	127,367,017	98,129,383	50,600,510	34,985,281	20,599,206	331,681,397	0.26	93.12
1528	US Veterans Administration	53,316,924	61,159,036	63,243,170	69,070,475	71,189,569	317,979,174	0.25	93.37
1834	Rebates	55,949,537	54,896,694	58,818,800	83,421,967	49,690,081	302,777,079	0.24	93.61
1842	Loan repayment	63,919,653	64,456,418	61,564,160	57,842,761	53,865,984	301,648,976	0.24	93.85
1813	Cost reimbursements - state	86,092,276	62,230,573	34,270,276	33,749,887	34,449,443	250,792,455	0.20	94.05
1560	Federal pass-through grants	78,646,931	61,246,642	47,604,707	37,998,600	19,553,864	245,050,744	0.19	94.24

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 Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	SAM II Revenues	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2012	2013	2014	2015	2016			
1514	US Department of Housing and Urban Development	61,464,304	48,483,173	45,313,039	40,676,241	46,977,140	242,913,897	0.19	94.43
1070	Corporation franchise tax	70,171,529	56,194,216	61,314,630	32,211,295	19,512,409	239,404,079	0.19	94.62
1252	Admission fees	52,599,091	50,123,796	46,222,768	45,589,269	44,166,866	238,701,790	0.19	94.81
1540	US Social Security Administration	43,570,139	46,294,342	41,684,705	45,917,912	53,141,675	230,608,773	0.18	95.00
1005	Soil and water sales and use tax	40,226,073	41,011,618	42,830,077	44,211,575	46,171,508	214,450,851	0.17	95.17
1003	Parks sales and use tax	40,226,069	41,011,615	42,830,073	44,211,573	46,171,505	214,450,835	0.17	95.34
6029	Interagency receipts	40,564,016	52,225,159	43,278,253	41,998,779	35,435,991	213,502,198	0.17	95.50
1549	Miscellaneous federal revenues	35,316,069	34,938,505	46,737,165	48,644,049	39,911,964	205,547,752	0.16	95.67
1264	Court fees	41,058,636	40,544,604	39,013,101	39,184,711	35,253,537	195,054,589	0.15	95.82
6013	Reimbursement/recovery cost	33,101,501	59,725,679	27,114,023	31,674,920	27,485,232	179,101,355	0.14	95.96
6009	Telephone billing	32,302,801	34,581,943	36,473,586	36,836,383	37,945,584	178,140,297	0.14	96.10
1512	US Department of Defense	29,677,895	32,995,530	30,693,698	32,534,000	38,537,907	164,439,030	0.13	96.24
1126	Hunting and fishing licenses and commission permits	31,361,102	30,653,188	31,725,219	31,788,573	33,011,845	158,539,927	0.13	96.36
1250	Collection fees	26,285,623	26,739,487	28,363,897	30,805,269	32,230,771	144,425,047	0.11	96.48
1516	US Department of Interior	26,594,330	27,550,163	29,116,162	27,826,979	29,441,709	140,529,343	0.11	96.59
1041	Excess lines of insurance tax	23,254,218	26,311,783	28,719,999	29,713,178	30,024,860	138,024,038	0.11	96.70
1100	Professional licenses or permits	25,311,321	29,001,314	27,594,721	29,225,729	26,707,324	137,840,409	0.11	96.81
1436	Room and care	26,341,112	26,953,266	28,363,819	28,109,625	27,664,512	137,432,334	0.11	96.91
1080	Real and personal property tax	26,395,744	26,662,885	26,731,442	27,568,831	28,189,016	135,547,918	0.11	97.02
6021	Computer services	23,599,449	19,567,908	22,297,639	24,413,038	29,571,066	119,449,100	0.09	97.12
1603	U.S./agency securities interest	26,324,561	21,523,353	22,479,526	20,342,362	22,256,721	112,926,523	0.09	97.21
1624	Settlements	6,183,019	55,120,514	5,310,083	39,020,076	5,603,862	111,237,554	0.09	97.29
1053	Liquor tax	20,621,338	21,047,333	21,925,239	22,476,067	22,844,443	108,914,420	0.09	97.38
1090	Federal reimbursement allowance	42,381,428	19,305,322	15,956,994	15,380,839	15,806,286	108,830,869	0.09	97.47
1162	Filing fees	24,409,792	17,882,469	18,691,254	19,047,755	19,812,035	99,843,305	0.08	97.55
1188	Public utilities fees	19,494,211	19,996,899	20,118,625	19,695,636	19,842,506	99,147,877	0.08	97.62
6027	Sale of manufactured products	19,842,283	17,974,645	18,969,055	19,461,962	20,665,985	96,913,930	0.08	97.70
1088	Nursing facility reimbursement allowance	17,009,046	18,111,951	18,329,061	18,022,997	20,891,666	92,364,721	0.07	97.77
1059	Tobacco product tax	16,308,821	16,895,556	17,225,212	17,691,619	19,434,019	87,555,227	0.07	97.84
1858	Other miscellaneous receipts - state	16,674,091	17,494,098	18,602,477	18,750,554	15,370,417	86,891,637	0.07	97.91
1037	Worker's compensation insurance tax	13,245,133	14,058,446	15,700,482	17,199,724	17,156,163	77,359,948	0.06	97.97
1110	Driver's licenses or permits	15,768,055	15,080,788	14,009,090	16,154,330	15,361,100	76,373,363	0.06	98.03
1621	Penalties	8,789,041	16,383,799	15,026,562	17,377,486	13,442,654	71,019,542	0.06	98.09
1551	County mental health programs	17,999,724	13,263,536	12,094,852	11,311,919	12,946,158	67,616,189	0.05	98.14
1612	Interest - federal	23,802,563	22,442,061	12,442,473	4,271,580	6,414	62,965,091	0.05	98.19
1152	Motorboat fees	11,848,667	11,829,678	12,145,169	12,549,673	12,358,613	60,731,800	0.05	98.24
1198	Transport load fees	11,302,684	11,227,662	11,239,640	11,195,303	11,567,440	56,532,729	0.04	98.29
1303	Other fees	12,788,351	10,700,540	10,278,791	10,976,155	11,062,952	55,806,789	0.04	98.33

Appendix D

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source Code	SAM II Revenues	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2012	2013	2014	2015	2016			
1206	Solid waste disposal fees	11,307,064	10,462,793	10,576,521	10,946,036	11,764,753	55,057,167	0.04	98.37
1302	Criminal records check fees	10,333,134	10,798,720	10,027,568	11,037,517	12,170,148	54,367,087	0.04	98.42
1266	Financial institutions examination fees	10,104,394	10,176,788	11,112,130	10,676,424	10,386,467	52,456,203	0.04	98.46
6007	Mail/freight services	10,803,757	11,230,955	10,679,698	9,761,536	9,619,041	52,094,987	0.04	98.50
1169	Other registration fees	4,477,531	10,664,905	11,090,142	11,501,235	11,916,069	49,649,882	0.04	98.54
1132	Overdimension/overweight permits - Amendment 3	8,752,113	8,452,114	9,545,940	9,277,614	9,563,794	45,591,575	0.04	98.58
1295	Intervention fees	9,137,637	9,851,227	9,006,410	8,503,124	8,429,899	44,928,297	0.04	98.61
1328	Sales of fixed assets - control	10,762,095	10,727,324	7,931,754	6,972,758	8,237,789	44,631,720	0.04	98.65
1816	Bond account	8,968,358	9,214,123	8,760,097	8,693,952	8,020,533	43,657,063	0.03	98.68
1840	Loan proceeds	12,938,384	9,056,992	13,212,581	8,269,645	-	43,477,602	0.03	98.72
6035	Taxes	7,954,247	7,890,094	8,419,180	9,609,364	8,613,452	42,486,337	0.03	98.75
1860	Other miscellaneous receipts - local/other	11,230,643	10,749,751	6,804,439	7,576,605	5,650,588	42,012,026	0.03	98.78
1316	Manufactured product sales	8,505,830	8,827,769	7,779,143	8,418,694	7,456,017	40,987,453	0.03	98.81
1502	Other governmental entity donations	30,103,121	5,000,000	4,050,000	1,050,032	-	40,203,153	0.03	98.85
1049	Heavy beer tax	8,151,881	8,044,713	7,887,262	7,708,889	7,798,378	39,591,123	0.03	98.88
1626	Court awards	1,801,074	1,266,313	12,167,031	11,122,925	12,786,154	39,143,497	0.03	98.91
1184	Title V emissions fees	7,913,341	7,300,494	7,492,099	7,081,848	7,865,484	37,653,266	0.03	98.94
1094	Ambulance service reimbursement allowance	5,252,545	8,135,233	7,956,001	7,894,871	7,863,496	37,102,146	0.03	98.97
1727	School refunds	9,909,164	9,526,783	6,710,912	3,773,819	6,417,301	36,337,979	0.03	99.00
	All other revenue source codes	248,989,207	235,011,713	256,401,252	262,453,579	263,539,349	1,266,395,100	1.00	100.00
	Total SAM II Revenues	\$ 24,304,536,535	24,736,168,819	24,616,141,577	25,845,977,839	26,737,217,477	126,240,042,247		

Review of Article X, Sections 16 Through 24, Constitution of Missouri Appendix E

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996*)

TAXATION

Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

Section 17. Definitions. As used in sections 16 through 24 of Article X:

- (1) **"Total state revenues"** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.
- (2) **"Personal income of Missouri"** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.
- (3) **"General price level"** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.

- (a). There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the fiscal year for which the calculation is being made, or



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix E

the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b). For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c). The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d). If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

(e). Voter approval required for taxes or fees, when, exceptions--definitions--compliance procedure, remedies.

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase



Review of Article X, Sections 16 Through 24,
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Appendix E

shall be measured by the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

Section 19. Limits may be exceeded, when, how. The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the



Review of Article X, Sections 16 Through 24,
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Appendix E

revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.

Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding. The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.

(a). Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b). The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and



Review of Article X, Sections 16 Through 24,
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Appendix E

additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

Section 24. Voter approval requirements not exclusive--self-enforceability.

(a). The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b). The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

* The 1996 amendment added Section 18(e).

Eric R. Greitens
Governor



State of Missouri
OFFICE OF ADMINISTRATION

Division of Budget and Planning
Capitol Building, Room 124
Post Office Box 809
Jefferson City, MO
65102-0809
573-751-2345
573-526-4811 (FAX)

Sarah H. Steelman
Commissioner

Daniel D. Haug
Acting Director
Budget and Planning

February 24, 2017

The Honorable Nicole Galloway, CPA
State Auditor
Room 880, Truman Building
PO Box 869
Jefferson City, Missouri 65102

Dear Ms. Galloway:

Pursuant to Article X, Section 18(e) of the Missouri Constitution, the Office of Administration, Division of Budget and Planning is providing the fiscal year 2016 base calculation and the first full fiscal year impact of tax and fee increases and decreases from bills enacted from the 2016 legislative session.

The Division of Budget and Planning's calculations are:

- The base for FY 2016 is \$94,283,895 (see attachment #1);
- The first full fiscal year impact of tax and fee increases and decreases implemented from the 2016 legislative session could be up to \$127,712,253 (see attachment #2).

If you have any questions about the information contained in the attached reports please contact Gina Verslues 751-9324.

Sincerely,

A handwritten signature in cursive script that reads "Daniel D. Haug".

Daniel D. Haug
Acting Director

Attachments

cc: Sarah Steelman
Judy Eggen
Gina Verslues
Robin Vogt

CALCULATIONS OF ARTICLE X SECTION 18(E) CAP ON GENERAL ASSEMBLY'S ABILITY TO INCREASE TAXES AND FEES - PARAGRAPH 1 SENTENCE 1 ONLY

TSR Fiscal Year	Date of Report	Fiscal Year Constrained	Missouri Personal Income as reported by BEA					Total	Avg. MPI for year	\$ Growth in MPI	% Growth in MPI	Total TSR in second previous year	18(e) Cap on Gen. Assembly		Final cap is lesser of options
			Q1	Q2	Q3	Q4	By MPI growth						By 1% of TSR		
1992	Nov. 1993		94,075	95,921	97,037	98,146	385,179	96,295							
1993	Oct. 1994		98,355	101,426	100,802	102,512	403,095	100,774	4,479	4.65%					
1994	Nov. 1996	1996	101,959	105,504	105,545	108,398	421,406	105,352	4,578	4.54%	5,197,146,035	50,000,000	51,971,460	50,000,000	
1995	Nov. 1996	1997	110,045	111,821	113,995	115,548	451,409	112,852	7,501	7.12%	5,952,239,460	53,559,869	59,522,395	53,559,869	
1996	Nov. 1997	1998	117,492	118,622	121,011	122,784	479,909	119,977	7,125	6.31%	6,386,936,487	56,941,406	63,869,365	56,941,406	
1997	Nov. 1998	1999	122,100	123,703	126,407	127,403	499,613	124,903	4,926	4.11%	6,908,736,260	59,279,294	69,087,363	59,279,294	
1998	Nov. 1999	2000	128,381	129,637	130,680	132,228	520,926	130,232	5,328	4.27%	7,158,072,729	61,808,090	71,580,727	61,808,090	
1999	Nov. 2000	2001	139,291	140,915	141,628	143,515	565,349	141,337	11,106	8.53%	7,346,694,082	67,078,898	73,466,941	67,078,898	
2000	Nov. 2001	2002	143,934	146,086	148,641	151,938	590,599	147,650	6,313	4.47%	7,441,308,515	70,074,821	74,413,085	70,074,821	
2001	Nov. 2002	2003	155,402	156,248	157,887	158,423	627,960	156,990	9,340	6.33%	7,739,643,344	74,507,719	77,396,433	74,507,719	
2002	Nov. 2003	2004	159,866	159,843	161,919	162,979	644,607	161,152	4,162	2.65%	7,488,346,925	76,482,174	74,883,469	74,883,469	
2003	Nov. 2004	2005	161,143	161,717	163,820	165,201	651,881	162,970	1,818	1.13%	7,200,533,349	77,346,423	72,005,333	72,005,333	
2004	Nov. 2005	2006	167,643	169,006	172,050	174,073	682,772	170,693	7,723	4.74%	7,721,281,855	81,012,643	77,212,819	77,212,819	
2005	Nov. 2006	2007	174,002	177,807	178,001	180,396	710,206	177,552	6,859	4.02%	8,090,168,166	84,269,351	80,901,682	80,901,682	
2006	Nov. 2007	2008	183,182	185,617	188,399	191,114	748,312	187,078	9,526	5.37%	8,595,097,538	88,794,615	85,950,975	85,950,975	
2007	Nov. 2008	2009	190,146	192,545	196,440	198,204	777,335	194,334	7,256	3.88%	8,985,511,865	92,239,846	89,855,119	89,855,119	
2008	Nov. 2009	2010	200,746	203,471	205,531	210,030	819,778	204,945	10,611	5.46%	9,598,505,153	97,276,142	95,985,052	95,985,052	
2009	Nov. 2010	2011	218,022	222,807	214,984	215,527	871,340	217,835	12,890	6.29%	8,721,540,989	103,394,811	87,215,410	87,215,410	
2010	Nov. 2011	2012	215,403	214,900	218,537	220,495	869,335	217,334	(501)	-0.23%	8,022,520,507	103,157,003	80,225,205	80,225,205	
2011	Nov. 2012	2013	219,226	220,721	226,044	228,066	894,057	223,514	6,180	2.84%	8,424,417,092	106,086,662	84,244,171	84,244,171	
2012	Nov. 2013	2014	230,439	230,240	233,295	234,431	928,405	232,101	8,587	3.84%	8,755,670,505	110,160,390	87,556,705	87,556,705	
2013	Nov. 2014	2015	239,345	247,280	243,362	245,107	975,094	243,774	11,673	5.03%	9,462,320,438	115,701,458	94,623,204	94,623,204	
2014	Nov. 2015	2016	244,579	245,606	248,622	251,686	990,493	247,623	3,849	1.58%	9,428,389,477	117,529,541	94,283,895	94,283,895	

L:\Total State Revenue\18e Calculations

SQ1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income

Personal income (thousands of dollars)

State or DC

GeoFips	GeoName	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
29000	Missouri	241,295,403	242,887,140	244,578,885	245,605,828	248,622,073	251,686,060	253,609,259	256,012,360	255,911,135	257,954,223

Legend / Footnotes:

Note-- Thousands of dollars, seasonally adjusted at annual rates. All dollar estimates are in current dollars (not adjusted for inflation).

Last updated: September 30, 2015-- new estimates for 2015:II; revised estimates for 1976:I-2015:I.

ARTICLE X, SECTION 18(e)
FY 2016 Legislative Session--TAFP Bills less Vetoes
Plus Veto Overrides

Bill #	Description	First Full Year Max State 18(e) Impact	First Full Year Max Local 18(e) Impact	First Full Year Total 18(e) Impact
HB1414	This proposal prohibits certain agricultural data from being subject to public disclosure laws	0	0	0
HB1418	Changes the laws regarding audits of transportation development districts	0	0	0
HB1432	Requires a hearing to be held within 60 days if a state employee is placed on administrative leave	0	0	0
HB1434	Establishes additional rules and procedures for certain counties' tax increment financing commission	0	0	0
HB1435	Modifies current provisions regarding sales tax refund claims	(Minimal)	0	(Minimal)
HB1443	Modifies provisions relating to the Missouri local government employees' retirement system	0	0	0
HB1477	Amends laws relating to elections and political parties	0	0	0
HB1480	Allows voting machines to be used for the purpose of processing absentee ballots	0	0	0
HB1530	Modifies the law relating to unemployment compensation benefits	0	0	0
HB1534	Extends the sunset on certain health care provider reimbursement allowance taxes	0	0	0
HB1550	Modifies provisions of law relating to child custody orders	0	0	0
HB1559	Designates July first as "Lucile Bluford Day" in Missouri in honor of a the civil rights activist and journalist	0	0	0
HB1561	Changes the laws regarding the distribution of sales taxes among certain areas of St. Louis County	0	0	0
HB1562	This proposal relates to victims of crimes	0	0	0
HB1565	Raises the MO HealthNet asset limits for disabled persons	0	0	0
HB1568	Allows physicians to prescribe naloxone to any individual to administer, in good faith, to another individual suffering from an opiate-induced drug overdose	0	0	0
HB1577	Establishes a commission on capitol security infrastructure	0	0	0
HB1582	Changes the laws regarding the withholding tax filing requirements for certain small businesses	0	0	0
HB1583	Changes the laws regarding bullying in schools and establishes specific components that a district must include in its antibullying policy	0	0	0
HB1593	Modifies provisions relating to proceedings against defaulting collectors	0	0	0
HB1599	Establishes procedures for an adopted person to obtain a copy of his or her original birth certificate	Unknown	0	Unknown
HB1631	Requires a person to submit a specified form of photo identification in order to vote in a public election with specified exemptions	0	0	0
HB1646	Establishes the Missouri Civics Education Initiative	0	0	0
HB1649	Establishes the Rescue the Forgotten law to provide immunity from civil liability for persons who render assistance to children trapped in motor vehicles	0	0	0
HB1681	Exempts yoga training courses, programs, or schools from provisions of law regulating proprietary schools	(2,500)	0	(2,500)
HB1682	Establishes the Medical Practice Freedom Act which prohibits state licensure of physicians, chiropractors, optometrists, and dentists to be conditioned on participation in any public or private health insurance	0	0	0
HB1684	Allows certain cities, towns, or villages that have entered into one or more intergovernmental agreements related to municipal services to consolidate	0	0	0
HB1696	Requires the Missouri Commission for the Deaf and Hard of Hearing to provide grants to organizations that provide services to deaf-blind persons	0	0	0
HB1698	Establishes the Meet in Missouri Act to attract national conventions to Missouri	0	0	0
HB1713	Requires the Department of Natural Resources to provide information regarding advanced technologies to upgrade existing lagoon-based wastewater systems to meet any new or existing discharge requirements	0	0	0
HB1717	Requires a public water system to notify the Department of Natural Resources, the Department of Health and Senior Services, and its customers at least 90 days prior to a vote to cease fluoridation	0	0	0
HB1721	Changes the laws regarding credit union supervision so that audits are consistent with federal standards	0	0	0
HB1763	Changes the laws regarding workers' compensation large deductible policies issued by an insurer	0	0	0
HB1765	Changes provisions relating to judicial proceedings	0	0	0
HB1816	Adds provisions relating to the maintenance of licensure of physicians	10,000	0	10,000
HB1851	Designates the "German Heritage Corridor of Missouri"	0	0	0
HB1862	Modifies provisions relating to landlord-tenant law	0	0	0
HB1877	Changes the laws regarding the child abuse and neglect central registry and the reentry of children previously released from Children's Division custody	0	0	0
HB1936	Allows sheriffs and deputies to assist in other counties throughout the state	0	0	0
HB1941	Provides licensing and taxation for daily fantasy sports games	Unknown	0	Unknown
HB1976	Modifies provisions relating to motor vehicle services	0	0	0
HB1979	Imposes a six-month rule for lobbying by former members of the general assembly, by former statewide elected officials, and by former holders of an office that required senate confirmation	0	0	0

ARTICLE X, SECTION 18(e)
FY 2016 Legislative Session--TAFP Bills less Vetoes
Plus Veto Overrides

Bill #	Description	First Full Year Max State 18(e) Impact	First Full Year Max Local 18(e) Impact	First Full Year Total 18(e) Impact
HB1983	Specifies that no statewide elected official or member of the General Assembly shall serve as a paid political consultant	0	0	0
HB2029	Changes the laws regarding step therapy for prescription drugs	0	0	0
HB2030	Authorizes a tax deduction equal to fifty percent of the capital gain resulting from the sale of employer securities to a certain Missouri stock ownership plans	(Up to 10,300,000)	0	(Up to 10,300,000)
HB2125	Authorizes financial institutions to offer savings promotion plans	0	0	0
HB2140	Creates the "Missouri Task Force on Fair, Nondiscriminatory Local Taxation Concerning Motor Vehicles, Trailers, Boats, and Outboard Motors"	0	0	0
HB2150	Requires life insurance companies to compare policies, annuities, and accounts against a death master file for potential matches and to either pay beneficiaries or remit unclaimed benefits to state treasure	0	0	0
HB2194	Changes the laws regarding insurance policy renewal so that insurers are no longer required to nonrenew when transferring a policy to an affiliate	10,000	0	10,000
HB2203	Changes the laws regarding the investment of campaign funds	0	0	0
HB2332	Changes provisions relating to criminal offenses that were modified or created in the 2014 Criminal Code rewrite	0	0	0
HB2335	Designates the "Trooper James Bava Memorial Highway" on portion of state highway FF in Audrain County	0	0	0
HB2355	Establishes the Missouri State Juvenile Justice Advisory Board	0	0	0
HB2376	Modifies provisions of law relating to construction management	0	0	0
HB2379	Specifies that public schools shall screen students for dyslexia and related disorders	0	0	0
HB2380	Allows owners of personal motor vehicles and owners of commercial motor vehicles licensed in excess of twelve thousand pounds to apply for special personalized license plates	11,790,928	3,386,054	15,176,982
HB2381	Changes the laws regarding mine property	Minimal	0	Minimal
HB2428	Changes the term "guidance counselor" to "school counselor" in the laws relating to education	0	0	0
HB2453	Authorizes the conveyance of certain state properties	0	0	0
HB2591	Establishes the "PVT Billie G Kanell Cong Medal of Honor Memorial Highway" on a portion of State Route PP in Butler County and others memorial highway designations	0	0	0
HJR053	Proposes a constitutional amendment specifying that a person seeking to vote in a public election may be required by general law to provide a valid government-issued photo identification	0	0	0
SB0572	Modifies municipal ordinance violation calculation for annual general operating revenue limits	0	(Unknown)	(Unknown)
SB0578	Allows certain circuits to appoint an additional court marshal, authorizes an additional judge in certain circuits, excludes firearms from bankruptcy, and establishes the Missouri Commercial Receivership Act	0	0	0
SB0579	Modifies provisions relating to infection reporting of health care facilities	0	0	0
SB0585	Divides the Thirty-Eighth Judicial Circuit and creates a new Forty-Sixth Judicial Circuit	0	0	0
SB0586	Modifies the definition of "current operating expenditures" for the purposes of calculating state aid for schools	0	0	0
SB0588	Modifies provisions relating to petitions for the expungement of criminal records	Up to \$154,299,250	0	Up to \$154,299,251 *
SB0590	Modifies provisions related to first crime	0	0	0
SB0607	Changes the laws regarding public assistance programs	0	0	0
SB0608	Modifies several provisions of law relating to health care	0	0	0
SB0613	Enacts new provisions of law relating to the workers' compensation insurance premiums of volunteer fire departments	0	0	0
SB0620	Modifies composition of the Career and Technical Education Advisory Council and requires said council to establish minimum requirement for a career and technical education certificate	0	0	0
SB0624	Adds possession of a fraudulently obtained credit or debit device to the elements of the crime of fraudulent procurement of a credit or debit device	0	0	0
SB0625	Designates certain state highways	0	0	0
SB0635	Modifies provisions of law relating to health care	0	0	0
SB0638	Modifies laws relating to elementary and secondary education	0	0	0
SB0641	Creates an income tax deduction for payments received as part of a program that compensates agricultural producers for losses from disaster or emergency	(Unknown)	0	(Unknown)
SB0655	Repeals the Advisory Council to the Director of the Missouri Agriculture Experiment Station and establishes the Fertilizer Control Board	0	0	0
SB0656	Specifies that no additional fee beyond \$100 may be charged to process concealed carry permit applications and allows military members extra time to renew their permits	0	Unknown/ (Unknown)	Unknown/ (Unknown)
SB0657	Modifies provisions relating to liability for the use of incompatible motor fuel	Up to \$1,364,759	0	Up to \$1,364,759
SB0660	Modifies provisions of law relating to bidding procedures for county depositories	0	0	0

* OA-BP personnel indicated this total should be "Up to \$154,299,250" instead of "Up to \$154,299,251".

ARTICLE X, SECTION 18(e)
FY 2016 Legislative Session--TAFP Bills less Vetoes
Plus Veto Overrides

Bill #	Description	First Full Year Max State 18(e) Impact	First Full Year Max Local 18(e) Impact	First Full Year Total 18(e) Impact
SB0664	Modifies corporate registration report requirements for authorized farm corporations and family farm corporations	(16,358)	0	(16,358)
SB0665	Allows the AgriMissouri Advisory Commission to establish a fee for sellers electing to use the AgriMissouri trademark so long as the fees do not yield revenue greater than administering the objectives of the Commission	(2,000,000)	0	(2,000,000)
SB0700	Modifies the law relating to workers' compensation premium rates and volunteer fire association	(830,880)	0	(830,880)
SB0702	Modifies the law relating to unemployment compensation benefits	0	0	0
SB0711	Requires thirty minutes of cardiopulmonary resuscitation and training in high school	0	0	0
SB0732	Modifies provisions relating to public safety	0	0	0
SB0735	Modifies laws relating to public defenders	0	0	0
SB0765	Changes and establishes provisions relating to the conduct of political subdivisions, public servants, and law enforcement officers	0	0	0
SB0786	Modifies the law relating to the prosecution of election offenses	(Unknown)	0	(Unknown)
SB0794	Creates a sales tax exemption for parts and accessories of certain types of medical equipment	(Could exceed 400,000)	(Could exceed 100,000)	(Could exceed 500,000)
SB0814	Allows an individual to deduct income earned through active military duty from their Missouri adjusted gross income	(Could exceed 3,600,000)	0	(Could exceed 3,600,000)
SB0823	Modifies provisions relating to taxation	(Minimal)	(Unknown)	(Unknown)
SB0833	Relating to savings promotions programs	0	0	0
SB0838	Relating to the transfer of wireless telephone numbers	0	0	0
SB0844	Relating to livestock trespass	0	0	0
SB0852	Designates five memorial highways, one memorial bridge and the "Purple Heart Trail"	0	0	0
SB0861	Relating to transportation facilities	(Could Exceed 6,688,000)	0	(Could Exceed 6,688,000)
SB0865	Modifies various provisions regarding palliative care, the Board of Pharmacy, pharmacists, health insurance, and pharmacy benefit managers	0	0	0
SB0875	Allows a pharmacist to select an interchangeable biological product when filling a biological product prescription	0	0	0
SB0905	Relating to the uniform interstate family support act	0	0	0
SB0915	Designates two memorial highways in Boone County	0	0	0
SB0919	Modifies provisions relating to intoxicating liquor	Minimal	0	Minimal
SB0921	Modifies requirements for the reporting of crimes and domestic violence incidents by law enforcement agencies	0	0	0
SB0932	Relating to credit union supervisory committees	0	0	0
SB0947	Relating to transportation network company insurance	0	0	0
SB0968	Allows current members of the Missouri National Guard to receive in-state residency status for the purposes of tuition at higher education institutions	0	0	0
SB0973	Provides that a pharmacist may dispense varying quantities of maintenance medication	0	0	0
SB0986	Authorizes the conveyance of certain state properties	0	0	0
SB0988	Modifies provisions relating to health care providers	Unknown	0	Unknown
SB0994	Changes the laws regarding alcohol	54,000	135,000	189,000
SB0997	This act establishes several new provisions relating to higher education	Unknown	0	Unknown
SB1002	Allows the State Auditor to audit community improvement districts	0	0	0
SB1009	Designates the "Trooper James Bava Memorial Highway"	0	0	0
SB1025	Exempts instructional classes from sales tax	(9,700,000)	(9,700,000)	(19,400,000)
		Up to 133,991,199	(6,278,946)	Up to 127,712,253
		Unknown	Unknown	Unknown
		to	to	to
		(Unknown)	(Unknown)	(Unknown)

** OA-BP personnel indicated the impact of this bill should be a positive unknown, instead of a negative unknown.

ARTICLE X, SECTION 18(e)
FY 2016 Legislative Session
September 2015 Special Legislative Session

Bill #	Bill Status	LR #	Subject	Total Max 18(e) Impact
1. There was no special session in 2015. (FY16)				
2. The Veto session was held on September 14, 2016, and thirteen Governor Vetoes were overridden, and are included in the TAFP Bills tab in this spreadsheet. (Additionally, one Governor Veto was overridden during the regular session.)				
TOTALS				0.00

Note: The 18E impact has been adjusted for bills containing duplicate sections.
It is possible that other duplicate sections could exist that impact 18E.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

March 3, 2017

Daniel D. Haug, Acting Director
Office of Administration
Capitol Building, Room 124
P.O. Box 809
Jefferson City, MO 65102

Dear Mr. Haug:

Thank you for sending my office your estimates related to the Missouri Constitution, Article X, Section 18(e), limitation on tax and fee increases.

Because the Office of Administration, Division of Budget and Planning, is projecting that the General Assembly has exceeded the limitations in Section 18(e) for the first time since the law went into effect in 1992, my office would like a detailed explanation for any positive or negative impacts and why any potential impacts cannot be quantified. Please provide a copy of all documents and other supporting material related to your estimate that the aggregated impact of the laws passed in 2016 violate this section.

I ask that you provide this documentation to my office on or before March 15. If you have any questions, please contact Audit Manager Robyn Vogt at 751-4213.

Sincerely,

A handwritten signature in cursive script that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

Note: This letter contains a typographical error. As noted in the report, Section 18(e) went into effect in 1996.

Eric R. Greitens
Governor



State of Missouri
OFFICE OF ADMINISTRATION
Division of Budget and Planning
Capitol Building, Room 124
Post Office Box 809
Jefferson City, MO
65102-0809
573-751-2345
573-526-4811 (FAX)

Sarah H. Steelman
Commissioner

Daniel D. Haug
Acting Director
Budget and Planning

March 17, 2017

Nicole R. Galloway
Missouri State Auditor
State Capitol, Rm 121
Jefferson City, MO 65101

Dear Auditor Galloway:

In response to your March 3, 2017 letter regarding the Article X, Section 18(e) calculation, Budget and Planning (B&P) does not have any additional information to provide to your office. In the information provided to your staff initially, we included a detailed spreadsheet showing the estimated fiscal impact of the bills passed by the General Assembly and approved by the Governor. If Oversight included an "Unknown" fiscal impact, B&P did not attempt to develop a more precise estimate for this calculation because in some cases, it is not possible to quantify the potential impact of the legislation. The B&P analysis is based upon the official fiscal note for each of those bills.

If you have other specific questions, please contact me or Gina Verslues at 751-2345.

Sincerely,

A handwritten signature in blue ink that reads "Daniel D. Haug".

Daniel D. Haug
Acting Budget Director

c: Gina Verslues
Judy Eggen

Eric R. Greitens
Governor



State of Missouri
OFFICE OF ADMINISTRATION
Division of Budget and Planning
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Sarah H. Steelman
Commissioner

Daniel D. Haug
Acting Director
Budget and Planning

May 5, 2017

Robyn Vogt, CPA
Audit Manager
Room 880, Truman Building
PO Box 869
Jefferson City, Missouri 65102

Dear Ms. Vogt:

Thank you for the opportunity to review the **draft** audit report on the total state revenue calculation and the Article X, Section 18(e) review for fiscal year ended June 30, 2016. We have compared your audit report with our calculations and we agree with the updates made per our discussion. We have no other suggested changes.

Sincerely,

A handwritten signature in black ink that reads "Daniel D. Haug".

Daniel D. Haug
Acting Director

cc: Sarah Steelman
Judy Eggen
Gina Verslues
Robyn Vogt