

The seal of the State Auditor of Missouri is circular. It features a central shield with a balance scale and a plow. Above the shield is an eagle with spread wings. The text "SEAL OF THE STATE AUDITOR" is at the top, "WE STAND DIVIDED" is in the middle, and "MISSOURI 1820 1892" is at the bottom.

Nicole Galloway, CPA

Missouri State Auditor

Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2020

Report No. 2021-035

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auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

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

Background

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

Section 18(a-d) of the Hancock Amendment 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 2020 was \$110 million.

Fiscal Year 2020 Conclusions

For the year ended June 30, 2020, total state revenue was approximately \$6.3 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2020. 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 \$5.7 million. The projected net decrease does not include 5 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

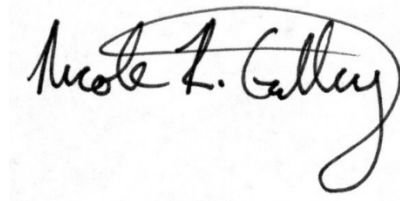
We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2020, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We previously reported on revenues of the state for the years ended June 30, 1982 through 2019. 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, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last 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 Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

For the year ended June 30, 2020, total state revenue (TSR) was approximately \$6.3 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2020. 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 \$6.3 billion.

Tax and fee increases Section 18(e)

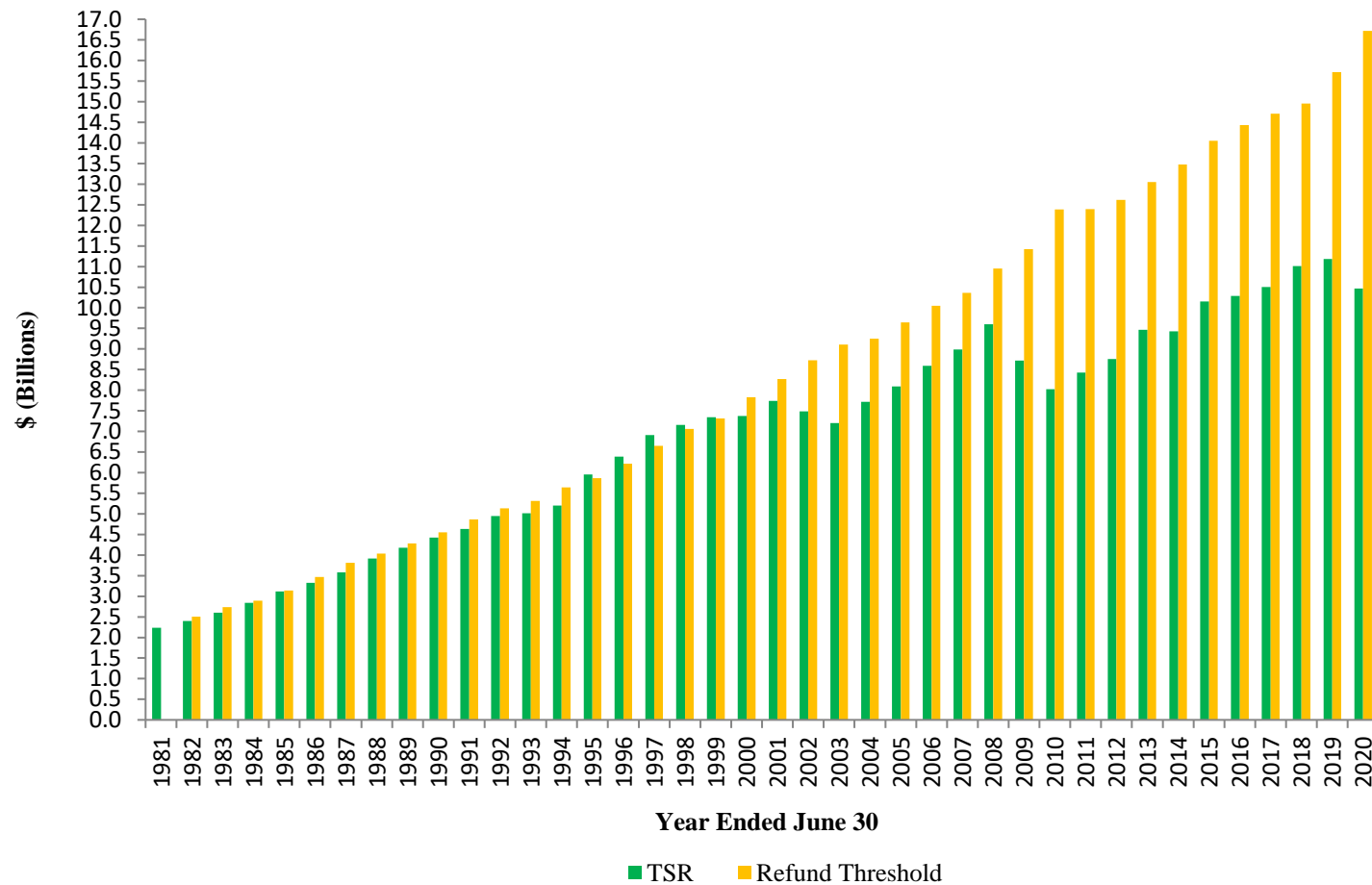
Section 18(e) of the Hancock Amendment states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second 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, 2020, 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 \$5.7 million. The projected net decrease does not include 5 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, 2020.

	Year Ended June 30,				
	2016	2017	2018	2019	2020
	(in millions)				
TOTAL STATE REVENUE (TSR)					
Total revenues	\$ 26,737.22	27,249.91	28,525.80	28,560.83	31,217.74
Less excluded revenue	(15,019.33)	(15,326.03)	(16,087.60)	(16,042.97)	(19,503.80)
Less expenditure refunds	(1,459.78)	(1,474.61)	(1,480.78)	(1,391.94)	(1,313.26)
Add refundable tax credits	29.83	53.62	56.15	56.11	62.86
TSR	\$ 10,287.94	10,502.89	11,013.57	11,182.03	10,463.54
 Missouri personal income (MPI)	\$ 252,482.44	257,338.33	261,547.77	274,975.80	292,512.85
Base year ratio (BYR)	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	14,238.75	14,512.60	14,749.99	15,507.26	16,496.26
Judicial article amendment	52.70	53.75	55.90	56.46	57.23
Revenue limit	14,291.45	14,566.35	14,805.89	15,563.72	16,553.49
1 percent adjustment	142.91	145.66	148.05	155.64	165.54
Refund threshold	\$ 14,434.36	14,712.01	14,953.94	15,719.36	16,719.03
 TSR	\$ 10,287.94	10,502.89	11,013.57	11,182.03	10,463.54
Less refund threshold	14,434.36	14,712.01	14,953.94	15,719.36	16,719.03
Over (under) threshold	(4,146.42)	(4,209.12)	(3,940.37)	(4,537.33)	(6,255.49)
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, 2020, TSR was approximately \$6.3 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2020. 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:

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

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 2020 revenue limit calculation, the OA-BP used the CY 2018 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; Department of



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

Revenue local sales and use tax fund collections; various funds held in trust for inmates, patients, etc.; and funds of 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 and other employee benefit plans. 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, 8 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, 2020, 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, 2020.



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

		Year Ended June 30,				
		2016	2017	2018	2019	2020
LEGISLATIVE ACTIONS*						
Net tax and fee increases/decreases	\$	Up to 127,712,253	2,272,090	At least (41,321,078)	(61,210,754)	(5,685,865)
REVENUE LIMIT						
By MPI growth	\$	117,529,541	120,291,485	123,479,209	128,134,375	135,719,930
By 1 percent of TSR	\$	94,283,895	101,495,508	102,879,357	105,028,851	110,135,745
Revenue limit (lesser amount)	\$	94,283,895	101,495,508	102,879,357	105,028,851	110,135,745
DIFFERENCE						
Over (under) limit	\$	Up to 33,428,358	(99,223,418)	N/A	N/A	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 2018, 2019, and 2020 the projections showed a net decrease in taxes and fees.

For the year ended June 30, 2020, 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 \$5.7 million. As noted in the Legislative actions section, the projected net decrease does not include 5 bills for which the Section 18(e) fiscal impact could not be projected. 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 2020, the OA-BP calculated the MPI growth limit at \$135.7 million by multiplying the fiscal year 2019 MPI growth limit (\$128.1 million) by the percentage change in the MPI for fiscal year 2018 (5.92 percent). The OA-BP calculated the TSR limit at \$110 million by multiplying the fiscal year 2018 TSR (\$11.0 billion) by 1 percent. The revenue limit was established at the lessor of these amounts, or the TSR limit of \$110 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), 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.



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

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 2020 legislative session included 28 bills, 10 of which the OA-BP determined had potential Section 18(e) fiscal impact. For 5 of these bills, the Section 18(e) fiscal impact could not be projected.

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 2020 legislative session, actual compliance can be measured after each 2020 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 has original jurisdiction. In such enforcement actions, the court will invalidate the taxes and fees that should have received a public vote. The court will 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, 2020, TSR was approximately \$6.3 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2020. This revenue limit has not been exceeded since the year ended June 30, 1999.

Tax and Fee Increases

For the year ended June 30, 2020, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general



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

assembly legislative actions, net taxes and fees could decrease by a total of \$5.7 million. The projected net decrease does not include 5 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,				
		2016	2017	2018	2019	2020
1001	Sales and use tax	\$ 2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091	2,273,584,127
1003	(8) Parks sales and use tax	46,171,505	46,830,973	47,830,741	48,374,039	49,203,710
1005	(7) Soil and water sales and use tax	46,171,508	46,830,977	47,830,649	48,373,824	49,203,732
1007	General revenue reimbursements - local sales and use tax	2,228,574	2,664,200	2,730,254	3,019,051	2,941,220
1009	(24) Motor vehicle sales tax - Amendment 3	300,926,757	317,332,358	322,920,915	314,346,167	317,211,336
1009	Motor vehicle sales tax	4,722,745	5,401,164	5,203,111	6,050,460	5,721,295
1011	(16) Conservation sales and use tax	115,429,774	117,077,413	119,568,141	120,934,964	123,010,768
1013	(2) Proposition C sales and use tax	906,517,715	918,927,877	938,175,451	949,839,137	966,614,685
1015	Sales and use taxes paid under protest	248,449	1,079,334	36,894	7,580	616,557
1016	(26) Suspense holding	-	-	58,298	40,014	(290,022)
1022	Individual income tax	7,182,257,124	7,331,004,488	7,737,588,497	7,654,451,494	6,958,777,570
1026	Corporate income tax	466,496,555	432,357,927	459,482,248	524,941,269	464,568,224
1033	County foreign insurance tax	247,446,081	280,592,925	310,095,430	293,426,981	293,622,191
1037	Worker's compensation insurance tax	17,156,163	16,720,052	17,416,920	16,976,319	17,217,104
1039	Worker's compensation insurance tax - second injury	106,107,160	101,791,431	102,703,123	99,505,372	96,723,338
1041	Excess lines of insurance tax	30,024,860	33,455,598	34,308,445	35,890,349	39,047,573
1049	Heavy beer tax	7,798,378	7,666,892	7,437,210	7,517,441	7,241,823
1053	Liquor tax	22,844,443	24,012,395	25,088,295	25,892,501	27,653,139
1055	Wine tax	6,205,469	6,184,019	6,405,925	6,317,328	6,104,996
1057	Cigarette tax	83,685,975	79,873,777	75,939,169	72,927,231	72,998,919
1059	Tobacco product tax	19,434,019	20,516,652	21,468,711	21,938,400	23,761,321
1060	(24) Motor vehicle fuel tax - Amendment 3	153,104,463	152,531,806	154,945,469	152,388,593	148,586,796
1060	(3) Motor vehicle fuel tax	172,484,819	171,758,978	174,486,338	171,609,379	167,296,817
1060	Motor vehicle fuel tax	400,332,970	410,393,007	399,068,251	412,515,607	402,542,183
1062	(24) Special fuel non-gas tax - Amendment 3	108,038	109,013	124,213	111,570	97,140
1062	Special fuel non-gas tax	944,100	502,526	295,570	376,208	937,972
1064	Aviation fuel tax	257,088	257,653	258,963	259,216	239,227
1070	Corporation franchise tax	19,512,409	2,743,150	2,240,048	1,614,811	(1,439,144)
1073	Estate tax	56,183	55,785	54,413	7,631	7,648
1074	(12) Bingo tax	1,705,122	1,751,736	1,452,759	1,533,143	1,389,953
1076	(13) Gaming commission gross receipts tax	323,585,514	324,262,046	328,396,438	327,393,773	258,699,167
1080	Real and personal property tax	28,189,016	28,830,339	29,703,452	31,102,787	33,198,922
1082	Delinquent real and personal property tax	2,702,974	2,811,753	3,562,473	2,918,029	3,326,289
1084	Hazardous waste fees	2,331,512	2,721,071	2,875,184	2,834,576	3,561,818
1088	Nursing facility reimbursement allowance	20,891,666	19,522,237	18,238,114	17,955,464	18,048,831
1089	Pharmacy reimbursement allowance	95,736,817	87,380,822	108,168,401	93,338,044	30,235,797
1090	Federal reimbursement allowance	15,806,286	15,567,989	26,077,730	21,750,434	25,829,333
1093	Athletic events tax	154,464	232,140	111,792	109,556	94,096
1094	Ambulance service reimbursement allowance	7,863,496	9,781,742	11,366,127	10,637,791	9,078,330
1095	Surcharges	132,698	105,605	14,729	-	-
1097	Agency collected sales taxes	216,632	204,114	218,335	217,485	196,342
1098	Telecommunications tax	-	7,512,046	-	-	-
1099	Other taxes	91,624	77,086	75,374	55,328	90,345
1100	Professional licenses or permits	26,707,324	28,140,106	24,242,068	30,634,356	27,178,359
1102	Recreational licenses or permits	6,324,511	6,977,269	7,109,470	7,047,875	6,784,840
1106	(24) Motor vehicle licenses or permits - Amendment 3	55,461,349	56,738,706	57,150,515	55,843,654	56,436,342
1106	Motor vehicle licenses or permits	131,250,543	134,957,753	136,690,431	143,127,287	139,370,508
1108	(24) Interstate transportation licenses or permits - Amendment 3	25,644,751	23,865,121	25,801,301	26,631,965	26,124,273
1108	Interstate transportation licenses or permits	56,630,383	52,754,737	57,069,595	60,057,681	57,737,550
1110	(24) Driver's licenses or permits - Amendment 3	8,195,615	7,363,142	8,105,039	7,685,988	6,657,090
1110	Driver's licenses or permits	7,165,485	6,391,039	7,439,702	6,926,116	6,014,869
1112	Land reclamation commission permits	586,109	673,840	757,262	771,316	790,000
1114	Salesman licenses or permits	1,024,810	1,343,560	1,486,950	1,378,800	1,337,635
1116	Vehicle and boat manufacturer and dealer licenses	906,202	944,410	938,393	879,887	1,309,795
1118	Liquor licenses or permits	5,358,359	5,303,962	5,476,918	5,616,612	4,656,836
1120	Gaming commission licenses	1,992,445	2,024,787	1,882,525	1,582,397	2,124,411
1121	Fantasy sports licenses	-	23,446	43	28,999	-
1124	Motor carrier licenses	2,492,555	2,294,927	2,384,911	2,368,584	2,203,274
1126	Hunting and fishing licenses and commission permits	33,011,845	31,988,432	32,628,927	31,809,260	33,422,911
1127	Hunting and fishing special tags	1,356,543	1,094,487	1,063,441	1,125,089	1,122,249
1128	Hazardous waste transporter licenses	343,769	327,114	318,958	324,105	333,280
1130	Water pollution control permits	5,494,736	5,859,232	5,501,402	5,436,904	5,382,151
1132	(24) Overdimension/overweight permits - Amendment 3	9,563,794	9,377,774	9,565,985	9,774,441	11,350,602
1134	Merchant licenses	1,558,949	1,624,958	1,619,808	1,784,454	1,640,099
1136	Tobacco licenses	27,800	27,200	26,700	25,000	24,500
1138	Temporary licenses	525	1,000	2,075	1,725	950
1140	Duplicate plates	1,481,181	1,549,922	1,558,861	1,484,598	1,385,099
1142	Duplicate driver license	1,994,714	2,133,152	2,051,614	1,974,253	1,389,134
1149	(24) Other licenses and permits - Amendment 3	1,277,111	2,221,319	1,297,211	1,330,693	1,484,353

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,				
		2016	2017	2018	2019	2020
1149	Other licenses and permits	3,730,385	3,797,009	3,827,119	3,885,915	4,801,659
1150	Lobbyist registration fees	11,230	11,370	11,420	10,780	10,400
1152	Motorboat fees	12,358,613	12,687,392	12,562,562	12,224,132	13,670,726
1154	Narcotics and dangerous drugs fees	880,086	904,213	926,437	941,585	955,580
1156	Occupational boards exam fees - individual exam fees	843,897	474,928	379,823	379,336	134,359
1160	(24) Non-motor fuel decal fees - Amendment 3	247,609	316,589	326,378	413,348	508,895
1162	Filing fees	19,812,035	19,096,824	19,153,508	19,777,511	20,189,821
1163	Certifying/authenticating fees	55,699	135,395	39,735	45,311	135,822
1164	Transfer fees	33,548	33,376	34,188	32,292	27,948
1165	Service contract registration fee	131,500	129,950	132,450	136,000	146,000
1169	Other registration fees	11,916,069	11,926,930	12,158,837	12,429,855	13,260,705
1172	(13) Fantasy sports operation fees	-	228,935	439,214	616,656	3,041
1174	Asbestos fees	245,555	454,125	641,260	594,897	602,184
1176	Egg license fees	58,646	31,481	33,688	36,863	32,195
1178	Milk control fees	96,454	100,914	108,294	106,344	99,705
1180	Home health care license fees	111,750	121,210	103,132	100,650	107,000
1182	Nursing home license fees	137,660	146,633	138,853	142,386	135,614
1184	Title V emissions fees	7,865,484	6,284,503	6,323,571	6,011,856	5,453,259
1185	Emission fees/non Title V facilities	448,478	416,085	438,997	683,547	387,493
1186	Boarding home license fees	719,001	744,606	715,228	753,068	753,796
1188	Public utilities fees	19,842,506	19,936,400	19,627,829	19,494,691	17,978,489
1190	Hospital license fees	81,871	87,149	83,634	85,610	86,204
1192	Grain warehouse license fees	42,072	64,423	68,966	65,504	65,197
1194	Missouri primacy fees	4,835,262	4,065,366	4,925,394	4,803,338	4,915,365
1198	Transport load fees	11,567,440	11,633,855	11,529,928	13,238,787	16,000,429
1200	Storage tank registration fees	205,110	57,645	48,405	169,650	184,515
1202	Tourist cabin permit fees	179,526	180,454	184,148	183,466	185,113
1206	Solid waste disposal fees	11,764,753	12,282,791	12,831,002	12,953,236	13,216,184
1208	New tire fees	2,217,207	2,276,854	2,125,370	2,435,613	2,464,829
1209	Battery fee	680,264	740,814	746,809	767,512	757,492
1210	Ground water protection fees	693,711	698,748	646,442	633,298	618,465
1211	Radioactive waste transport fee	256,975	210,775	139,850	144,575	134,000
1214	Insurance regulatory fees, renewals and purchasing groups	2,269,071	2,544,199	2,327,841	3,414,085	4,149,606
1216	Air conservation commission permit fees	333,850	423,138	578,176	420,838	427,288
1218	Bingo license fees	31,930	31,030	28,455	28,165	25,470
1220	Lab fees	6,305,303	7,957,512	8,623,532	8,409,131	8,132,137
1221	(F) Medical marijuana fee	-	-	-	3,958,000	21,338,720
1222	Program administration fees	1,413,854	1,408,679	1,375,091	3,213,994	1,469,038
1223	Confined animal feed operation indemnity fees	2,196	-	-	-	4
1224	Railroad assessments	422,007	810,359	968,288	1,215,223	961,401
1227	Enhanced vehicle emission inspection fees	2,130,025	2,177,427	2,157,771	2,195,749	2,130,635
1233	Grain warehouse inspection fees	3,371,837	3,870,846	4,025,240	3,190,579	2,744,214
1235	Milk inspection fees	1,030,191	1,085,848	1,101,997	1,076,971	1,187,174
1237	Ice cream products inspection fees	31,731	30,600	37,300	33,895	33,495
1239	Mine inspection fees	67,080	63,688	62,468	59,381	57,187
1241	Mobile home and recreational vehicle inspection fees	426,507	434,304	462,097	432,833	515,323
1243	Oil inspection fees	2,417,687	2,598,663	3,384,043	3,437,324	3,395,340
1244	Oil and gas resources fees	-	32,403	75,122	71,960	54,391
1249	Other inspection fees	2,621,839	2,520,987	2,555,711	2,632,367	2,363,875
1250	Collection fees	32,230,771	32,330,843	34,973,528	37,017,947	37,972,021
1252	(13) Admission fees - riverboat gambling	42,523,664	40,826,259	39,559,834	37,437,813	28,187,377
1252	Admission fees	1,643,202	1,594,891	1,645,002	1,501,543	1,419,259
1254	State auditor fees	166,770	164,549	155,378	108,510	112,585
1260	Grade crossing safety fees	1,336,137	1,360,093	1,359,194	1,387,418	1,482,791
1262	Loan administration fees	8,311,128	9,385,819	8,484,187	7,418,830	7,097,738
1263	Contract fees	1,048,116	1,394,510	2,119,654	3,166,839	3,549,414
1264	Court fees	35,253,537	33,635,353	32,990,320	31,876,520	29,055,384
1266	Financial institutions examination fees	10,386,467	11,444,946	11,138,716	11,659,106	11,517,987
1268	Consumer finance license fees	1,351,002	1,312,454	1,243,357	1,245,328	1,102,280
1270	Transcript fees	98,305	105,059	118,465	121,049	94,058
1274	Marketing development fees	31,393	29,835	42,912	27,910	24,324
1276	Miscellaneous insurance fees	91,400	88,150	85,650	98,170	96,800
1278	Gaming commission administrative income	28	36	-	-	-
1279	(A) Lottery commission fees	262,260	170,512	264,255	254,845	219,215
1280	Motor vehicle inspection sticker fees	3,844,936	3,815,022	3,788,372	3,747,763	3,056,030
1282	Logo sign advertising fees	6,440,866	4,971,340	3,758,337	5,196,400	6,389,140
1284	Public defender fees	1,356,885	1,415,002	505,578	257,076	306,031
1286	Witness fees	4,808	3,913	5,906	4,548	5,303
1288	County recorders fees	6,472,305	6,697,602	6,346,948	6,204,456	6,466,030

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,				
		2016	2017	2018	2019	2020
1290	Training or conference fees	205,462	161,925	134,102	202,626	69,970
1294	Electronic monitoring fee	52,187	38,739	44,976	33,897	31,481
1295	Intervention fees	8,429,899	7,414,914	8,028,733	8,573,586	8,305,511
1298	Substance abuse offender program fees	4,834,915	4,621,600	4,500,717	4,423,008	3,925,288
1302	Criminal records check fees	12,170,148	11,578,987	11,134,370	12,918,735	12,403,646
1303	(C) Other fees - Fund 881	-	-	-	-	(300)
1303	Other fees	11,062,952	12,192,455	10,500,051	13,908,822	12,381,456
1305	(4) Bond sales proceeds	210,116,282	102,130,224	133,670,887	35,003,859	201,000,000
1306	Proceeds from capital leases	-	-	-	-	40,313
1307	Other debt proceeds	-	-	-	-	1
1310	Land sales	8,871,857	3,221,947	6,192,002	2,661,304	18,414,336
1312	Sales of natural resources products	2,764,888	3,026,638	3,629,948	3,063,180	2,205,514
1314	Sales of agriculture products	2,355,652	2,254,153	1,963,186	1,950,279	1,696,429
1316	Manufactured product sales	7,456,017	7,814,296	8,355,266	7,321,967	8,787,837
1318	Information sales	2,197,919	2,128,295	1,933,697	1,826,523	2,568,638
1320	Souvenir sales	1,188,846	1,331,883	1,262,051	989,771	736,500
1322	(22) Surplus property sales - state - Fund 710	1,996,692	2,889,940	3,498,193	2,160,442	1,679,375
1322	Surplus property sales - state	2,443,802	1,963,089	1,397,226	1,568,514	1,329,370
1324	Surplus property sales - federal	2,401,222	1,849,831	1,731,547	1,526,781	1,158,166
1326	Unclaimed property sales	7,228	-	-	-	-
1328	Sales of fixed assets - control	8,237,789	16,771,373	10,326,660	11,440,310	10,798,936
1330	Vital records sales	1,033,867	1,083,091	1,146,445	1,069,043	1,057,257
1332	(A) Lottery ticket sales - Fund 657	544,750,138	-	-	-	-
1332	(A) Lottery ticket sales - Fund 682	-	506,939,548	550,136,435	574,457,578	519,018,965
1334	Cafeteria sales	848,497	815,052	743,907	760,721	496,004
1335	Canteen sales	-	-	-	37,504,377	26,954,394
1338	Other sales	150,851	164,257	160,364	153,628	138,412
1340	Gain sale fixed assets - control	-	10,000	-	-	-
1342	Supply sales	206	186	195	124	65
1401	Land rentals/leases	101,391	222,151	216,239	174,597	30,530
1403	State facilities rentals/leases	1,320,462	1,179,200	1,210,786	1,009,946	877,478
1404	Parking rentals/leases	69,424	66,696	58,886	24,636	9,465
1405	Concessions and recreational rentals/leases	3,034,114	3,105,762	3,180,389	3,393,263	2,814,895
1407	Housing/building rentals/leases	235,093	221,368	225,190	243,439	249,542
1409	Other leases and rentals	1,503,996	2,559,687	1,135,969	1,166,182	1,457,662
1414	(1) Medicare	6,509,624	9,098,685	7,123,712	4,799,624	3,888,551
1418	(1) Medicaid	72,032,939	80,000,126	79,351,290	76,018,593	70,575,382
1419	(1) Medicaid - case managers	113,400	-	-	-	-
1420	(1) Medicaid - community based	259,045,530	275,410,223	389,406,224	386,380,675	433,514,434
1422	Private payments	4,725,731	4,310,559	4,172,575	3,699,234	3,740,570
1424	Insurance payments	443,538	326,524	561,970	250,135	243,638
1426	Other payments	7,547	538,898	790,371	789,245	809,271
1434	Institutional support fees	1,284	-	-	-	-
1436	Room and care	27,664,512	26,946,999	25,026,869	22,258,611	21,135,047
1442	Mail/freight services	-	1,321	-	-	-
1446	Printing service	150,009	214,420	112,625	163,355	157,764
1448	Computer services	524,018	418,050	471,206	715,912	608,402
1450	Administration services	19,962	6,076	6,398	5,813	4,868
1501	Private donations	4,554,090	7,531,073	4,634,610	3,981,709	4,255,415
1502	Other governmental entity donations	-	1,607,500	1,757,500	2,835,000	4,750,000
1507	(1) NASAO (airport inspections)	20,150	23,400	27,950	20,150	24,700
1510	(1) US Department of Agriculture	514,422,704	514,408,963	508,032,007	511,845,041	503,611,906
1512	(1) US Department of Defense	38,537,907	33,598,338	39,111,801	37,466,470	46,098,484
1513	(1) US Department of Homeland Security	2,854,523	2,430,710	2,051,905	2,285,287	2,854,295
1514	(1) US Department of Housing and Urban Development	46,977,140	47,220,963	55,239,661	40,029,975	35,620,200
1516	(1) US Department of Interior	29,441,709	32,053,401	32,848,237	33,968,755	36,897,228
1518	(1) US Department of Justice	5,251,610	4,430,759	4,112,224	40,216,518	45,873,125
1520	(1) US Department of Labor	120,842,194	123,241,053	109,450,198	122,957,840	102,964,876
1522	(1) US Department of Education	657,882,449	679,698,618	667,389,831	651,370,071	748,738,763
1522	(C) US Department of Education - Fund 880	3,075,670	2,513,914	2,322,003	1,883,170	2,282,678
1522	(C) US Department of Education - Fund 881	47,726,056	36,334,748	59,125,831	51,493,713	21,475,565
1524	(1) US Department of Transportation	908,711,359	921,311,289	1,014,416,571	964,603,792	1,029,971,801
1526	(1) National Foundation for the Arts and Humanities	3,861,753	3,667,633	3,711,534	3,915,414	3,653,394
1528	(1) US Veterans Administration	71,189,569	74,619,431	82,501,384	76,818,403	82,787,035
1529	(1) US General Services Administration	27,192	24,477	22,571	14,574	36,956
1530	(1) US Environmental Protection Agency	84,163,611	92,033,621	85,456,503	58,136,507	88,952,390
1532	(1) US Department of Energy	6,841,344	7,065,176	6,234,693	6,694,045	7,070,026
1534	(1) Federal Emergency Management Agency	90,290,749	80,291,635	77,200,265	54,783,155	71,343,933
1536	(1) US Department of Health and Human Services	7,283,666,051	7,595,549,648	8,045,420,770	8,183,022,147	9,103,810,671

Appendix A

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

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2016	2017	2018	2019	2020
1538	(1) National/community services	4,157,499	3,837,179	4,407,701	5,902,182	6,341,626
1540	(1) US Social Security Administration	53,118,438	49,257,386	47,106,666	46,827,978	48,828,172
1540	(E) US Social Security Administration - Fund 727	23,237	15,657	7,629	13,488	-
1542	(1) National Archives and Records	43,615	10,460	17,121	1,258	5,943
1544	(1) Elections Assistance Commission	-	-	7,230,625	-	15,698,860
1546	(1) US Department of Treasury	10,476	121,807	-	-	2,083,701,914
1549	(1) Miscellaneous federal revenues	39,911,964	39,415,516	43,310,397	44,728,057	55,560,377
1551	County mental health programs	12,946,158	12,412,049	8,557,588	7,206,115	6,009,959
1557	(1) American Recovery and Reinvestment Act	27,772,004	37,522,104	29,773,379	11,630,405	7,191,849
1560	(1) Federal pass-through grants	19,553,864	31,442,468	14,579,015	18,223,873	25,152,950
1560	(E) Federal pass-through grants - Fund 727	-	140	-	-	-
1601	(16) Time deposits interest - Fund 609	25,434	46,378	26,042	38,007	61,738
1601	(13) Time deposits interest - Fund 285	7,262	9,526	8,950	10,300	14,180
1601	(12) Time deposits interest - Fund 289	88	62	57	375	539
1601	(8) Time deposits interest - Fund 613	10,151	7,517	6,381	9,331	15,171
1601	(7) Time deposits interest - Fund 614	21,547	23,033	17,824	16,132	22,227
1601	(2) Time deposits interest - Fund 688	36,417	40,463	38,001	47,868	73,095
1601	(A) Time deposits interest - Fund 657	11,594	7,860	2,452	2,777	4,391
1601	(A) Time deposits interest - Fund 682	-	6,900	17,588	28,371	35,751
1601	(B) Time deposits interest - Fund 905	4,474	3,797	2,605	2,829	4,201
1601	(C) Time deposits interest - Fund 880	25,249	27,386	24,041	20,470	14,603
1601	(C) Time deposits interest - Fund 881	6,758	10,378	8,988	12,707	26,277
1601	(D) Time deposits interest - Fund 963	442	495	472	602	957
1601	(E) Time deposits interest - Fund 727	3	12	4	4	-
1601	(F) Time deposits interest - Fund 606	-	-	-	789	14,022
1601	Time deposits interest	1,558,436	1,776,400	2,247,521	2,139,605	3,091,459
1603	(16) U.S./agency securities interest - Fund 609	202,650	451,363	516,235	955,578	876,107
1603	(13) U.S./agency securities interest - Fund 285	58,132	92,251.87	171,468	256,369	196,929
1603	(12) U.S./agency securities interest - Fund 289	785	601	1,145	10,860	7,042
1603	(8) U.S./agency securities interest - Fund 613	81,195	68,983	126,197	230,422	237,304
1603	(7) U.S./agency securities interest - Fund 614	172,161	223,251	347,220	397,899	332,166
1603	(2) U.S./agency securities interest - Fund 688	291,279	393,868	781,242	1,192,306	1,591,597
1603	(A) U.S./agency securities interest - Fund 657	90,912	67,231	47,268	70,431	60,127
1603	(A) U.S./agency securities interest - Fund 682	-	77,129	347,260	705,698	482,139
1603	(B) U.S./agency securities interest - Fund 905	35,689	35,704	51,666	69,162	56,561
1603	(C) U.S./agency securities interest - Fund 880	201,919	266,191	467,557	495,254	198,575
1603	(C) U.S./agency securities interest - Fund 881	53,579	101,089	181,320	319,652	354,692
1603	(D) U.S./agency securities interest - Fund 963	6,021	7,331	11,847	17,625	15,722
1603	(E) U.S./agency securities interest - Fund 727	26	114	70	126	3
1603	(F) U.S./agency securities interest - Fund 606	-	-	-	19,707	177,982
1603	U.S./agency securities interest	21,062,373	25,189,472	43,348,110	70,091,462	73,174,480
1605	Other investment interest	945,400	227,032	1,069,890	925	1,250,000
1610	Interest on loans	2,306,462	3,991,978	5,137,467	5,475,074	6,921,579
1612	(25) Interest - federal	6,414	370	-	200	273
1614	Interest on receivables	2,189	1,399	3,732	7,147	3,452
1616	Interest on settlements	30,187	89,584	216,142	21,481	1,024,467
1618	Other interest	25,214	16,281	23,918	15,807	13,071
1621	(C) Penalties - Fund 881	1,232	41	86	161	416
1621	Penalties	13,441,422	10,476,994	13,339,149	11,519,171	10,976,306
1624	(A) Settlements - Fund 657	1,578	-	36,826	-	-
1624	Settlements	5,602,284	11,865,632	4,954,292	13,216,473	6,200,832
1626	Court awards	12,786,154	23,175,458	19,228,331	15,085,967	21,798,763
1628	Insufficient funds charges	3,088	2,443	2,920	2,495	2,946
1634	Estates	792	461	208	550	564
1636	Unclaimed properties	94,224,664	96,044,838	98,968,823	97,610,441	85,468,078
1700	(5) Salary refunds - federal	186,340	172,157	155,384	247,439	226,248
1701	(5) Salary refunds - state	3,259	3,994	18,039	12,215	3,245
1702	(5) Salary refunds - local/other	50	68	1,218	442	675
1703	(5) General relief pension refunds	2,123	3,110	568	15	2,559
1704	(5) Blind pension refunds	9,123	15,155	13,313	13,541	18,871
1706	(5) Dependent children pension refunds	154,613	181,017	197,576	219,800	187,950
1715	(5) Day care refunds	248,033	123,001	160,334	190,391	178,095
1717	(5) Medicare - Medicaid refunds	764,065,387	745,882,820	769,637,896	782,649,205	793,013,286
1719	(5) Cost in criminal cases refunds	1,107,583	989,773	1,131,067	828,984	630,278
1720	(5) American Recovery and Reinvestment Act refunds	234,023	104,795	10,441	-	-
1721	(5) Vendor refunds - federal	4,620,866	1,375,208	977,390	2,494,719	1,155,291
1722	(5) Vendor refunds - state	655,137	1,671,200	1,132,213	1,001,934	7,016,701
1722	(A) Vendor refunds - state - Fund 657	1,695	-	-	-	-
1722	(A) Vendor refunds - state - Fund 682	-	2,422	3,206	2,905	8,618

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,				
		2016	2017	2018	2019	2020
1723	(5) Vendor refunds - local/other	716,747	842,054	811,425	511,124	1,067,901
1723	(C) Vendor refunds - local/other - Fund 880	209	967	609	-	-
1725	(5) Excess court payment refunds	27,813	270,262	1,185,773	5,238	21,982
1727	(5) School refunds	6,417,301	3,867,964	3,971,653	3,560,474	6,851,013
1728	(5) Scholarship refunds	1,079,095	1,184,340	1,163,954	1,113,541	1,093,242
1728	(C) Scholarship refunds - Fund 880	270	-	-	-	-
1729	(5) Audit findings - federal	3,541	-	-	-	-
1730	(5) Audit findings - state	25	-	-	-	-
1731	(5) Audit findings - local/other	76,760	34,242	118,960	120,662	3,287
1732	(5) Utility refunds	136,184	184,036	223,191	203,928	186,432
1733	(5) Fuel tax refunds	168,077	9,443	101,946	22,557	158,062
1737	(5) Other refunds	2,445,440	2,535,828	2,575,366	2,486,360	2,756,766
1737	(C) Other refunds - Fund 880	-	-	263	-	-
1737	(D) Other refunds - Fund 963	-	136	-	-	-
1806	(18) Recovery costs	141,153,215	208,492,070	155,657,507	151,805,702	145,520,688
1806	(A) Recovery costs - Fund 682	-	61,714	-	-	-
1811	(21) Local match	20,599,206	14,410,471	15,507,413	31,544,265	37,751,526
1812	(19) Cost reimbursements - federal	6,867,653	9,841,676	2,577,917	2,162,777	1,287,470
1813	(19) Cost reimbursements - state	16,176,101	14,167,649	18,239,650	12,710,970	41,100,382
1813	Cost reimbursements - state (included)	18,273,342	17,608,815	17,573,302	16,987,024	13,850,982
1814	(19) Cost reimbursements - local/other	179,458,857	137,157,431	154,003,419	140,539,292	217,396,998
1814	(B) Cost reimbursements - local/other - Fund 905	-	2,849,735	6,872,485	6,644,373	6,160,944
1814	(C) Cost reimbursements - local/other - Fund 880	2,175	-	-	-	-
1816	Bond account	8,020,533	6,843,143	4,976,308	694,404	116,729
1818	(17) Employee expense reimbursement - federal	6,623	2,861	8,846	3,136	1,321
1819	(17) Employee expense reimbursement - state	2,055	798	208	13,711	2,598
1820	(17) Employee expense reimbursement - local/other	2,115	1,903	1,418,604	-	-
1821	(17) Employee personal expense reimbursement	89,417	83,806	42,534	44,356	33,552
1822	(10) Outlawed checks	7,906,652	9,341,755	8,039,816	9,398,263	9,955,197
1822	(B) Outlawed checks - Fund 905	7,438	25,359	8,076	19,708	28,733
1824	(20) Canceled checks	4,523,255	5,055,748	3,541,743	3,028,906	5,462,855
1824	(A) Canceled checks - Fund 657	-	75	-	-	-
1824	(B) Canceled checks - Fund 905	129	2,857	216	2,362	2,195
1826	(9) Redeposit of investments principal	109,022	1,123,588	1,608,437	-	1,163,000
1828	(11) Redeposit of loan principal	83,588,497	97,881,344	105,777,957	105,666,580	105,774,350
1830	Telephone commissions	1,581,576	1,629,024	1,677,892	1,677,196	1,727,512
1832	Commission on sales	5,728	4,655	5,411	4,362	935,297
1834	(23) Rebates - WIC	48,507,981	65,071,479	76,650,915	66,017,708	91,390,292
1834	Rebates	1,176,702	1,350,966	1,492,665	1,875,110	1,889,674
1834	(A) Rebates - Fund 657	5,095	-	9	-	-
1834	(A) Rebates - Fund 682	-	4,814	5,984	6,395	6,511
1834	(C) Rebates - Fund 880	303	452	337	87	120
1836	Housing and maintenance receipts	15,811	976	-	-	-
1838	Loan defaults	495,335	505,882	844,904	322,182	956,907
1842	(11) Loan repayment	328,190	310,072	342,417	331,880	291,776
1842	(C) Loan repayment - Fund 880	-	-	-	-	359,678
1842	(C) Loan repayment - Fund 881	53,537,794	59,229,827	45,668,963	53,860,767	47,715,398
1843	(11) Loans receivable contra account	5,680,374	8,537,324	6,598,537	5,976,882	5,767,258
1844	Insurance proceeds	7,988	41,049	17,119	-	172,088
1846	Capital credits/dividends	96,044	93,480	107,384	134,572	137,225
1848	Recycling receipts	207,286	212,898	192,205	135,655	86,155
1850	Forfeitures	1,503,970	1,202,243	1,782,672	1,355,045	1,131,840
1852	Overpayments	508,376	596,653	546,208	772,732	325,512
1856	(1) Other miscellaneous receipts - federal	4,961,120	10,124,635	7,181,871	5,763,802	4,519,919
1858	(A) Other miscellaneous receipts - state - Fund 657	1,773	-	-	-	-
1858	(A) Other miscellaneous receipts - state - Fund 682	-	4,655	3,238	3,638	587
1858	(B) Other miscellaneous receipts - state - Fund 905	11,499,237	5,669,644	5,665,570	6,475,011	8,337,414
1858	Other miscellaneous receipts - state	3,869,407	13,832,071	10,610,567	9,679,740	11,224,781
1860	(A) Other miscellaneous receipts - local/other - Fund 657	2,986,561	-	-	-	-
1860	(A) Other miscellaneous receipts - local/other - Fund 682	-	2,122,102	3,883,124	1,985,789	6,051,060
1860	Other miscellaneous receipts - local/other	2,664,027	2,140,078	1,790,819	8,150,544	4,202,996
1862	(A) Fees for copying public records - Fund 657	151	-	-	-	-
1862	(A) Fees for copying public records - Fund 682	-	75	36	-	-
1862	Fees for copying public records	273,622	265,841	267,948	311,020	287,750
1866	Federal share of grantee sales	330,838	299,208	233,188	123,333	126,002
1868	Receivable overpayment - federal	178	-	-	-	3,087
1870	Receivable overpayment - state	40	3	716	-	406
1872	Receivable overpayment - local	250	-	-	-	-
6001	(6) Supply sales	479,411	374,932	406,292	385,028	380,063

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,				
		2016	2017	2018	2019	2020
6002	(6) Open records fees	8,987	10,574	7,424	9,833	29,888
6003	(6) Fleet services operations/maintenance	1,786,879	1,645,479	1,767,638	1,845,034	1,630,001
6005	(6) Fleet services replacement	1,630,894	240,065	1,288,996	1,584,587	1,249,899
6006	(6) Criminal records check fees	329,043	405,830	314,477	247,727	185,840
6007	(6) Mail/freight services	9,619,041	9,605,392	9,291,754	9,789,843	10,798,189
6009	(6) Telephone billing	37,945,584	38,207,119	33,736,326	38,077,517	40,025,368
6011	(6) Printing service	5,126,201	4,953,996	4,323,276	5,156,289	4,711,820
6013	(6) Reimbursement/recovery cost	27,485,232	27,633,771	27,843,968	26,651,528	28,451,985
6015	(6) Leased facility	61,346,648	62,104,759	63,126,489	64,424,904	60,956,253
6017	(6) Sale of material, supplies, and services	1,151,871	792,091	655,026	588,218	646,191
6019	(6) Training	631,324	459,259	431,464	668,357	599,034
6021	(6) Computer services	29,571,066	30,753,047	32,349,562	37,043,025	37,691,418
6023	(6) Administration services	612,172	647,587	732,883	537,658	867,176
6025	(6) Flight operations services	492,045	542,252	86,447	282,306	273,466
6027	(6) Sale of manufactured products	20,665,985	20,192,629	18,619,178	22,131,780	20,375,048
6029	(6) Interagency receipts	34,873,321	34,431,497	33,691,602	34,030,155	31,060,817
6029	(C) Interagency receipts - Fund 881	562,670	634,586	-	-	-
6030	(6) Sampling &/or analysis	909,218	896,298	831,956	875,291	826,231
6031	(14) Redeposit of state funds	153,566	203,360	232,824	142,657	138,562
6033	(6) Permits	54,736	58,800	48,344	37,238	52,500
6034	(6) Registration fees	107,443	124,446	102,586	139,050	67,890
6035	(6) Taxes	8,613,452	7,653,994	8,380,299	8,188,913	8,202,365
6036	(6) Transcript fees	10,195	16,039	10,545	12,884	22,959
	Total Revenues	26,737,217,477	27,249,912,291	28,525,799,531	28,560,833,266	31,217,735,295
Fund Exclusions:						
(A)	Lottery Funds - Fund 657 and 682	548,111,757	509,465,037	554,747,680	577,518,427	525,887,363
(B)	Alternative Care Trust Fund - Fund 905	11,546,967	8,587,096	12,600,617	13,213,445	14,590,048
(C)	Student Loan Funds - Funds 880 and 881	105,193,884	99,119,579	107,800,000	108,085,981	72,427,702
(D)	Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	6,463	7,962	12,319	18,227	16,679
(E)	Division of Youth Services Child Benefits Fund - Fund 727	23,266	15,923	7,703	13,618	3
(F)	Veterans' Health and Care Fund - Fund 606	-	-	-	3,978,496	21,530,724
Revenue Source Exclusions:						
(1)	Federal funds	10,352,212,487	10,747,909,704	11,362,716,108	11,388,424,592	14,665,289,758
(2)	Proposition C sales and use tax/interest	906,845,411	919,362,208	938,994,695	951,079,311	968,279,377
(3)	Proposition A gas tax and license fee increases	172,484,819	171,758,978	174,486,338	171,609,379	167,296,817
(4)	Bond sales	210,116,282	102,130,224	133,670,888	35,003,859	201,000,000
(5)	Refunds	782,357,520	759,450,467	783,587,704	795,682,569	814,571,885
(6)	Interagency sales and receipts	243,450,748	241,749,856	238,046,532	252,707,165	249,104,402
(7)	Soil and water sales and use tax/interest	46,365,216	47,077,261	48,195,693	48,787,855	49,558,126
(8)	Parks sales and use tax/interest	46,262,851	46,907,473	47,963,318	48,613,792	49,456,185
(9)	Redeposit of investment principal	109,022	1,123,588	1,608,437	-	1,163,000
(10)	Outlawed checks	7,906,652	9,341,755	8,039,816	9,398,263	9,955,197
(11)	Redeposit of loan principal	89,597,061	106,728,740	112,718,913	111,975,342	111,833,384
(12)	Bingo	1,705,995	1,752,399	1,453,961	1,544,378	1,397,534
(13)	Riverboat gambling	366,174,572	365,419,018	368,575,905	365,714,911	287,100,693
(14)	Redeposit of state funds	153,566	203,360	232,824	142,657	138,562
(15)	Loan proceeds	-	-	-	-	-
(16)	Conservation sales and use tax/interest	115,657,858	117,575,154	120,110,418	121,928,549	123,948,613
(17)	State employee expense reimbursement	100,210	89,368	1,470,191	61,203	37,471
(18)	Recovery costs	141,153,215	208,492,070	155,657,507	151,805,702	145,520,688
(19)	Cost reimbursements	202,502,611	161,166,756	174,820,986	155,413,039	259,784,850
(20)	Canceled checks	4,523,255	5,055,748	3,541,743	3,028,906	5,462,855
(21)	Local match	20,599,206	14,410,471	15,507,413	31,544,265	37,751,526
(22)	Proceeds of surplus property sales - Fund 710	1,996,692	2,889,940	3,498,193	2,160,442	1,679,375
(23)	DHSS program rebates	48,507,981	65,071,479	76,650,915	66,017,708	91,390,292
(24)	Amendment 3 revenue derived from highway users	554,529,487	569,855,828	580,237,026	568,526,419	568,456,377
(25)	Interest - federal	6,414	370	-	200	273
(26)	Suspense holding	-	-	58,298	40,014	(290,022)
Other Exclusions and Limits:						
	CMIA interest payment to the federal government	7,016	12,274	220,155	494,665	885,764
	Agency remitted sales tax	236,007	213,462	253,441	236,987	193,446
	Abandoned funds claim payments	38,888,067	43,082,600	43,734,033	43,372,088	38,218,447
	Circuit courts escrow	-	-	2,506,078	2,241,863	2,391,089
	Debt offset escrow	-	-	13,876,494	12,588,483	17,766,076
	Total exclusions	15,019,332,558	15,326,026,148	16,087,602,342	16,042,972,800	19,503,794,559
	Total revenues after exclusions	11,717,884,919	11,923,886,143	12,438,197,189	12,517,860,466	11,713,940,736

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,				
		2016	2017	2018	2019	2020
	Less SAM II expenditure refunds (Appendix B)	(1,459,778,233)	(1,474,612,512)	(1,480,782,389)	(1,391,943,779)	(1,313,261,786)
	Add refundable tax credits:					
	Missouri Works	-	11,969,574	16,996,555	-	38,753,019
	BUILD	3,858,758	4,832,573	7,080,218	7,893,969	9,686,302
	Missouri Quality Jobs	20,281,001	30,145,802	25,388,581	23,535,191	7,814,728
	New Enhanced Enterprise Zone	3,470,176	3,350,388	3,228,601	2,599,274	1,563,307
	Self-employed Health Insurance	1,523,728	1,946,042	2,123,978	1,748,506	3,193,355
	Public Safety Officer Surviving Spouse, Residential Dwelling Accessibility, Sporting Event Credit, and Business Facility Credit	695,312	1,367,055	1,341,800	20,331,791	1,850,763
	Total State Revenue	\$ 10,287,935,661	10,502,885,065	11,013,574,533	11,182,025,418	10,463,540,424

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,				
		2016	2017	2018	2019	2020
3200	Bond refunds	\$ 20,246,084	23,327,341	3,961,622	16,837,636	1,016,512
3206	Deposit and escrow refunds	568,458	48,096	83,042	29,773	47,537
3213	Tax credit debt offset	68,893	146,178	82,314	69,122	12,602
3215	Debt offset refunds	12,275,735	12,931,564	7,900,327	4,503,978	4,782,452
3218	Motor vehicle license fee refunds	430,535	1,318,516	394,301	422,322	533,014
3221	Driver's license fee refunds	50,160	38,925	37,582	48,911	35,107
3227	License and permit fee refunds	830,932	969,379	1,036,462	1,011,037	1,004,134
3230	Registration fee refunds	29,604	41,130	37,878	4,876	5,026
3233	Regulatory fee refunds	11,202	14,328	23,793	42,896	31,877
3236	Inspection fee refunds	53,611	54,007	45,159	57,762	53,231
3239	Miscellaneous fee refunds	444,125	463,144	407,726	369,017	295,908
3242	Sales refunds	6,030	5,824	3,443	6,109	3,344
3245	Lease and rentals refunds	3,535	4,673	3,738	2,358	12,206
3248	Medical services refunds	7,794,112	8,874,556	9,629,754	10,248,013	11,608,121
3251	Contributions refunds	500	597	-	-	-
3254	Federal refunds	3,994,617	481,514	230,293	523,553	419,387
3255	Financial institutions tax refunds	-	-	199	-	-
3257	Penalty and court award refunds	1,640	326	69	201	11
3260	Interagency billing refunds	300	-	-	-	(13)
3261	Receivable overpayment refunds	338,729	331,152	325,019	290,277	420,895
3267	Deferred revenue refunds	3,398,108	2,139,922	2,013,248	1,917,960	2,977,685
3268	Liability account refunds	-	-	-	1,735	-
3269	Other refunds	643,356	1,134,036	2,090,584	1,542,918	2,363,226
3272	Sales and use tax protested refunds	1,314	3,217	-	-	-
3281	County foreign insurance tax refunds	6,166,772	4,131,633	5,112,963	33,713,018	25,300,398
3287	Worker's compensation insurance tax refunds	308,555	267,358	51,801	250,912	410,982
3290	Worker's compensation 2nd injury insurance tax refunds	4,618	2,385	7,122	10,005	-
3291	Surplus lines insurance tax refund	54,296	32,302	119,999	54,246	44,997
3293	Cigarette tax refunds	19,696	38,557	385	15,941	21,004
3296	Tobacco products tax refunds	-	-	-	-	156
3299	Aviation fuel tax refunds	5,772	2,239	3,360	3,735	1,036
3302	Local Use Tax Refunds	-	-	-	145,000	41,145
3305	Special fuel (non-gas) tax refunds	16,618,103	17,609,769	17,597,075	16,476,400	18,925,543
3308	Fuel tax refunds	10,050,762	14,701,157	11,281,600	11,823,784	11,243,402
3311	Sales tax refunds	-	261	-	-	-
3317	General sales and use tax refunds	40,504,538	35,688,543	23,275,186	39,412,110	28,231,179
3326	Motor vehicle sales tax refunds	5,319,325	6,112,493	6,218,889	7,102,520	6,562,565
3329	Motor vehicle use tax refunds	3,210	2,791	697	2,151	42
3335	Boat tax refunds	3,688	4,070	3,005	3,220	2,296
3338	Individual tax refunds	1,032,515,749	1,080,740,622	1,128,602,275	983,316,541	968,408,708
3341	Senior citizens tax refunds	106,927,409	100,851,062	98,808,490	83,217,656	88,708,537
3344	Corporation tax refunds	181,455,603	159,007,587	161,392,989	178,463,586	139,737,534
3347	Franchise tax refunds	6,023,791	10,681	-	-	-
3350	Inheritance tax refunds	-	101,364	-	-	-
3356	Other tax refunds	2,604,766	2,979,213	-	2,500	-
	Total SAM II Expenditure Refunds	\$ 1,459,778,233	1,474,612,512	1,480,782,389	1,391,943,779	1,313,261,786

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, they 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.



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

(F) Veterans' Health and Care
Fund

In November 2018, the voters approved Article XIV, Section 1.4, Missouri Constitution, which authorized the creation of the Missouri Veterans' Health and Care Fund. The fund is used to account for various taxes and fees also authorized by that section for the regulation of medical marijuana licensing and distribution. Since voters directly approved these taxes and fees, the fund is excluded from TSR.

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.



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(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.
(12) Bingo Tax	<p>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.</p>
(13) Riverboat Gambling and Other Gaming Proceeds	<p>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.</p> <p>In 1993, the state enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. The legislation repealed House Bill (HB) 149 related to riverboat gaming, which had been enacted by voters as Proposition A in November 1992.</p> <p>Under Senate Bills 10 and 11, the state 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.</p> <p>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.</p> <p>On November 24, 1998, the Missouri Court of Appeals, Western District, entered its final decision in <i>Kelly v. Hanson</i>, 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</p>



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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.

In 2016, the state enacted 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 periodically 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



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mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.

(20) Canceled Checks

Receipts derived from the redeposit of state checks that have been canceled are excluded.

(21) Local Match

Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these 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



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licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.

The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item (3))

Sections 29, 30(c), and 30(d) have no Hancock implications.

(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.



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Expenditure Refunds

Under Article X, Section 17(1), Missouri Constitution, TSR shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. In *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 \$129,544,993 received from tobacco companies during fiscal year 2020. 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 2020 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
2019	134,225,943
2020	129,544,993

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery



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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 has concluded these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. For our fiscal year 2001 report, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs prior to fiscal year 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These 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

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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
			2016	2017	2018	2019	2020			
1536		US Department of Health and Human Services	\$ 7,283,666,051	7,595,549,648	8,045,420,770	8,183,022,147	9,103,810,672	40,211,469,288	28.26%	28.26%
1022		Individual income tax	7,182,257,124	7,331,004,488	7,737,588,497	7,654,451,494	6,958,777,570	36,864,079,173	25.91%	54.17%
1001		Sales and use tax	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091	2,273,584,127	10,960,505,425	7.70%	61.87%
1524		US Department of Transportation	908,711,359	921,311,289	1,014,416,571	964,603,792	1,029,971,801	4,839,014,812	3.40%	65.27%
1013		Proposition C sales and use tax	906,517,715	918,927,877	938,175,451	949,839,137	966,614,685	4,680,074,865	3.29%	68.56%
1717		Medicare - Medicaid refunds	764,065,387	745,882,820	769,637,896	782,649,205	793,013,285	3,855,248,593	2.71%	71.27%
1060		Motor vehicle fuel tax	725,922,252	734,683,791	728,500,058	736,513,579	718,425,795	3,644,045,475	2.56%	73.83%
1522		US Department of Education	708,684,175	718,547,280	728,837,665	704,746,954	772,497,006	3,633,313,080	2.55%	76.38%
1332		Lottery ticket sales	544,750,138	506,939,548	550,136,435	574,457,578	519,018,966	2,695,302,665	1.89%	78.28%
1510		US Department of Agriculture	514,422,704	514,408,963	508,032,007	511,845,041	503,611,906	2,552,320,621	1.79%	80.07%
1026		Corporate income tax	466,496,555	432,357,927	459,482,248	524,941,269	464,568,224	2,347,846,223	1.65%	81.72%
1546		US Department of Treasury	10,476	121,807	-	-	2,083,701,915	2,083,834,198	1.46%	83.19%
1420		Medicaid - community based	259,045,530	275,410,223	389,406,224	386,380,675	433,514,434	1,743,757,086	1.23%	84.41%
1009		Motor vehicle sales tax	305,649,502	322,733,522	328,124,026	320,396,628	322,932,631	1,599,836,309	1.12%	85.54%
1076		Gaming commission gross receipts tax	323,585,514	324,262,046	328,396,438	327,393,773	258,699,168	1,562,336,939	1.10%	86.63%
1033		County foreign insurance tax	247,446,081	280,592,925	310,095,430	293,426,981	293,622,191	1,425,183,608	1.00%	87.64%
1106		Motor vehicle licenses or permits	186,711,892	191,696,459	193,840,946	198,970,941	195,806,851	967,027,089	0.68%	88.32%
1814		Cost reimbursements - local/other	179,461,032	140,007,166	160,875,904	147,183,665	223,557,942	851,085,709	0.60%	88.91%
1806		Recovery costs	141,153,215	208,553,784	155,657,507	151,805,702	145,520,688	802,690,896	0.56%	89.48%
1305		Bond sales proceeds	210,116,282	102,130,224	133,670,887	35,003,859	201,000,000	681,921,252	0.48%	89.96%
1011		Conservation sales and use tax	115,429,774	117,077,413	119,568,141	120,934,964	123,010,768	596,021,060	0.42%	90.38%
1520		US Department of Labor	120,842,194	123,241,053	109,450,198	122,957,840	102,964,876	579,456,161	0.41%	90.78%
1039		Worker's compensation insurance tax - second injury	106,107,160	101,791,431	102,703,123	99,505,372	96,723,338	506,830,424	0.36%	91.14%
1828		Redeposit of loan principal	83,588,497	97,881,344	105,777,957	105,666,580	105,774,350	498,688,728	0.35%	91.49%
1636		Unclaimed properties	94,224,664	96,044,838	98,968,823	97,610,441	85,468,078	472,316,844	0.33%	91.82%
1089		Pharmacy reimbursement allowance	95,736,817	87,380,822	108,168,401	93,338,044	30,235,797	414,859,881	0.29%	92.11%
1108		Interstate transportation licenses or permits	82,275,134	76,619,858	82,870,896	86,689,646	83,861,822	412,317,356	0.29%	92.40%
1530		US Environmental Protection Agency	84,163,611	92,033,621	85,456,503	58,136,507	88,952,390	408,742,632	0.29%	92.69%
1528		US Veterans Administration	71,189,569	74,619,431	82,501,384	76,818,403	82,787,035	387,915,822	0.27%	92.96%
1057		Cigarette tax	83,685,975	79,873,777	75,939,169	72,927,231	72,998,919	385,425,071	0.27%	93.23%
1418		Medicaid	72,032,939	80,000,126	79,351,290	76,018,593	70,575,382	377,978,330	0.27%	93.50%
1534		Federal Emergency Management Agency	90,290,749	80,291,635	77,200,265	54,783,155	71,343,933	373,909,737	0.26%	93.76%
1834		Rebates	49,690,081	66,427,711	78,149,910	67,899,300	93,286,598	355,453,600	0.25%	94.01%
6015		Leased facility	61,346,648	62,104,759	63,126,489	64,424,904	60,956,252	311,959,052	0.22%	94.23%
1842		Loan repayment	53,865,984	59,539,899	46,011,380	54,192,647	48,366,853	261,976,763	0.18%	94.42%
1603		U.S./agency securities interest	22,256,721	26,974,579	46,398,605	74,832,550	77,761,424	248,223,879	0.17%	94.59%
1540		US Social Security Administration	53,141,675	49,273,043	47,114,295	46,841,466	48,828,172	245,198,651	0.17%	94.76%
1003		Parks sales and use tax	46,171,505	46,830,973	47,830,741	48,374,039	49,203,710	238,410,968	0.17%	94.93%
1005		Soil and water sales and use tax	46,171,508	46,830,977	47,830,649	48,373,824	49,203,731	238,410,689	0.17%	95.10%
1514		US Department of Housing and Urban Development	46,977,140	47,220,963	55,239,661	40,029,975	35,620,200	225,087,939	0.16%	95.26%
1549		Miscellaneous federal revenues	39,911,964	39,415,516	43,310,397	44,728,057	55,560,377	222,926,311	0.16%	95.41%
1252		Admission fees	44,166,866	42,421,150	41,204,836	38,939,356	29,606,636	196,338,844	0.14%	95.55%
1512		US Department of Defense	38,537,907	33,598,338	39,111,801	37,466,470	46,098,484	194,813,000	0.14%	95.69%
6009		Telephone billing	37,945,584	38,207,119	33,736,326	38,077,517	40,025,368	187,991,914	0.13%	95.82%

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

Revenue Source	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2016	2017	2018	2019	2020			
1813	Cost reimbursements - state	34,449,443	31,776,464	35,812,952	29,697,994	54,951,364	186,688,217	0.13%	95.95%
1250	Collection fees	32,230,771	32,330,843	34,973,528	37,017,947	37,972,021	174,525,110	0.12%	96.07%
1041	Excess lines of insurance tax	30,024,860	33,455,598	34,308,445	35,890,349	39,047,573	172,726,825	0.12%	96.19%
6029	Interagency receipts	35,435,991	35,066,083	33,691,602	34,030,155	31,060,817	169,284,648	0.12%	96.31%
6021	Computer services	29,571,066	30,753,047	32,349,562	37,043,025	37,691,418	167,408,118	0.12%	96.43%
1516	US Department of Interior	29,441,709	32,053,401	32,848,237	33,968,755	36,897,228	165,209,330	0.12%	96.55%
1126	Hunting and fishing licenses and commission permits	33,011,845	31,988,432	32,628,927	31,809,260	33,422,911	162,861,375	0.11%	96.66%
1264	Court fees	35,253,537	33,635,353	32,990,320	31,876,520	29,055,384	162,811,114	0.11%	96.78%
1080	Real and personal property tax	28,189,016	28,830,339	29,703,452	31,102,787	33,198,922	151,024,516	0.11%	96.88%
6013	Reimbursement/recovery cost	27,485,232	27,633,771	27,843,968	26,651,528	28,451,985	138,066,484	0.10%	96.98%
1100	Professional licenses or permits	26,707,324	28,140,106	24,242,068	30,634,356	27,178,359	136,902,213	0.10%	97.08%
1053	Liquor tax	22,844,443	24,012,395	25,088,295	25,892,501	27,653,139	125,490,773	0.09%	97.16%
1436	Room and care	27,664,512	26,946,999	25,026,869	22,258,611	21,135,047	123,032,038	0.09%	97.25%
1811	Local match	20,599,206	14,410,471	15,507,413	31,544,265	37,751,526	119,812,881	0.08%	97.33%
1557	American Recovery and Reinvestment Act	27,772,004	37,522,104	29,773,379	11,630,405	7,191,849	113,889,741	0.08%	97.41%
1560	Federal pass-through grants	19,553,864	31,442,608	14,579,015	18,223,873	25,152,950	108,952,310	0.08%	97.49%
1059	Tobacco product tax	19,434,019	20,516,652	21,468,711	21,938,400	23,761,321	107,119,103	0.08%	97.57%
1090	Federal reimbursement allowance	15,806,286	15,567,989	26,077,730	21,750,434	25,829,333	105,031,772	0.07%	97.64%
6027	Sale of manufactured products	20,665,985	20,192,629	18,619,178	22,131,780	20,375,048	101,984,620	0.07%	97.71%
1518	US Department of Justice	5,251,610	4,430,759	4,112,224	40,216,518	45,873,125	99,884,236	0.07%	97.78%
1162	Filing fees	19,812,035	19,096,824	19,153,508	19,777,511	20,189,821	98,029,699	0.07%	97.85%
1188	Public utilities fees	19,842,506	19,936,400	19,627,829	19,494,691	17,978,489	96,879,915	0.07%	97.92%
1088	Nursing facility reimbursement allowance	20,891,666	19,522,237	18,238,114	17,955,464	18,048,831	94,656,312	0.07%	97.99%
1626	Court awards	12,786,154	23,175,458	19,228,331	15,085,967	12,798,763	92,074,673	0.06%	98.05%
1858	Other miscellaneous receipts - state	15,370,417	19,506,370	16,279,375	16,158,389	19,562,782	86,877,333	0.06%	98.11%
1037	Worker's compensation insurance tax	17,156,163	16,720,052	17,416,920	16,976,319	17,217,104	85,486,558	0.06%	98.17%
1110	Driver's licenses or permits	15,361,100	13,754,181	15,544,741	14,612,104	12,671,959	71,944,085	0.05%	98.22%
1335	Canteen sales	-	-	-	37,504,377	26,954,394	64,458,771	0.05%	98.27%
1198	Transport load fees	11,567,440	11,633,855	11,529,928	13,238,787	16,000,429	63,970,439	0.04%	98.31%
1152	Motorboat fees	12,358,613	12,687,392	12,562,562	12,224,132	13,670,726	63,503,425	0.04%	98.36%
1206	Solid waste disposal fees	11,764,753	12,282,791	12,831,002	12,953,236	13,216,184	63,047,966	0.04%	98.40%
1169	Other registration fees	11,916,069	11,926,930	12,158,837	12,429,855	12,620,705	61,692,396	0.04%	98.44%
1302	Criminal records check fees	12,170,148	11,578,987	11,134,370	12,918,735	12,403,646	60,205,886	0.04%	98.49%
1303	Other fees	11,062,952	12,192,455	10,500,051	13,908,822	12,381,156	60,045,436	0.04%	98.53%
1621	Penalties	13,442,654	10,477,035	13,339,235	11,519,332	10,976,722	59,754,978	0.04%	98.57%
1328	Sales of fixed assets - control	8,237,789	16,771,373	10,326,660	11,440,310	10,798,936	57,575,068	0.04%	98.61%
1266	Financial institutions examination fees	10,386,467	11,444,946	11,138,716	11,659,106	11,517,987	56,147,222	0.04%	98.65%
1132	Overdimension/overweight permits - Amendment 3	9,563,794	9,377,774	9,565,985	9,774,441	11,350,602	49,632,596	0.03%	98.69%
6007	Mail/freight services	9,619,041	9,605,392	9,291,754	9,789,843	10,798,189	49,104,219	0.03%	98.72%
1094	Ambulance service reimbursement allowance	7,863,496	9,781,742	11,366,127	10,637,791	9,078,330	48,727,486	0.03%	98.75%
1551	County mental health programs	12,946,158	12,412,049	8,557,588	7,206,115	6,009,959	47,131,869	0.03%	98.79%
1822	Outlawed checks	7,914,090	9,367,114	8,047,892	9,417,971	9,983,930	44,730,997	0.03%	98.82%
1624	Settlements	5,603,862	11,865,632	4,991,118	13,216,473	6,200,832	41,877,917	0.03%	98.85%
6035	Taxes	8,613,452	7,653,994	8,380,299	8,188,913	8,202,365	41,039,023	0.03%	98.88%

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	Cumulative
Code	Type of Revenue	2016	2017	2018	2019	2020	Total		Percentage of Total
1295	Intervention fees	8,429,899	7,414,914	8,028,733	8,573,586	8,305,511	40,752,643	0.03%	98.91%
1262	Loan administration fees	8,311,128	9,385,819	8,484,187	7,418,830	7,097,738	40,697,702	0.03%	98.93%
1316	Manufactured product sales	7,456,017	7,814,296	8,355,266	7,321,967	8,787,837	39,735,383	0.03%	98.96%
1220	Lab fees	6,305,303	7,957,512	8,623,532	8,409,131	8,132,137	39,427,615	0.03%	98.99%
1310	Land sales	8,871,857	3,221,947	6,192,002	2,661,304	18,414,336	39,361,446	0.03%	99.02%
	All other revenue source codes	282,145,992	286,146,706	268,814,584	259,359,909	301,609,225	1,398,076,416	0.98%	100.00%
	Total Revenues	\$ 26,737,217,477	27,249,912,291	28,525,799,531	28,560,833,266	31,217,735,295	142,291,497,860		

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

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"

¹ The 1996 amendment added section 18(e).



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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 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



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

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

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

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

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

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



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shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

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

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

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