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Missouri State Auditor

Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2018

Report No. 2019-047

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Nicole Galloway, CPA
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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 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.

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 2018 was \$102.9 million.

Fiscal Year 2018 Conclusions

For the year ended June 30, 2018, total state revenue was approximately \$3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2018. 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 decrease by a total of at least \$41.3 million. The projected net decrease does not include 9 bills for which the Section 18(e) fiscal impact could not be projected. Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Because of the nature of this review, no rating is provided.

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

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NICOLE GALLOWAY, CPA **Missouri State Auditor**

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

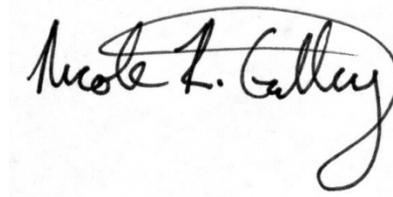
We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2018, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We previously reported on revenues of the state for the years ended June 30, 1982 through 2017. 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

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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 Missouri's 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, 2018, total state revenue (TSR) was approximately \$3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2018. 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 \$3.9 billion to \$4.2 billion.

Tax and fee increases Section 18(e)

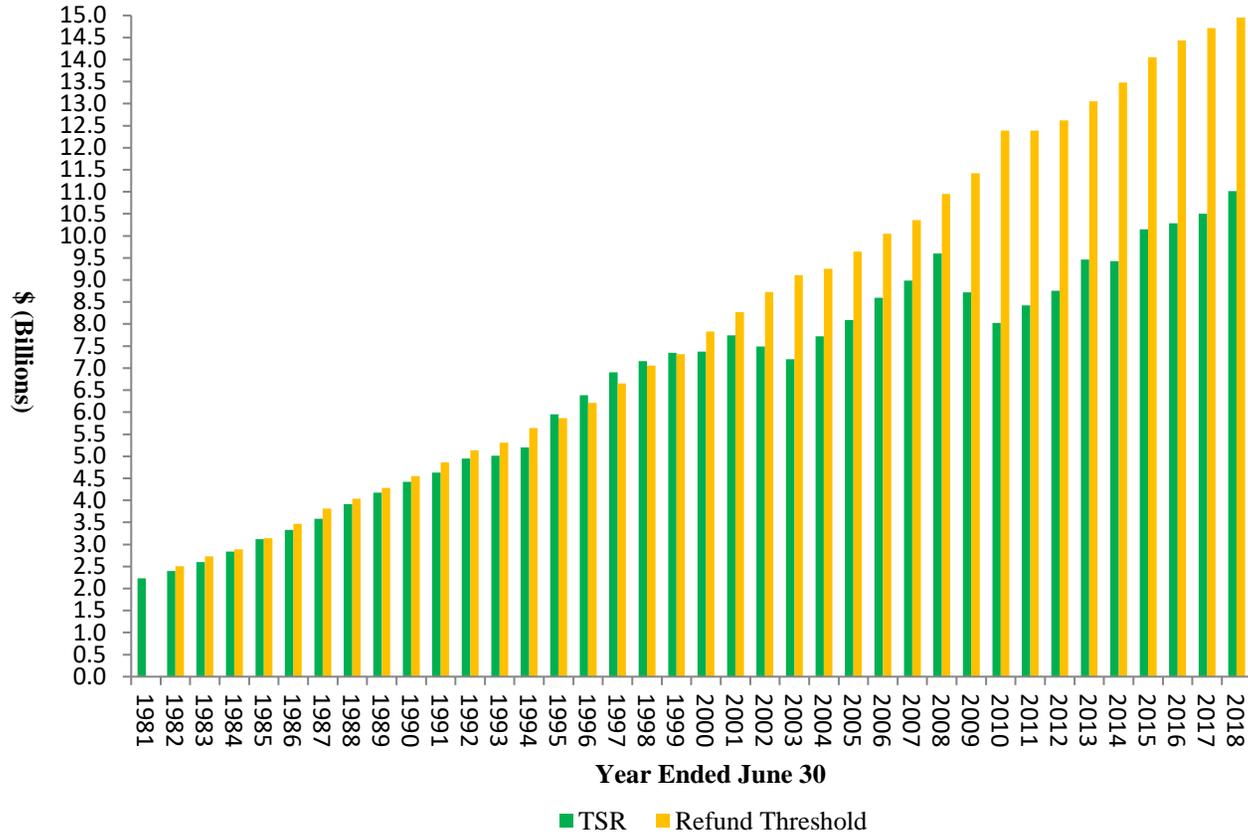
Section 18(e) of the Hancock Amendment states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second 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, 2018, 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 decrease by a total of at least \$41.3 million. The projected net decrease does not include 9 bills for which the Section 18(e) fiscal impact could not be projected.

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. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

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

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 GRAPH 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 following table summarizes the calculated TSR, revenue limits, refund thresholds, and refund calculations for the 5 years ended June 30, 2018.

	Year Ended June 30,				
	2014	2015	2016	2017	2018
	(in millions)				
TOTAL STATE REVENUE (TSR)					
Total revenues	\$ 24,616.14	25,845.98	26,737.22	27,249.91	28,525.80
Less excluded revenue	(13,878.69)	(14,442.15)	(15,019.33)	(15,326.03)	(16,087.60)
Less expenditure refunds	(1,328.25)	(1,278.49)	(1,459.78)	(1,474.61)	(1,480.78)
Add refundable tax credits	19.19	24.22	29.83	53.62	56.15
TSR	\$ 9,428.39	10,149.56	10,287.94	10,502.89	11,013.57
Missouri personal income (MPI)	\$ 235,661.00	245,771.39	252,482.44	257,338.33	261,547.77
Base year ratio (BYR)	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	13,290.10	13,860.28	14,238.75	14,512.60	14,749.99
Judicial article amendment	51.86	52.42	52.70	53.75	55.90
Revenue limit	13,341.96	13,912.70	14,291.45	14,566.35	14,805.89
1 percent adjustment	133.42	139.13	142.91	145.66	148.05
Refund threshold	\$ 13,475.38	14,051.83	14,434.36	14,712.01	14,953.94
TSR	\$ 9,428.39	10,149.56	10,287.94	10,502.89	11,013.57
Less refund threshold	13,475.38	14,051.83	14,434.36	14,712.01	14,953.94
Over (under) threshold	(4,046.99)	(3,902.27)	(4,146.42)	(4,209.12)	(3,940.37)
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,
 Constitution of Missouri
 Background, Methodology, and Conclusions

The calculation shows for the year ended June 30, 2018, TSR was approximately \$3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2018. 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 the 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 refund where one previously was not due. Therefore, we find this approach reasonable if it is followed consistently.



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

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

$$\frac{\$2,232.204096}{\$ 39,581.0} = .05639584891$$

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 2018 revenue limit calculation, the OA-BP used the CY 2016 MPI which was greater than the average MPI for the preceding 3 calendar years.

Adjustments

Section 18(d) provides the revenue limit may be adjusted, "[i]f 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, 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.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted 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



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

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 not appropriated. Thus, it is reasonable to conclude these funds should not be included in TSR.

From the revenue amounts obtained from SAM II, 7 funds are entirely excluded and 26 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, 2018, 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 for each legislative session.

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, 2018.



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

	Year Ended June 30,				
	2014	2015	2016	2017	2018
LEGISLATIVE ACTIONS*					
Net tax and fee increases/decreases	\$ (619,541,539)	(20,823,150)	127,712,253	2,272,090	(41,321,078)
	At least		Up to		At least
REVENUE LIMIT					
By MPI growth	\$ 110,160,390	115,701,458	117,529,541	120,291,485	123,479,209
By 1 percent of TSR	\$ 87,556,705	94,623,204	94,283,895	101,495,508	102,879,357
Revenue limit (lesser amount)	\$ 87,556,705	94,623,204	94,283,895	101,495,508	102,879,357
DIFFERENCE					
Over (under) limit	\$ N/A	N/A	33,428,358	(99,223,418)	N/A

* Legislative action amounts do not include bills for which Section 18(e) fiscal impact could not be projected.
 N/A For fiscal years 2014, 2015, and 2018, the projections showed a net decrease in taxes and fees.

For the year ended June 30, 2018, 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 decrease by a total of at least \$41.3 million. As noted in the Legislative actions section, the projected net decrease does not include 9 bills for which the Section 18(e) fiscal impact could not be projected.¹ As noted in the Compliance section, actual compliance can be determined after each bill is fully effective. The 2016 legislative session was the only year the limit has been projected to be exceeded.

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 2018, the OA-BP calculated the MPI growth limit at \$123.5 million by multiplying the fiscal year 2017 MPI growth limit (\$120.3 million) by the percentage change in the MPI for fiscal year 2016 (2.65%). The OA-BP calculated the TSR limit at \$102.9 million by multiplying the fiscal year 2016 TSR (\$10.29 billion) by 1 percent. The revenue limit was established at the lessor of these amounts, or the TSR limit of \$102.9 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 18(e),

¹ OA-BP indicated the estimated fiscal impact of Senate Bill 882 was unknown but also noted the decrease of tax revenue was "possibly substantial."



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

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. That information 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 2018 legislative session included 125 bills, 40 of which the OA-BP determined had potential Section 18(e) fiscal impact.

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 2018 legislative session, actual compliance can be measured after each 2018 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 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, 2018, TSR was approximately \$3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2018. This revenue limit has not been exceeded since the year ended June 30, 1999.



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

Tax and Fee Increases

For the year ended June 30, 2018, 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 decrease by a total of at least \$41.3 million. The projected net decrease does not include 9 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

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,				
		2014	2015	2016	2017	2018
1001	Sales and use tax	\$ 1,977,037,033	2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210
1003	(8) Parks sales and use tax	42,830,073	44,211,573	46,171,505	46,830,973	47,830,741
1005	(7) Soil and water sales and use tax	42,830,077	44,211,575	46,171,508	46,830,977	47,830,649
1007	General revenue reimbursements - local sales and use tax	1,650,259	2,749,261	2,228,574	2,664,200	2,730,254
1009	Motor vehicle sales tax	4,090,999	5,060,318	4,722,745	5,401,164	5,203,111
1009	(24) Motor vehicle sales tax - Amendment 3	264,542,465	287,525,910	300,926,757	317,332,358	322,920,915
1011	(16) Conservation sales and use tax	107,076,440	110,528,741	115,429,774	117,077,413	119,568,141
1013	(2) Proposition C sales and use tax	841,225,588	868,206,165	906,517,715	918,927,877	938,175,451
1015	Sales and use taxes paid under protest	217,330	252,144	248,449	1,079,334	36,894
1016	(26) Suspense holding	-	-	-	-	58,298
1022	Individual income tax	6,421,715,624	6,904,282,195	7,182,257,124	7,331,004,488	7,737,588,497
1024	Individual income taxes paid under protest	7,174	6,927	-	-	-
1026	Corporate income tax	479,242,902	525,403,403	466,496,555	432,357,927	459,482,248
1028	Corporate income taxes paid under protest	16,571	1,155,831	-	-	-
1033	County foreign insurance tax	202,752,455	239,393,674	247,446,081	280,592,925	310,095,430
1037	Worker's compensation insurance tax	15,700,482	17,199,724	17,156,163	16,720,052	17,416,920
1039	Worker's compensation insurance tax - second injury	54,987,065	90,502,981	106,107,160	101,791,431	102,703,123
1041	Excess lines of insurance tax	28,719,999	29,713,178	30,024,860	33,455,598	34,308,445
1049	Heavy beer tax	7,887,262	7,708,889	7,798,378	7,666,892	7,437,210
1053	Liquor tax	21,925,239	22,476,067	22,844,443	24,012,395	25,088,295
1055	Wine tax	5,947,749	6,023,763	6,205,469	6,184,019	6,405,925
1057	Cigarette tax	82,301,596	81,745,445	83,685,975	79,873,777	75,939,169
1059	Tobacco product tax	17,225,212	17,691,619	19,434,019	20,516,652	21,468,711
1060	Motor vehicle fuel tax	395,257,448	393,296,159	400,332,970	410,393,007	399,068,251
1060	(3) Motor vehicle fuel tax	164,058,506	165,022,444	172,484,819	171,758,978	174,486,338
1060	(24) Motor vehicle fuel tax - Amendment 3	145,605,497	146,461,013	153,104,463	152,531,806	154,945,469
1062	Special fuel non-gas tax	258,291	566,554	944,100	502,526	295,570
1062	(24) Special fuel non-gas tax - Amendment 3	128,033	128,680	108,038	109,013	124,213
1064	Aviation fuel tax	264,010	252,969	257,088	257,653	258,963
1070	Corporation franchise tax	61,314,630	32,211,295	19,512,409	2,743,150	2,240,048
1073	Estate tax	129,700	92,215	56,183	55,785	54,413
1074	(12) Bingo tax	1,810,599	1,770,286	1,705,122	1,751,736	1,452,759
1076	(13) Gaming commission gross receipts tax	314,364,443	320,386,965	323,585,514	324,262,046	328,396,438
1079	County private car tax	83	-	-	-	-
1080	Real and personal property tax	26,731,442	27,568,831	28,189,016	28,830,339	29,703,452
1082	Delinquent real and personal property tax	2,994,380	2,696,733	2,702,974	2,811,753	3,562,473
1084	Hazardous waste fees	2,365,426	2,321,743	2,331,512	2,721,071	2,875,184
1086	Miscellaneous taxes protested	-	536	-	-	-
1088	Nursing facility reimbursement allowance	18,329,061	18,022,997	20,891,666	19,522,237	18,238,114
1089	Pharmacy reimbursement allowance	91,412,290	87,807,243	95,736,817	87,380,822	108,168,401
1090	Federal reimbursement allowance	15,956,994	15,380,839	15,806,286	15,567,989	26,077,730
1093	Athletic events tax	112,214	129,711	154,464	232,140	111,792
1094	Ambulance service reimbursement allowance	7,956,001	7,894,871	7,863,496	9,781,742	11,366,127
1095	Surcharges	154,948	140,769	132,698	105,605	14,729
1097	Agency collected sales taxes	230,578	214,314	216,632	204,114	218,335
1098	Telecommunications tax	-	28	-	7,512,046	-
1099	Other taxes	79,512	44,349	91,624	77,086	75,374
1100	Professional licenses or permits	27,594,721	29,225,729	26,707,324	28,140,106	24,242,068
1102	Recreational licenses or permits	5,559,494	5,927,972	6,324,511	6,977,269	7,109,470
1106	Motor vehicle licenses or permits	124,206,058	125,787,801	131,250,543	134,957,753	136,690,431
1106	(24) Motor vehicle licenses or permits - Amendment 3	54,180,250	54,865,114	55,461,349	56,738,706	57,150,515
1108	Interstate transportation licenses or permits	50,908,751	53,343,143	56,630,383	52,754,737	57,069,595
1108	(24) Interstate transportation licenses or permits - Amendment 3	23,011,734	24,046,211	25,644,751	23,865,121	25,801,301
1110	Driver's licenses or permits	6,331,641	7,461,353	7,165,485	6,391,039	7,439,702
1110	(24) Driver's licenses or permits - Amendment 3	7,677,449	8,692,977	8,195,615	7,363,142	8,105,039
1112	Land reclamation commission permits	601,738	549,999	586,109	673,840	757,262
1114	Salesman licenses or permits	802,435	841,500	1,024,810	1,343,560	1,486,950
1116	Vehicle and boat manufacturer and dealer licenses	869,682	875,649	906,202	944,410	938,393
1118	Liquor licenses or permits	5,308,776	5,122,020	5,358,359	5,303,962	5,476,918
1120	Gaming commission licenses	1,829,568	1,633,790	1,992,445	2,024,787	1,882,525
1121	Fantasy sports licenses	-	-	-	23,446	43
1124	Motor carrier licenses	2,791,638	2,961,695	2,492,555	2,294,927	2,384,911
1126	Hunting and fishing licenses and commission permits	31,725,219	31,788,573	33,011,845	31,988,432	32,628,927

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,				
		2014	2015	2016	2017	2018
1127	Hunting and fishing special tags	1,015,201	1,038,386	1,356,543	1,094,487	1,063,441
1128	Hazardous waste transporter licenses	322,289	335,378	343,769	327,114	318,958
1130	Water pollution control permits	4,065,386	4,715,396	5,494,736	5,859,232	5,501,402
1132	(24) Overdimension/overweight permits - Amendment 3	9,545,940	9,277,614	9,563,794	9,377,774	9,565,985
1134	Merchant licenses	1,551,865	1,578,713	1,558,949	1,624,958	1,619,808
1136	Tobacco licenses	27,000	27,300	27,800	27,200	26,700
1138	Temporary licenses	375	275	525	1,000	2,075
1140	Duplicate plates	1,468,228	1,442,386	1,481,181	1,549,922	1,558,861
1142	Duplicate driver license	1,819,152	1,862,866	1,994,714	2,133,152	2,051,614
1149	Other licenses and permits	3,593,531	3,605,389	3,730,385	3,797,009	3,827,119
1149	(24) Other licenses and permits - Amendment 3	1,493,436	1,743,776	1,277,111	2,221,319	1,297,211
1150	Lobbyist registration fees	10,920	11,000	11,230	11,370	11,420
1152	Motorboat fees	12,145,169	12,549,673	12,358,613	12,687,392	12,562,562
1154	Narcotics and dangerous drugs fees	750,873	876,520	880,086	904,213	926,437
1156	Occupational boards exam fees - individual exam fees	788,310	801,324	843,897	474,928	379,823
1160	(24) Non-motor fuel decal fees - Amendment 3	234,285	285,643	247,609	316,589	326,378
1162	Filing fees	18,691,254	19,047,755	19,812,035	19,096,824	19,153,508
1163	Certifying/authenticating fees	130,938	11,809	55,699	135,395	39,735
1164	Transfer fees	31,108	34,040	33,548	33,376	34,188
1165	Service contract registration fee	119,000	116,100	131,500	129,950	132,450
1169	Other registration fees	11,090,142	11,501,235	11,916,069	11,926,930	12,158,837
1172	(13) Fantasy sports operation fees	-	-	-	228,935	439,214
1174	Asbestos fees	241,620	235,535	245,555	454,125	641,260
1176	Egg license fees	27,083	15,885	58,646	31,481	33,688
1178	Milk control fees	79,082	30,309	96,454	100,914	108,294
1180	Home health care license fees	113,825	120,200	111,750	121,210	103,132
1182	Nursing home license fees	127,806	142,069	137,660	146,633	138,853
1184	Title V emissions fees	7,492,099	7,081,848	7,865,484	6,284,503	6,323,571
1185	Emission fees/non Title V facilities	348,043	349,628	448,478	416,085	438,997
1186	Boarding home license fees	710,206	737,607	719,001	744,606	715,228
1188	Public utilities fees	20,118,625	19,695,636	19,842,506	19,936,400	19,627,829
1190	Hospital license fees	85,884	89,082	81,871	87,149	83,634
1192	Grain warehouse license fees	32,184	36,367	42,072	64,423	68,966
1194	Missouri primacy fees	4,520,406	4,748,831	4,835,262	4,065,366	4,925,394
1198	Transport load fees	11,239,640	11,195,303	11,567,440	11,633,855	11,529,928
1200	Storage tank registration fees	192,916	193,725	205,110	57,645	48,405
1202	Tourist cabin permit fees	181,910	181,401	179,526	180,454	184,148
1206	Solid waste disposal fees	10,576,521	10,946,036	11,764,753	12,282,791	12,831,002
1208	New tire fees	2,060,844	2,166,653	2,217,207	2,276,854	2,125,370
1209	Battery fee	738,351	683,452	680,264	740,814	746,809
1210	Ground water protection fees	667,969	616,030	693,711	698,748	646,442
1211	Radioactive waste transport fee	248,625	289,850	256,975	210,775	139,850
1214	Insurance regulatory fees, renewals and purchasing groups	2,804,144	2,435,554	2,269,071	2,544,199	2,327,841
1216	Air conservation commission permit fees	212,155	246,325	333,850	423,138	578,176
1218	Bingo license fees	38,010	35,085	31,930	31,030	28,455
1220	Lab fees	5,725,578	6,079,666	6,305,303	7,957,512	8,623,532
1222	Program administration fees	1,056,753	1,069,294	1,413,854	1,408,679	1,375,091
1223	Confined animal feed operation indemnity fees	4,392	-	2,196	-	-
1224	Railroad assessments	756,623	1,027,245	422,007	810,359	968,288
1227	Enhanced vehicle emission inspection fees	2,000,573	2,096,697	2,130,025	2,177,427	2,157,771
1233	Grain warehouse inspection fees	2,563,861	3,583,890	3,371,837	3,870,846	4,025,240
1235	Milk inspection fees	1,032,307	1,011,168	1,030,191	1,085,848	1,101,997
1237	Ice cream products inspection fees	35,125	33,150	31,731	30,600	37,300
1239	Mine inspection fees	67,789	61,016	67,080	63,688	62,468
1241	Mobile home and recreational vehicle inspection fees	401,934	383,477	426,507	434,304	462,097
1243	Oil inspection fees	2,362,714	2,344,403	2,417,687	2,598,663	3,384,043
1244	Oil and gas resources fees	-	-	-	32,403	75,122
1249	Other inspection fees	2,526,682	2,523,411	2,621,839	2,520,987	2,555,711
1250	Collection fees	28,363,897	30,805,269	32,230,771	32,330,843	34,973,528
1252	Admission fees	1,351,851	1,366,316	1,643,202	1,594,891	1,645,002
1252	(13) Admission fees - riverboat gambling	44,870,917	44,222,953	42,523,664	40,826,259	39,559,834
1254	State auditor fees	171,721	171,573	166,770	164,549	155,378
1260	Grade crossing safety fees	1,310,711	1,325,763	1,336,137	1,360,093	1,359,194

Appendix A

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

Revenue Source		Year Ended June 30,				
Code	SAM II Revenues	2014	2015	2016	2017	2018
1262	Loan administration fees	6,923,903	7,127,199	8,311,128	9,385,819	8,484,187
1263	Contract fees	-	117,855	1,048,116	1,394,510	2,119,654
1263	(A) Contract fees - Fund 657	-	384	-	-	-
1264	Court fees	39,013,101	39,184,711	35,253,537	33,635,353	32,990,320
1266	Financial institutions examination fees	11,112,130	10,676,424	10,386,467	11,444,946	11,138,716
1268	Consumer finance license fees	956,625	963,425	1,351,002	1,312,454	1,243,357
1270	Transcript fees	102,687	128,674	98,305	105,059	118,465
1274	Marketing development fees	42,194	29,947	31,393	29,835	42,912
1276	Miscellaneous insurance fees	93,380	91,690	91,400	88,150	85,650
1278	Gaming commission administrative income	145	-	28	36	-
1279	(A) Lottery commission fees	298,707	301,291	262,260	170,512	264,255
1280	Motor vehicle inspection sticker fees	3,840,955	3,850,742	3,844,936	3,815,022	3,788,372
1282	Logo sign advertising fees	4,434,405	4,561,512	6,440,866	4,971,340	3,758,337
1284	Public defender fees	1,335,978	1,339,899	1,356,885	1,415,002	505,578
1286	Witness fees	5,561	9,212	4,808	3,913	5,906
1288	County recorders fees	6,460,207	6,247,774	6,472,305	6,697,602	6,346,948
1290	Training or conference fees	169,658	205,630	205,462	161,925	134,102
1294	Electronic monitoring fee	76,488	63,381	52,187	38,739	44,976
1295	Intervention fees	9,006,410	8,503,124	8,429,899	7,414,914	8,028,733
1298	Substance abuse offender program fees	5,831,337	5,402,865	4,834,915	4,621,600	4,500,717
1302	Criminal records check fees	10,027,568	11,037,517	12,170,148	11,578,987	11,134,370
1303	Other fees	10,278,791	10,976,155	11,062,952	12,192,455	10,500,051
1305	(4) Bond sales proceeds	-	167,828,087	210,116,282	102,130,224	133,670,887
1306	Proceeds from capital leases	2,592,318	5	-	-	-
1310	Land sales	5,938,834	3,444,324	8,871,857	3,221,947	6,192,002
1312	Sales of natural resources products	3,892,772	2,702,674	2,764,888	3,026,638	3,629,948
1314	Sales of agriculture products	3,239,003	2,890,674	2,355,652	2,254,153	1,963,186
1316	Manufactured product sales	7,779,143	8,418,694	7,456,017	7,814,296	8,355,266
1318	Information sales	2,537,175	2,579,080	2,197,919	2,128,295	1,933,697
1320	Souvenir sales	582,266	936,945	1,188,846	1,331,883	1,262,051
1322	Surplus property sales - state	2,761,141	2,921,816	2,443,802	1,963,089	1,397,226
1322	(22) Surplus property sales - state - Fund 710	1,725,866	2,003,696	1,996,692	2,889,940	3,498,193
1324	Surplus property sales - federal	2,295,451	2,059,579	2,401,222	1,849,831	1,731,547
1326	Unclaimed property sales	-	2,971	7,228	-	-
1328	Sales of fixed assets - control	7,931,754	6,972,758	8,237,789	16,771,373	10,326,660
1330	Vital records sales	1,082,840	1,010,445	1,033,867	1,083,091	1,146,445
1332	Lottery ticket sales	64	-	-	-	-
1332	(A) Lottery ticket sales - Fund 657	492,825,818	463,931,842	544,750,138	-	-
1332	(A) Lottery ticket sales - Fund 682	-	-	-	506,939,548	550,136,435
1334	Cafeteria sales	800,225	895,283	848,497	815,052	743,907
1338	Other sales	258,697	1,401,509	150,851	164,257	160,364
1340	Gain sale fixed assets - control	-	-	-	10,000	-
1342	Supply sales	31	249	206	186	195
1401	Land rentals/leases	64,383	38,650	101,391	222,151	216,239
1403	State facilities rentals/leases	1,413,722	1,504,187	1,320,462	1,179,200	1,210,786
1404	Parking rentals/leases	63,552	69,989	69,424	66,696	58,886
1405	Concessions and recreational rentals/leases	2,495,952	2,951,494	3,034,114	3,105,762	3,180,389
1407	Housing/building rentals/leases	218,818	260,615	235,093	221,368	225,190
1409	Other leases and rentals	1,079,948	1,458,148	1,503,996	2,559,687	1,135,969
1414	(1) Medicare	6,781,464	5,691,724	6,509,624	9,098,685	7,123,712
1418	(1) Medicaid	81,573,482	73,123,636	72,032,939	80,000,126	79,351,290
1419	(1) Medicaid - case managers	6,462	-	113,400	-	-
1420	(1) Medicaid - community based	214,026,223	240,617,515	259,045,530	275,410,223	389,406,224
1422	Private payments	1,862,213	4,055,811	4,725,731	4,310,559	4,172,575
1424	Insurance payments	445,098	510,326	443,538	326,524	561,970
1426	Other payments	9,474	12,863	7,547	538,898	790,371
1434	Institutional support fees	-	-	1,284	-	-
1436	Room and care	28,363,819	28,109,625	27,664,512	26,946,999	25,026,869
1442	Mail/freight services	8	-	-	1,321	-
1446	Printing service	197,944	158,884	150,009	214,420	112,625
1448	Computer services	79,095	288,876	524,018	418,050	471,206
1450	Administration services	36,613	38,548	19,962	6,076	6,398
1501	Private donations	5,600,103	7,797,052	4,554,090	7,531,073	4,634,610
1502	Other governmental entity donations	4,050,000	1,050,032	-	1,607,500	1,757,500

Appendix A

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

Revenue Source		Year Ended June 30,				
Code	SAM II Revenues	2014	2015	2016	2017	2018
1507	(1) NASAO (airport inspections)	30,550	27,950	20,150	23,400	27,950
1510	(1) US Department of Agriculture	485,385,631	500,917,291	514,422,704	514,408,963	508,032,007
1512	(1) US Department of Defense	30,693,698	32,534,000	38,537,907	33,598,338	39,111,801
1513	(1) US Department of Homeland Security	2,786,890	3,808,312	2,854,523	2,430,710	2,051,905
1514	(1) US Department of Housing and Urban Development	45,313,039	40,676,241	46,977,140	47,220,963	55,239,661
1516	(1) US Department of Interior	29,116,162	27,826,979	29,441,709	32,053,401	32,848,237
1518	(1) US Department of Justice	3,808,162	2,856,329	5,251,610	4,430,759	4,112,224
1520	(1) US Department of Labor	125,567,984	126,368,853	120,842,194	123,241,053	109,450,198
1522	(1) US Department of Education	651,573,896	653,328,831	657,882,449	679,698,618	667,389,831
1522	(C) US Department of Education - Fund 880	6,631,940	4,125,941	3,075,670	2,513,914	2,322,003
1522	(C) US Department of Education - Fund 881	89,823,025	72,379,643	47,726,056	36,334,748	59,125,831
1524	(1) US Department of Transportation	913,853,780	856,690,126	908,711,359	921,311,289	1,014,416,571
1526	(1) National Foundation for the Arts and Humanities	3,402,815	3,667,829	3,861,753	3,667,633	3,711,534
1528	(1) US Veterans Administration	63,243,170	69,070,475	71,189,569	74,619,431	82,501,384
1529	(1) US General Services Administration	50,091	36,789	27,192	24,477	22,571
1530	(1) US Environmental Protection Agency	89,482,740	92,295,480	84,163,611	92,033,621	85,456,503
1532	(1) US Department of Energy	10,598,978	6,869,770	6,841,344	7,065,176	6,234,693
1534	(1) Federal Emergency Management Agency	48,677,321	136,785,815	90,290,749	80,291,635	77,200,265
1536	(1) US Department of Health and Human Services	6,699,531,165	7,047,608,534	7,283,666,051	7,595,549,648	8,045,420,770
1538	(1) National/community services	2,752,733	3,659,053	4,157,499	3,837,179	4,407,701
1540	(E) US Social Security Administration - Fund 727	-	-	23,237	15,657	7,629
1540	(1) US Social Security Administration	41,684,705	45,917,912	53,118,438	49,257,386	47,106,666
1542	(1) National Archives and Records	80,676	15,025	43,615	10,460	17,121
1544	(1) Elections Assistance Commission	-	-	-	-	7,230,625
1546	(1) US Department of Treasury	9,160,236	-	10,476	121,807	-
1548	(1) Equal Employment Opportunity Commission	134	-	-	-	-
1549	(1) Miscellaneous federal revenues	46,737,165	48,644,049	39,911,964	39,415,516	43,310,397
1551	County mental health programs	12,094,852	11,311,919	12,946,158	12,412,049	8,557,588
1557	(1) American Recovery and Reinvestment Act	83,364,036	40,937,451	27,772,004	37,522,104	29,773,379
1558	(1) American Recovery and Reinvestment Act - other	98,176	-	-	-	-
1560	(1) Federal pass-through grants	47,604,707	37,998,600	19,553,864	31,442,468	14,579,015
1560	(E) Federal pass-through grants - Fund 727	-	-	-	140	-
1601	Time deposits interest	1,759,898	1,611,893	1,558,436	1,776,400	2,247,521
1601	(2) Time deposits interest - Fund 688	40,548	40,894	36,417	40,463	38,001
1601	(A) Time deposits interest - Fund 657	8,630	9,615	11,594	7,860	2,452
1601	(A) Time deposits interest - Fund 682	-	-	-	6,900	17,588
1601	(7) Time deposits interest - Fund 614	17,658	22,182	21,547	23,033	17,824
1601	(8) Time deposits interest - Fund 613	12,552	11,456	10,151	7,517	6,381
1601	(B) Time deposits interest - Fund 905	4,274	5,275	4,474	3,797	2,605
1601	(12) Time deposits interest - Fund 289	452	150	88	62	57
1601	(13) Time deposits interest - Fund 285	9,321	8,292	7,262	9,526	8,950
1601	(D) Time deposits interest - Fund 963	512	513	442	495	472
1601	(16) Time deposits interest - Fund 609	25,879	28,629	25,434	46,378	26,042
1601	(C) Time deposits interest - Fund 880	22,942	27,827	25,249	27,386	24,041
1601	(C) Time deposits interest - Fund 881	12,854	9,036	6,758	10,378	8,988
1601	(E) Time deposits interest - Fund 727	-	-	3	12	4
1603	U.S./agency securities interest	21,271,757	19,236,045	21,062,373	25,189,472	43,348,110
1603	(2) U.S./agency securities interest - Fund 688	314,250	276,482	291,279	393,868	781,242
1603	(A) U.S./agency securities interest - Fund 657	67,509	64,305	90,912	67,231	47,268
1603	(A) U.S./agency securities interest - Fund 682	-	-	-	77,129	347,260
1603	(7) U.S./agency securities interest - Fund 614	136,776	149,111	172,161	223,251	347,220
1603	(8) U.S./agency securities interest - Fund 613	97,185	77,050	81,195	68,983	126,197
1603	(B) U.S./agency securities interest - Fund 905	33,279	35,597	35,689	35,704	51,666
1603	(12) U.S./agency securities interest - Fund 289	3,521	996	785	601	1,145
1603	(13) U.S./agency securities interest - Fund 285	71,221	55,813	58,132	92,251.87	171,468
1603	(D) U.S./agency securities interest - Fund 963	6,256	5,880	6,021	7,331	11,847
1603	(16) U.S./agency securities interest - Fund 609	201,135	192,528	202,650	451,363	516,235
1603	(C) U.S./agency securities interest - Fund 880	180,476	187,577	201,919	266,191	467,557
1603	(C) U.S./agency securities interest - Fund 881	96,161	60,978	53,579	101,089	181,320
1603	(E) U.S./agency securities interest - Fund 727	-	-	26	114	70
1605	Other investment interest	133,832	238,000	945,400	227,032	1,069,890
1608	Realized gains and losses	-	13,079	-	-	-
1610	Interest on loans	5,963,729	12,020,643	2,306,462	3,991,978	5,137,467
1612	(25) Interest - federal	12,442,473	4,271,580	6,414	370	-

Appendix A

Review of Article X, Sections 16 Through 24,
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Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2014	2015	2016	2017	2018
1614	Interest on receivables	5,686	2,083	2,189	1,399	3,732
1616	Interest on settlements	393,324	24,438	30,187	89,584	216,142
1618	Other interest	67,098	10,695	25,214	16,281	23,918
1618	(16) Other interest - Fund 609	-	-	-	-	-
1620	Safety responsibility	-	50	-	-	-
1621	Penalties	15,026,501	17,377,448	13,441,422	10,476,994	13,339,149
1621	(C) Penalties - Fund 881	61	38	1,232	41	86
1624	Settlements	5,310,083	39,019,494	5,602,284	11,865,632	4,954,292
1624	(A) Settlements - Fund 657	-	-	1,578	-	36,826
1624	(C) Settlements - Fund 880	-	582	-	-	-
1626	Court awards	12,167,031	11,122,925	12,786,154	23,175,458	19,228,331
1628	Insufficient funds charges	3,711	2,585	3,088	2,443	2,920
1634	Estates	247	3,950	792	461	208
1636	Unclaimed properties	92,346,642	100,888,189	94,224,664	96,044,838	98,968,823
1636	(A) Unclaimed properties - state - Fund 657	-	-	-	-	-
1700	(5) Salary refunds - federal	390,225	316,764	186,340	172,157	155,384
1701	(5) Salary refunds - state	7,845	8,307	3,259	3,994	18,039
1702	(5) Salary refunds - local/other	-	29	50	68	1,218
1703	(5) General relief pension refunds	1,987	1,711	2,123	3,110	568
1704	(5) Blind pension refunds	4,706	11,787	9,123	15,155	13,313
1706	(5) Dependent children pension refunds	254,651	166,610	154,613	181,017	197,576
1715	(5) Day care refunds	210,036	174,958	248,033	123,001	160,334
1717	(5) Medicare - Medicaid refunds	546,964,083	555,309,589	764,065,387	745,882,820	769,637,896
1719	(5) Cost in criminal cases refunds	1,055,769	1,145,795	1,107,583	989,773	1,131,067
1720	(5) American Recovery and Reinvestment Act refunds	902,499	3,406,265	234,023	104,795	10,441
1721	(5) Vendor refunds - federal	767,526	1,057,850	4,620,866	1,375,208	977,390
1722	(5) Vendor refunds - state	2,021,933	606,888	655,137	1,671,200	1,132,213
1722	(A) Vendor refunds - state - Fund 657	35,174	393	1,695	-	-
1722	(A) Vendor refunds - state - Fund 682	-	-	-	2,422	3,206
1723	(5) Vendor refunds - local/other	602,267	1,035,475	716,747	842,054	811,425
1723	(C) Vendor refunds - local/other - Fund 880	383	339	209	967	609
1724	(5) Political subdivision refunds	-	204	-	-	-
1725	(5) Excess court payment refunds	8,716	152,449	27,813	270,262	1,185,773
1727	(5) School refunds	6,710,912	3,773,819	6,417,301	3,867,964	3,971,653
1728	(5) Scholarship refunds	45,031	1,737,431	1,079,095	1,184,340	1,163,954
1728	(C) Scholarship refunds - Fund 880	-	-	270	-	-
1729	(5) Audit findings - federal	-	7,894	3,541	-	-
1730	(5) Audit findings - state	-	118	25	-	-
1731	(5) Audit findings - local/other	103,069	26,509	76,760	34,242	118,960
1732	(5) Utility refunds	101,704	112,228	136,184	184,036	223,191
1733	(5) Fuel tax refunds	203,876	184,901	168,077	9,443	101,946
1735	(5) Tax incremental financing (TIF) refund	974	-	-	-	-
1737	(5) Other refunds	5,434,645	3,267,783	2,445,440	2,535,828	2,575,366
1737	(B) Other refunds - Fund 905	-	176,756	-	-	-
1737	(C) Other refunds - Fund 880	-	-	-	-	263
1737	(D) Other refunds - Fund 963	-	-	-	136	-
1806	(18) Recovery costs	82,224,337	146,337,214	141,153,215	208,492,070	155,657,507
1806	(A) Recovery costs - Fund 657	-	6,565	-	-	-
1806	(A) Recovery costs - Fund 682	-	-	-	61,714	-
1808	Deposit of surplus property funds	-	341	-	-	-
1811	(21) Local match	50,600,510	34,985,281	20,599,206	14,410,471	15,507,413
1812	(19) Cost reimbursements - federal	419,025	4,631,476	6,867,653	9,841,676	2,577,917
1813	(19) Cost reimbursements - state	18,340,057	16,172,695	16,176,101	14,167,649	17,573,302
1813	Cost reimbursements - state (included)	15,930,219	17,577,192	18,273,342	17,608,815	18,239,650
1814	(19) Cost reimbursements - local/other	187,174,831	170,106,348	179,458,857	137,157,431	154,003,419
1814	(B) Cost reimbursements - local/other - Fund 905	100,510	-	-	2,849,735	6,872,485
1814	(C) Cost reimbursements - local/other - Fund 880	6,630	4,461	2,175	-	-
1816	Bond account	8,760,097	8,693,952	8,020,533	6,843,143	4,976,308
1818	(17) Employee expense reimbursement - federal	1,463	6,207	6,623	2,861	8,846
1819	(17) Employee expense reimbursement - state	410	37,620	2,055	798	208
1820	(17) Employee expense reimbursement - local/other	-	4,033	2,115	1,903	1,418,604
1821	(17) Employee personal expense reimbursement	38,726	38,730	89,417	83,806	42,534
1822	(10) Outlawed checks	5,536,200	5,544,179	7,906,652	9,341,755	8,039,816
1822	(B) Outlawed checks - Fund 905	10,275	7,616	7,438	25,359	8,076

Appendix A

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

Revenue Source		Year Ended June 30,				
Code	SAM II Revenues	2014	2015	2016	2017	2018
1824	(20) Canceled checks	1,861,189	4,730,204	4,523,255	5,055,748	3,541,743
1824	(A) Canceled checks - Fund 657	-	-	-	75	-
1824	(B) Canceled checks - Fund 905	6,209	178	129	2,857	216
1824	(C) Canceled checks - Fund 880	-	-	-	-	-
1826	(9) Redeposit of investments principal	1,459,102	112,942	109,022	1,123,588	1,608,437
1828	(11) Redeposit of loan principal	69,361,487	74,454,908	83,588,497	97,881,344	105,777,957
1830	Telephone commissions	1,490,792	1,535,516	1,581,576	1,629,024	1,677,892
1832	Commission on sales	13,523	5,731	5,728	4,655	5,411
1834	Rebates	1,539,474	1,438,212	1,176,702	1,350,966	1,492,665
1834	(A) Rebates - Fund 657	5,114	3,981	5,095	-	9
1834	(A) Rebates - Fund 682	-	-	-	4,814	5,984
1834	(C) Rebates - Fund 880	472	383	303	452	337
1834	(23) Rebates - WIC	57,273,740	81,979,391	48,507,981	65,071,479	76,650,915
1836	Housing and maintenance receipts	20,142	19,848	15,811	976	-
1838	Loan defaults	674,897	571,590	495,335	505,882	844,904
1840	(15) Loan proceeds	13,212,581	8,269,645	-	-	-
1842	(11) Loan repayment	200,599	248,334	328,190	310,072	342,417
1842	(C) Loan repayment - Fund 881	61,363,561	57,594,427	53,537,794	59,229,827	45,668,963
1843	(11) Loans receivable contra account	5,394,634	5,354,505	5,680,374	8,537,324	6,598,537
1844	Insurance proceeds	1,516	-	7,988	41,049	17,119
1846	Capital credits/dividends	64,039	104,066	96,044	93,480	107,384
1848	Recycling receipts	286,314	232,498	207,286	212,898	192,205
1850	Forfeitures	2,274,761	1,882,450	1,503,970	1,202,243	1,782,672
1852	Overpayments	801,638	360,921	508,376	596,653	546,208
1856	(1) Other miscellaneous receipts - federal	5,213,456	5,950,285	4,961,120	10,124,635	7,181,871
1858	Other miscellaneous receipts - state	3,907,352	3,977,952	3,869,407	13,832,071	10,610,567
1858	(A) Other miscellaneous receipts - state - Fund 657	8,330	2,291	1,773	-	-
1858	(A) Other miscellaneous receipts - state - Fund 682	-	-	-	4,655	3,238
1858	(B) Other miscellaneous receipts - state - Fund 905	14,686,795	14,770,311	11,499,237	5,669,644	5,665,570
1860	Other miscellaneous receipts - local/other	2,385,011	3,820,925	2,664,027	2,140,078	1,790,819
1860	(A) Other miscellaneous receipts - local/other - Fund 657	4,419,428	3,755,680	2,986,561	-	-
1860	(A) Other miscellaneous receipts - local/other - Fund 682	-	-	-	2,122,102	3,883,124
1862	Fees for copying public records	257,705	272,648	273,622	265,841	267,948
1862	(A) Fees for copying public records - Fund 657	998	-	151	-	-
1862	(A) Fees for copying public records - Fund 682	-	-	-	75	36
1866	Federal share of grantee sales	243,547	450,287	330,838	299,208	233,188
1868	Receivable overpayment - federal	76	58	178	-	-
1870	Receivable overpayment - state	790	67	40	3	716
1872	Receivable overpayment - local	40	96	250	-	-
6001	(6) Supply sales	451,132	390,128	479,411	374,932	406,292
6002	(6) Open records fees	16,184	15,081	8,987	10,574	7,424
6003	(6) Fleet services operations/maintenance	2,115,565	2,045,630	1,786,879	1,645,479	1,767,638
6005	(6) Fleet services replacement	1,522,658	1,678,517	1,630,894	240,065	1,288,996
6006	(6) Criminal records check fees	317,652	456,286	329,043	405,830	314,477
6007	(6) Mail/freight services	10,679,698	9,761,536	9,619,041	9,605,392	9,291,754
6009	(6) Telephone billing	36,473,586	36,836,383	37,945,584	38,207,119	33,736,326
6011	(6) Printing service	5,243,375	5,275,658	5,126,201	4,953,996	4,323,276
6013	(6) Reimbursement/recovery cost	27,114,023	31,672,678	27,485,232	27,633,771	27,843,968
6013	(C) Reimbursement/recovery cost - Fund 881	-	2,242	-	-	-
6015	(6) Leased facility	106,994,424	61,542,743	61,346,648	62,104,759	63,126,489
6017	(6) Sale of material, supplies, and services	909,355	810,590	1,151,871	792,091	655,026
6019	(6) Training	554,521	624,636	631,324	459,259	431,464
6021	(6) Computer services	22,297,639	24,413,038	29,571,066	30,753,047	32,349,562
6023	(6) Administration services	850,060	522,914	612,172	647,587	732,883
6025	(6) Flight operations services	298,650	770,175	492,045	542,252	86,447
6027	(6) Sale of manufactured products	18,969,055	19,461,962	20,665,985	20,192,629	18,619,178
6029	(6) Interagency receipts	42,755,745	41,407,133	34,873,321	34,431,497	33,691,602
6029	(C) Interagency receipts - Fund 881	522,508	591,646	562,670	634,586	-
6030	(6) Sampling &/or analysis	841,801	926,768	909,218	896,298	831,956
6031	(14) Redeposit of state funds	19,606	112,655	153,566	203,360	232,824
6032	(6) Deposit of unclaimed property	-	-	-	-	-
6033	(6) Permits	38,426	41,669	54,736	58,800	48,344
6034	(6) Registration fees	103,377	133,015	107,443	124,446	102,586
6035	(6) Taxes	8,419,180	9,609,364	8,613,452	7,653,994	8,380,299

Appendix A

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

Revenue Source		Year Ended June 30,				
Code	SAM II Revenues	2014	2015	2016	2017	2018
6036	(6) Transcript fees	8,210	26,002	10,195	16,039	10,545
	Total revenues	24,616,141,577	25,845,977,839	26,737,217,477	27,249,912,291	28,525,799,531
Fund Exclusions:						
	(A) Lottery Funds - Fund 657 and 682	497,669,708	468,076,347	548,111,757	509,465,037	554,747,680
	(B) Alternative Care Trust Fund - Fund 905	14,841,342	14,995,733	11,546,967	8,587,096	12,600,617
	(C) Student Loan Funds - Funds 880 and 881	158,661,013	134,985,120	105,193,884	99,119,579	107,800,000
	(D) Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	6,768	6,393	6,463	7,962	12,319
	(E) Division of Youth Services Child Benefits Fund - Fund 727	-	-	23,266	15,923	7,703
Revenue Source Exclusions:						
	(1) Federal funds	9,742,199,727	10,103,924,854	10,352,212,487	10,747,909,704	11,362,716,108
	(2) Proposition C sales and use tax/interest	841,580,386	868,523,541	906,845,411	919,362,208	938,994,695
	(3) Proposition A gas tax and license fee increases	164,058,506	165,022,444	172,484,819	171,758,978	174,486,338
	(4) Bond sales	-	167,828,087	210,116,282	102,130,224	133,670,888
	(5) Refunds	565,792,454	572,505,364	782,357,520	759,450,467	783,587,704
	(6) Interagency sales and receipts	286,974,316	248,421,906	243,450,748	241,749,856	238,046,532
	(7) Soil and water sales and use tax/interest	42,984,511	44,382,868	46,365,216	47,077,261	48,195,693
	(8) Parks sales and use tax/interest	42,939,810	44,300,079	46,262,851	46,907,473	47,963,318
	(9) Redeposit of investment principal	1,459,102	112,942	109,022	1,123,588	1,608,437
	(10) Outlawed checks	5,536,200	5,544,179	7,906,652	9,341,755	8,039,816
	(11) Redeposit of loan principal	74,956,720	80,057,747	89,597,061	106,728,740	112,718,913
	(12) Bingo tax	1,814,572	1,771,432	1,705,995	1,752,399	1,453,961
	(13) Riverboat gambling and other gaming proceeds	359,315,902	364,674,023	366,174,572	365,419,018	368,575,905
	(14) Redeposit of state funds	19,606	112,655	153,566	203,360	232,824
	(15) Loan proceeds	13,212,581	8,269,645	-	-	-
	(16) Conservation sales and use tax/interest	107,303,454	110,749,898	115,657,858	117,575,154	120,110,418
	(17) State employee expense reimbursement	40,599	86,590	100,210	89,368	1,470,191
	(18) Recovery costs	82,224,337	146,337,214	141,153,215	208,492,070	155,657,507
	(19) Cost reimbursements	205,933,913	190,910,519	202,502,611	161,166,756	174,820,986
	(20) Canceled checks	1,861,189	4,730,204	4,523,255	5,055,748	3,541,743
	(21) Local match	50,600,510	34,985,281	20,599,206	14,410,471	15,507,413
	(22) Proceeds of surplus property sales - Fund 710	1,725,866	2,003,696	1,996,692	2,889,940	3,498,193
	(23) DHSS program rebates	57,273,740	81,979,391	48,507,981	65,071,479	76,650,915
	(24) Amendment 3 revenue derived from highway users	506,419,089	533,026,938	554,529,487	569,855,828	580,237,026
	(25) Interest - federal	12,442,473	4,271,580	6,414	370	-
	(26) Suspense holding	-	-	-	-	58,298
Other Exclusions and Limits:						
	CMIA interest payment to the federal government	-	19,999	7,016	12,274	220,155
	Agency remitted sales tax	239,471	224,953	236,007	213,462	253,441
	Abandoned funds claim payments	38,604,634	39,309,427	38,888,067	43,082,600	43,734,033
	Circuit courts escrow	-	-	-	-	2,506,078
	Debt offset escrow	-	-	-	-	13,876,494
	Coding errors	-	(95)	-	-	-
	Total exclusions	13,878,692,499	14,442,150,954	15,019,332,558	15,326,026,148	16,087,602,342
	Total revenues after exclusions	10,737,449,078	11,403,826,885	11,717,884,919	11,923,886,143	12,438,197,189
	Less SAM II expenditure refunds (Appendix B)	(1,328,253,309)	(1,278,493,892)	(1,459,778,233)	(1,474,612,512)	(1,480,782,389)
Add refundable tax credits:						
	Missouri Works	-	-	-	11,969,574	16,996,555
	Enterprise Zone	109,188	141,943	-	-	-
	BUILD	4,610,238	3,311,820	3,858,758	4,832,573	7,080,218
	Missouri Quality Jobs	9,774,161	17,445,172	20,281,001	30,145,802	25,388,581
	New Enhanced Enterprise Zone	3,834,717	2,395,322	3,470,176	3,350,388	3,228,601
	Self-employed Health Insurance	793,147	829,513	1,523,728	1,946,042	2,123,978
	Public Safety Officer Surviving Spouse, Residential Dwelling Assessability, Sporting Event Credit, and Business Facility Credit	72,258	94,043	695,312	1,367,055	1,341,800
	Total State Revenue	\$ 9,428,389,478	10,149,550,806	10,287,935,661	10,502,885,065	11,013,574,533

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,				
		2014	2015	2016	2017	2018
3200	Bond refunds	\$ 4,037,533	4,612,996	20,246,084	23,327,341	3,961,622
3206	Deposit and escrow refunds	65,501	80,882	568,458	48,096	83,042
3212	Federal share grantee sales refunds	-	46	-	-	-
3213	Tax credit debt offset	99,150	65,941	68,893	146,178	82,314
3215	Debt offset refunds	8,811,600	10,102,444	12,275,735	12,931,564	7,900,327
3218	Motor vehicle license fee refunds	526,385	312,432	430,535	1,318,516	394,301
3221	Driver's license fee refunds	55,674	54,387	50,160	38,925	37,582
3227	License and permit fee refunds	135,557	537,491	830,932	969,379	1,036,462
3230	Registration fee refunds	26,604	26,142	29,604	41,130	37,878
3233	Regulatory fee refunds	12,237	22,222	11,202	14,328	23,793
3236	Inspection fee refunds	51,341	68,105	53,611	54,007	45,159
3239	Miscellaneous fee refunds	388,745	379,316	444,125	463,144	407,726
3242	Sales refunds	18,821	4,539	6,030	5,824	3,443
3245	Lease and rentals refunds	4,070	2,085	3,535	4,673	3,738
3248	Medical services refunds	7,406,446	10,030,985	7,794,112	8,874,556	9,629,754
3251	Contributions refunds	-	56,807	500	597	-
3254	Federal refunds	989,516	700,700	3,994,617	481,514	230,293
3255	Financial institutions tax refunds	-	-	-	-	199
3257	Penalty and court award refunds	10,332	285	1,640	326	69
3260	Interagency billing refunds	-	-	300	-	-
3261	Receivable overpayment refunds	289,274	375,941	338,729	331,152	325,019
3267	Deferred revenue refunds	1,316,303	1,773,082	3,398,108	2,139,922	2,013,248
3268	Liability account refunds	3,276	-	-	-	-
3269	Other refunds	1,331,127	2,349,459	643,356	1,134,036	2,090,584
3272	Sales and use tax protested refunds	332	574,348	1,314	3,217	-
3281	County foreign insurance tax refunds	13,616,378	9,270,877	6,166,772	4,131,633	5,112,963
3284	County domestic insurance tax refunds	4,345,959	91,816	-	-	-
3287	Worker's compensation insurance tax refunds	96,395	169,765	308,555	267,358	51,801
3290	Worker's compensation 2nd injury insurance tax refunds	-	-	4,618	2,385	7,122
3291	Surplus lines insurance tax refund	42,391	31,040	54,296	32,302	119,999
3293	Cigarette tax refunds	50,251	20,732	19,696	38,557	385
3299	Aviation fuel tax refunds	20,025	5,607	5,772	2,239	3,360
3305	Special fuel (non-gas) tax refunds	19,702,979	19,891,763	16,618,103	17,609,769	17,597,075
3308	Fuel tax refunds	9,112,720	10,582,920	10,050,762	14,701,157	11,281,600
3311	Sales tax refunds	-	-	-	261	-
3314	Food tax exemption refunds	179	-	-	-	-
3317	General sales and use tax refunds	44,356,280	26,712,898	40,504,538	35,688,543	23,275,186
3326	Motor vehicle sales tax refunds	4,561,344	6,193,025	5,319,325	6,112,493	6,218,889
3329	Motor vehicle use tax refunds	286,517	64,376	3,210	2,791	697
3335	Boat tax refunds	3,760	3,680	3,688	4,070	3,005
3338	Individual tax refunds	948,964,266	943,383,972	1,032,515,749	1,080,740,622	1,128,602,275
3341	Senior citizens tax refunds	110,643,361	104,810,266	106,927,409	100,851,062	98,808,490
3344	Corporation tax refunds	142,741,406	120,498,356	181,455,603	159,007,587	161,392,989
3347	Franchise tax refunds	1,826,313	2,151,688	6,023,791	10,681	-
3350	Inheritance tax refunds	412	-	-	101,364	-
3356	Other tax refunds	2,302,549	2,480,476	2,604,766	2,979,213	-
	Total SAM II Expenditure Refunds	\$ 1,328,253,309	1,278,493,892	1,459,778,233	1,474,612,512	1,480,782,389

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

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 Funds

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. Beginning in fiscal year 2017, lottery proceeds are deposited in the State Lottery Fund. In prior fiscal years, lottery proceeds were deposited in the Lottery Enterprise Fund.

(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 DHS 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).
- (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.
- (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 (issued checks not cashed by the payee within the time allowed) are redeposited in the state treasury and are excluded.
- (11) Redeposit of Loan Principal
Redeposits of loan principal are excluded.



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(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 and
Other Gaming Proceeds

In August 1992, voters approved an amendment to Article III, Section 39(d), Missouri Constitution that requires all state gaming revenues 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 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.



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In 2016, the general assembly passed HB 1941 that requires licensed fantasy sports contest operators to pay an annual operation fee equal to 11.5 percent of the operator's net revenue from the previous calendar year. These revenues are deposited in the Gaming Proceeds for Education Fund. Section 313.822, RSMo, provides all monies deposited in the Gaming Proceeds for Education Fund are to be treated as proceeds of river boat gambling. Under Article III, Section 39(d), Missouri Constitution, these annual operation fees are excluded from TSR.

- (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. Also, see item (19).
- (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.



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- (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 funds are not state funds, they are excluded.
- (22) Proceeds of Surplus Property Sales The proceeds from some sales of surplus property are excluded. Although the constitution does not specifically mention proceeds of surplus property sales 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.
- (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. These rebates are related to purchases made with federal funds and are therefore excluded.
- (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.



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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.

(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.

(26) Suspense Holding

The collection of unidentified funds for both state and non-state entities. Since these monies have not been identified, they are 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.

Circuit Courts Escrow and Debt
Offset Escrow

Under Section 488.5028, RSMo, the Department of Revenue and State Lottery Commission make setoffs of income tax refunds and lottery prize payouts, respectively, for amounts owed to circuit courts. Similarly, under Section 143.784, RSMo, the Department of Revenue makes setoffs of income tax refunds for amounts due to state agencies. Amounts setoff under both provisions are placed in escrow accounts until any review hearings are held and the matter is resolved. As a result, this revenue is not included in TSR.

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.



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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 *Kelly v. Hanson*, 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 \$138,311,530 received from tobacco companies during fiscal year 2018. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorneys General. 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 2018 were as follows:

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
2017	191,261,135
2018	138,311,530

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.



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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 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	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2014	2015	2016	2017	2018			
1536	US Department of Health and Human Services	\$ 6,699,531,165	7,047,608,534	7,283,666,051	7,595,549,648	8,045,420,770	36,671,776,168	27.58%	27.58%
1022	Individual income tax	6,421,715,624	6,904,282,195	7,182,257,124	7,331,004,488	7,737,588,497	35,576,847,928	26.75%	54.33%
1001	Sales and use tax	1,977,037,033	2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	10,440,723,688	7.85%	62.18%
1524	US Department of Transportation	913,853,780	856,690,126	908,711,359	921,311,289	1,014,416,571	4,614,983,125	3.47%	65.65%
1013	Proposition C sales and use tax	841,225,588	868,206,165	906,517,715	918,927,877	938,175,451	4,473,052,796	3.36%	69.02%
1522	US Department of Education	748,028,861	729,834,415	708,684,175	718,547,280	728,837,665	3,633,932,396	2.73%	71.75%
1060	Motor vehicle fuel tax	704,921,451	704,779,616	725,922,252	734,683,791	728,500,058	3,598,807,168	2.71%	74.46%
1717	Medicare - Medicaid refunds	546,964,083	555,309,589	764,065,387	745,882,820	769,637,896	3,381,859,775	2.54%	77.00%
1332	Lottery ticket sales	492,825,882	463,931,842	544,750,138	506,939,548	550,136,435	2,558,583,845	1.92%	78.93%
1510	US Department of Agriculture	485,385,631	500,917,291	514,422,704	514,408,963	508,032,007	2,523,166,596	1.90%	80.82%
1026	Corporate income tax	479,242,902	525,403,403	466,496,555	432,357,927	459,482,248	2,362,983,035	1.78%	82.60%
1076	Gaming commission gross receipts tax	314,364,443	320,386,965	323,585,514	324,262,046	328,396,438	1,610,995,406	1.21%	83.81%
1009	Motor vehicle sales tax	268,633,464	292,586,228	305,649,502	322,733,522	328,124,026	1,517,726,742	1.14%	84.95%
1420	Medicaid - community based	214,026,223	240,617,515	259,045,530	275,410,223	389,406,224	1,378,505,715	1.04%	85.99%
1033	County foreign insurance tax	202,752,455	239,393,674	247,446,081	280,592,925	310,095,430	1,280,280,565	0.96%	86.95%
1106	Motor vehicle licenses or permits	178,386,308	180,652,915	186,711,892	191,696,459	193,840,946	931,288,520	0.70%	87.65%
1814	Cost reimbursements - local/other	187,281,971	170,110,809	179,461,032	140,007,166	160,875,904	837,736,882	0.63%	88.28%
1806	Recovery costs	82,224,337	146,343,779	141,153,215	208,553,784	155,657,507	733,932,622	0.55%	88.83%
1305	Bond sales proceeds	-	167,828,087	210,116,282	102,130,224	133,670,887	613,745,480	0.46%	89.30%
1520	US Department of Labor	125,567,984	126,368,853	120,842,194	123,241,053	109,450,198	605,470,282	0.46%	89.75%
1011	Conservation sales and use tax	107,076,440	110,528,741	115,429,774	117,077,413	119,568,141	569,680,509	0.43%	90.18%
1636	Unclaimed properties	92,346,642	100,888,189	94,224,664	96,044,838	98,968,823	482,473,156	0.36%	90.54%
1089	Pharmacy reimbursement allowance	91,412,290	87,807,243	95,736,817	87,380,822	108,168,401	470,505,573	0.35%	90.90%
1039	Worker's compensation insurance tax - second injury	54,987,065	90,502,981	106,107,160	101,791,431	102,703,123	456,091,760	0.34%	91.24%
1530	US Environmental Protection Agency	89,482,740	92,295,480	84,163,611	92,033,621	85,456,503	443,431,955	0.33%	91.57%
1534	Federal Emergency Management Agency	48,677,321	136,785,815	90,290,749	80,291,635	77,200,265	433,245,785	0.33%	91.90%
1828	Redeposit of loan principal	69,361,487	74,454,908	83,588,497	97,881,344	105,777,957	431,064,193	0.32%	92.22%
1057	Cigarette tax	82,301,596	81,745,445	83,685,975	79,873,777	75,939,169	403,545,962	0.30%	92.53%
1108	Interstate transportation licenses or permits	73,920,485	77,389,354	82,275,134	76,619,858	82,870,896	393,075,727	0.30%	92.82%
1418	Medicaid	81,573,482	73,123,636	72,032,939	80,000,126	79,351,290	386,081,473	0.29%	93.11%
1528	US Veterans Administration	63,243,170	69,070,475	71,189,569	74,619,431	82,501,384	360,624,029	0.27%	93.38%
6015	Leased facility	106,994,424	61,542,743	61,346,648	62,104,759	63,126,489	355,115,063	0.27%	93.65%
1834	Rebates	58,818,800	83,421,967	49,690,081	66,427,711	78,149,910	336,508,469	0.25%	93.90%
1842	Loan repayment	61,564,160	57,842,761	53,865,984	59,539,899	46,011,380	278,824,184	0.21%	94.11%
1540	US Social Security Administration	41,684,705	45,917,912	53,141,675	49,273,043	47,114,295	237,131,630	0.18%	94.29%
1514	US Department of Housing and Urban Development	45,313,039	40,676,241	46,977,140	47,220,963	55,239,661	235,427,044	0.18%	94.47%
1003	Parks sales and use tax	42,830,073	44,211,573	46,171,505	46,830,973	47,830,741	227,874,865	0.17%	94.64%
1005	Soil and water sales and use tax	42,830,077	44,211,575	46,171,508	46,830,977	47,830,649	227,874,786	0.17%	94.81%
1252	Admission fees	46,222,768	45,589,269	44,166,866	42,421,150	41,204,836	219,604,889	0.17%	94.98%
1557	American Recovery and Reinvestment Act	83,364,036	40,937,451	27,772,004	37,522,104	29,773,379	219,368,974	0.16%	95.14%

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

Revenue Source		Year Ended June 30,					5-Year	Percentage	Cummulative
Code	Type of Revenue	2014	2015	2016	2017	2018	Total	Percentage	of Total
1549	Miscellaneous federal revenues	46,737,165	48,644,049	39,911,964	39,415,516	43,310,397	218,019,091	0.16%	95.31%
6029	Interagency receipts	43,278,253	41,998,779	35,435,991	35,066,083	33,691,602	189,470,708	0.14%	95.45%
6009	Telephone billing	36,473,586	36,836,383	37,945,584	38,207,119	33,736,326	183,198,998	0.14%	95.59%
1264	Court fees	39,013,101	39,184,711	35,253,537	33,635,353	32,990,320	180,077,022	0.14%	95.72%
1512	US Department of Defense	30,693,698	32,534,000	38,537,907	33,598,338	39,111,801	174,475,744	0.13%	95.85%
1813	Cost reimbursements - state	34,270,276	33,749,887	34,449,443	31,776,464	35,812,952	170,059,022	0.13%	95.98%
1126	Hunting and fishing licenses and commission permits	31,725,219	31,788,573	33,011,845	31,988,432	32,628,927	161,142,996	0.12%	96.10%
1250	Collection fees	28,363,897	30,805,269	32,230,771	32,330,843	34,973,528	158,704,308	0.12%	96.22%
1041	Excess lines of insurance tax	28,719,999	29,713,178	30,024,860	33,455,598	34,308,445	156,222,080	0.12%	96.34%
1516	US Department of Interior	29,116,162	27,826,979	29,441,709	32,053,401	32,848,237	151,286,488	0.11%	96.45%
1560	Federal pass-through grants	47,604,707	37,998,600	19,553,864	31,442,608	14,579,015	151,178,794	0.11%	96.57%
6013	Reimbursement/recovery cost	27,114,023	31,674,920	27,485,232	27,633,771	27,843,968	141,751,914	0.11%	96.67%
1080	Real and personal property tax	26,731,442	27,568,831	28,189,016	28,830,339	29,703,452	141,023,080	0.11%	96.78%
6021	Computer services	22,297,639	24,413,038	29,571,066	30,753,047	32,349,562	139,384,352	0.10%	96.88%
1603	U.S./agency securities interest	22,479,526	20,342,362	22,256,721	26,974,579	46,398,605	138,451,793	0.10%	96.99%
1436	Room and care	28,363,819	28,109,625	27,664,512	26,946,999	25,026,869	136,111,824	0.10%	97.09%
1811	Local match	50,600,510	34,985,281	20,599,206	14,410,471	15,507,413	136,102,881	0.10%	97.19%
1100	Professional licenses or permits	27,594,721	29,225,729	26,707,324	28,140,106	24,242,068	135,909,948	0.10%	97.29%
1070	Corporation franchise tax	61,314,630	32,211,295	19,512,409	2,743,150	2,240,048	118,021,532	0.09%	97.38%
1053	Liquor tax	21,925,239	22,476,067	22,844,443	24,012,395	25,088,295	116,346,439	0.09%	97.47%
1188	Public utilities fees	20,118,625	19,695,636	19,842,506	19,936,400	19,627,829	99,220,996	0.07%	97.54%
6027	Sale of manufactured products	18,969,055	19,461,962	20,665,985	20,192,629	18,619,178	97,908,809	0.07%	97.62%
1059	Tobacco product tax	17,225,212	17,691,619	19,434,019	20,516,652	21,468,711	96,336,213	0.07%	97.69%
1162	Filing fees	18,691,254	19,047,755	19,812,035	19,096,824	19,153,508	95,801,376	0.07%	97.76%
1088	Nursing facility reimbursement allowance	18,329,061	18,022,997	20,891,666	19,522,237	18,238,114	95,004,075	0.07%	97.83%
1090	Federal reimbursement allowance	15,956,994	15,380,839	15,806,286	15,567,989	26,077,730	88,789,838	0.07%	97.90%
1858	Other miscellaneous receipts - state	18,602,477	18,750,554	15,370,417	19,506,370	16,279,375	88,509,193	0.07%	97.97%
1037	Worker's compensation insurance tax	15,700,482	17,199,724	17,156,163	16,720,052	17,416,920	84,193,341	0.06%	98.03%
1626	Court awards	12,167,031	11,122,925	12,786,154	23,175,458	19,228,331	78,479,899	0.06%	98.09%
1110	Driver's licenses or permits	14,009,090	16,154,330	15,361,100	13,754,181	15,544,741	74,823,442	0.06%	98.15%
1621	Penalties	15,026,562	17,377,486	13,442,654	10,477,035	13,339,235	69,662,972	0.05%	98.20%
1624	Settlements	5,310,083	39,020,076	5,603,862	11,865,632	4,991,118	66,790,771	0.05%	98.25%
1152	Motorboat fees	12,145,169	12,549,673	12,358,613	12,687,392	12,562,562	62,303,409	0.05%	98.30%
1169	Other registration fees	11,090,142	11,501,235	11,916,069	11,926,930	12,158,837	58,593,213	0.04%	98.34%
1206	Solid waste disposal fees	10,576,521	10,946,036	11,764,753	12,282,791	12,831,002	58,401,103	0.04%	98.38%
1551	County mental health programs	12,094,852	11,311,919	12,946,158	12,412,049	8,557,588	57,322,566	0.04%	98.43%
1198	Transport load fees	11,239,640	11,195,303	11,567,440	11,633,855	11,529,928	57,166,166	0.04%	98.47%
1302	Criminal records check fees	10,027,568	11,037,517	12,170,148	11,578,987	11,134,370	55,948,590	0.04%	98.51%
1303	Other fees	10,278,791	10,976,155	11,062,952	12,192,455	10,500,051	55,010,404	0.04%	98.55%
1266	Financial institutions examination fees	11,112,130	10,676,424	10,386,467	11,444,946	11,138,716	54,758,683	0.04%	98.59%

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		Year Ended June 30,					5-Year	Percentage	Cummulative
Code	Type of Revenue	2014	2015	2016	2017	2018	Total	Percentage	of Total
1328	Sales of fixed assets - control	7,931,754	6,972,758	8,237,789	16,771,373	10,326,660	50,240,334	0.04%	98.63%
6007	Mail/freight services	10,679,698	9,761,536	9,619,041	9,605,392	9,291,754	48,957,421	0.04%	98.67%
1132	Overdimension/overweight permits - Amendment 3	9,545,940	9,277,614	9,563,794	9,377,774	9,565,985	47,331,107	0.04%	98.70%
1094	Ambulance service reimbursement allowance	7,956,001	7,894,871	7,863,496	9,781,742	11,366,127	44,862,237	0.03%	98.74%
6035	Taxes	8,419,180	9,609,364	8,613,452	7,653,994	8,380,299	42,676,289	0.03%	98.77%
1295	Intervention fees	9,006,410	8,503,124	8,429,899	7,414,914	8,028,733	41,383,080	0.03%	98.80%
1262	Loan administration fees	6,923,903	7,127,199	8,311,128	9,385,819	8,484,187	40,232,236	0.03%	98.83%
1316	Manufactured product sales	7,779,143	8,418,694	7,456,017	7,814,296	8,355,266	39,823,416	0.03%	98.86%
1049	Heavy beer tax	7,887,262	7,708,889	7,798,378	7,666,892	7,437,210	38,498,631	0.03%	98.89%
1532	US Department of Energy	10,598,978	6,869,770	6,841,344	7,065,176	6,234,693	37,609,961	0.03%	98.92%
1816	Bond account	8,760,097	8,693,952	8,020,533	6,843,143	4,976,308	37,294,033	0.03%	98.95%
1822	Outlawed checks	5,546,475	5,551,795	7,914,090	9,367,114	8,047,892	36,427,366	0.03%	98.97%
1414	Medicare	6,781,464	5,691,724	6,509,624	9,098,685	7,123,712	35,205,209	0.03%	99.00%
	All other revenue source codes	277,262,936	269,236,620	253,902,950	268,461,685	259,730,371	1,328,594,562	1.00%	100.00%
	Total Revenues	\$ 24,616,141,577	25,845,977,839	26,737,217,477	27,249,912,291	28,525,799,531	132,975,048,715		

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



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fiscal year for which the calculation is being made, or 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 shall be measured by



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



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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 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.



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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).