



Scott Fitzpatrick

Missouri State Auditor

Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2022

Report No. 2023-062

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auditor.mo.gov



Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

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

Background

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.

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.

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 total state revenue for the second fiscal year prior to the general assembly's action, whichever is less.

Fiscal Year 2022 Conclusions

For the year ended June 30, 2022, total state revenue was approximately \$3.7 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2022. This revenue limit has not been exceeded since the year ended June 30, 1999.

For the year ended June 30, 2022, the Office of Administration, Division of Budget and Planning 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 \$44.7 million, which is under the tax and fee increase revenue limit of \$104.6 million. The projected net decrease does not include 4 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 audit, no rating is provided.

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

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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Kenneth J. Zellers, 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, 2022, 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 2021. 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 and Methodology present our comments and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

Scott Fitzpatrick
State Auditor

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, and requires refunds to taxpayers if revenue or tax increases exceed prescribed limits.

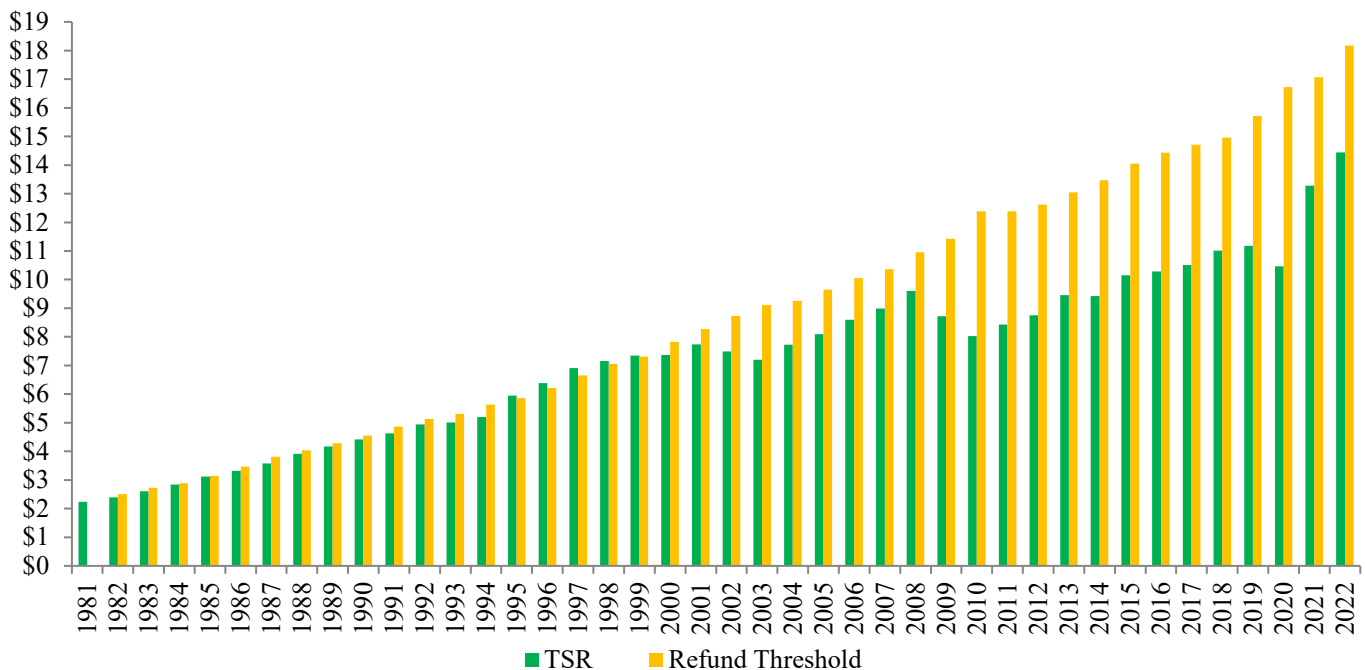
For the year ended June 30, 2022, no refunds are due to taxpayers. Total state revenue (TSR) was approximately \$3.7 billion under the refund threshold. In addition, the tax and fee increase limit for fiscal year 2022 was \$104.6 million, while net taxes and fees are projected to decrease by a total of \$44.7 million.

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. Figure 1 depicts TSR for fiscal year 1981 to 2022, and the Hancock Amendment refund threshold from fiscal year 1982 to 2022.

Since TSR was below the refund threshold by approximately \$3.7 billion in fiscal year 2022, no refund is required. The TSR refund threshold limit has not been exceeded since fiscal year 1999. Over the last 5 years, the amount of TSR under the refund threshold has ranged from \$3.7 billion to \$6.3 billion.

Figure 1: Total State Revenue compared to Hancock Amendment refund threshold, fiscal years 1982 to 2022, dollars in billions



Source: This chart was prepared using revenue data obtained from the Statewide Advantage for Missouri (SAM II) system.



Review of Article X, Sections 16 through 24, Constitution of Missouri
Executive Summary

**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 fiscal year 2022, this tax and fee increase limit was determined to be \$104.6 million.

For the year ended June 30, 2022, the Office of Administration, Division of Budget and Planning (OA-BP) determined based on fiscal notes prepared for each bill, net taxes and fees are projected to decrease by a total of \$44.7 million, which is under the tax and fee increase revenue limit of \$104.6 million. The projected net decrease does not include 4 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.

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

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, 2022.

	Year Ended June 30,				
	2018	2019	2020	2021	2022
	(in millions)				
TOTAL STATE REVENUE (TSR)					
Total revenues	\$ 28,525.80	28,560.83	31,217.74	34,300.73	40,708.88
Less excluded revenue	(16,087.60)	(16,042.97)	(19,503.80)	(19,505.91)	(24,938.31)
Less expenditure refunds	(1,480.78)	(1,391.94)	(1,313.26)	(1,536.58)	(1,384.82)
Add refundable tax credits	56.15	56.11	62.86	24.05	54.61
TSR	\$ 11,013.57	11,182.03	10,463.54	13,282.29	14,440.36
Missouri personal income (MPI)	\$ 261,547.77	274,975.80	292,512.85	298,619.75	318,019.08
Base year ratio (BYR)	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	14,749.99	15,507.26	16,496.26	16,840.66	17,934.69
Judicial article amendment	55.90	56.46	57.23	58.16	58.70
Revenue limit	14,805.89	15,563.72	16,553.49	16,898.82	17,993.39
1 percent adjustment	148.05	155.64	165.54	168.99	179.93
Refund threshold	\$ 14,953.94	15,719.36	16,719.03	17,067.81	18,173.32
TSR	\$ 11,013.57	11,182.03	10,463.54	13,282.29	14,440.36
Less refund threshold	14,953.94	15,719.36	16,719.03	17,067.81	18,173.32
Over (under) threshold	(3,940.37)	(4,537.33)	(6,255.49)	(3,785.52)	(3,732.96)
1 percent adjustment	0.00	0.00	0.00	0.00	0.00
Refund	\$ 0.00	0.00	0.00	0.00	0.00



Review of Article X, Sections 16 Through 24,
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The calculation shows for the year ended June 30, 2022, TSR was approximately \$3.7 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2022. This revenue limit has not been exceeded since the year ended June 30, 1999.

Revenue limit formula

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

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

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

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

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

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

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



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

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

$$\begin{array}{r} \$ 2,232.204096 \\ \$ 39,581.0 \end{array} = .05639584891$$

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 2022 revenue limit calculation, the OA-BP used the CY 2020 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 of Missouri 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



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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 B. 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, 2022, 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, 2022.



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

	Year Ended June 30,				
	2018	2019	2020	2021	2022
LEGISLATIVE ACTIONS*					
Net tax and fee increases/decreases	\$ At least (41,321,078)	(61,210,754)	(5,685,865)	Up to 24,546,218	At least (44,744,303)
REVENUE LIMIT					
By MPI growth	\$ 123,479,209	128,134,375	135,719,930	139,411,513	147,929,556
By 1 percent of TSR	\$ 102,879,357	105,028,851	110,135,745	111,820,254	104,635,404
Revenue limit (lesser amount)	\$ 102,879,357	105,028,851	110,135,745	111,820,254	104,635,404
DIFFERENCE					
Over (under) limit	\$ N/A	N/A	N/A	Up to (87,274,036)	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, 2020, and 2022 the projections showed a net decrease in taxes and fees.

For the year ended June 30, 2022, 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 \$44.7 million, which is under the tax and fee increase revenue limit of \$104.6 million. As noted in the Legislative actions section, the projected net decrease does not include 4 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 2022, the OA-BP calculated the MPI growth limit at \$147.9 million by multiplying the fiscal year 2021 MPI growth limit (\$139.4 million) by the percentage change in the MPI for fiscal year 2020 (6.11 percent). The OA-BP calculated the TSR limit at \$104.6 million by multiplying the fiscal year 2020 TSR (\$10.5 billion) by 1 percent. The revenue limit was established at the lessor of these amounts, or the TSR limit of \$104.6 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.



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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 2022 legislative session included 39 bills, 19 of which the OA-BP determined had potential Section 18(e) fiscal impact. For 4 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 2022 legislative session, actual compliance can be measured after each 2022 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.

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,				
		2018	2019	2020	2021	2022
1001	Sales and use tax	\$ 2,197,128,210	2,236,491,091	2,273,584,127	2,424,264,621	2,742,803,435
1003	(8) Parks sales and use tax	47,830,741	48,374,039	49,203,710	53,504,858	59,371,983
1005	(7) Soil and water sales and use tax	47,830,649	48,373,824	49,203,732	53,504,880	59,371,998
1007	General revenue reimbursements - local sales and use tax	2,730,254	3,019,051	2,941,220	3,257,697	4,215,470
1009	(24) Motor vehicle sales tax - Amendment 3	322,920,915	314,346,167	317,211,336	394,495,234	356,604,383
1009	Motor vehicle sales tax	5,203,111	6,050,460	5,721,295	4,902,146	8,660,017
1011	(16) Conservation sales and use tax	119,568,141	120,934,964	123,010,768	133,764,426	148,433,000
1013	(2) Proposition C sales and use tax	938,175,451	949,839,137	966,614,685	1,049,142,733	1,168,462,074
1015	Sales and use taxes paid under protest	36,894	7,580	616,557	(9,172)	(17,533)
1016	(26) Suspense holding	58,298	40,014	(290,022)	2,382,243	(2,488,697)
1022	Individual income tax	7,737,588,497	7,654,451,494	6,958,777,570	8,930,181,581	9,985,344,133
1026	Corporate income tax	459,482,248	524,941,269	464,568,224	798,041,088	908,671,615
1033	County foreign insurance tax	310,095,430	293,426,981	293,622,191	303,722,106	301,546,691
1037	Worker's compensation insurance tax	17,416,920	16,976,319	17,217,104	16,846,189	17,783,855
1039	Worker's compensation insurance tax - second injury	102,703,123	99,505,372	96,723,338	79,869,463	87,746,682
1041	Excess lines of insurance tax	34,308,445	35,890,349	39,047,573	47,503,916	58,842,298
1049	Heavy beer tax	7,437,210	7,517,441	7,241,823	7,538,239	7,306,914
1051	Light beer tax	-	-	-	-	19
1053	Liquor tax	25,088,295	25,892,501	27,653,139	32,128,355	33,584,957
1055	Wine tax	6,405,925	6,317,328	6,104,996	6,650,263	6,301,467
1057	Cigarette tax	75,939,169	72,927,231	72,998,919	72,200,590	67,995,264
1058	(F) Medical Marijuana Tax - Fund 606	-	-	-	2,004,425	11,655,657
1059	Tobacco product tax	21,468,711	21,938,400	23,761,321	27,216,892	28,115,948
1060	(24) Motor vehicle fuel tax - Amendment 3	154,945,469	152,388,593	148,586,796	149,830,153	177,004,492
1060	(3) Motor vehicle fuel tax	174,486,338	171,609,379	167,296,817	168,604,482	175,076,680
1060	Motor vehicle fuel tax	399,068,251	412,515,607	402,542,183	390,302,899	459,402,644
1062	(24) Special fuel non-gas tax - Amendment 3	124,213	111,570	97,140	113,723	136,320
1062	Special fuel non-gas tax	295,570	376,208	937,972	466,070	491,197
1064	Aviation fuel tax	258,963	259,216	239,227	230,868	244,211
1070	Corporation franchise tax	2,240,048	1,614,811	(1,439,144)	69,548	-
1073	Estate tax	54,413	7,631	7,648	2,854	-
1074	(12) Bingo tax	1,452,759	1,533,143	1,389,953	901,050	1,370,782
1076	(13) Gaming commission gross receipts tax	328,396,438	327,393,773	258,699,167	325,963,707	359,721,128
1080	Real and personal property tax	29,703,452	31,102,787	33,198,922	34,929,745	31,255,359
1082	Delinquent real and personal property tax	3,562,473	2,918,029	3,326,289	2,487,967	8,335,748
1084	Hazardous waste fees	2,875,184	2,834,576	3,561,818	2,490,394	3,244,394
1086	Miscellaneous taxes protested	-	-	-	420	-
1087	DOR Warrant intercept	-	-	-	110	-
1088	Nursing facility reimbursement allowance	18,238,114	17,955,464	18,048,831	16,798,968	16,769,688
1089	Pharmacy reimbursement allowance	108,168,401	93,338,044	30,235,797	103,900,606	46,964,705
1090	Federal reimbursement allowance	26,077,730	21,750,434	25,829,333	57,567,593	40,801,514
1093	Athletic events tax	111,792	109,556	94,096	34,347	357,690
1094	Ambulance service reimbursement allowance	11,366,127	10,637,791	9,078,330	2,175,594	125,000
1095	Surcharges	14,729	-	-	-	-
1096	Special taxes and assessments	-	-	-	-	14,369
1097	Agency collected sales taxes	218,335	217,485	196,342	157,333	240,165
1099	Other taxes	75,374	55,328	90,345	46,032	72,278
1100	Professional licenses or permits	24,242,068	30,634,356	27,178,359	34,755,697	30,550,009
1102	Recreational licenses or permits	7,109,470	7,047,875	6,784,840	9,842,929	8,693,191
1106	(24) Motor vehicle licenses or permits - Amendment 3	57,150,515	55,843,654	56,436,342	63,920,471	58,734,704
1106	Motor vehicle licenses or permits	136,690,431	143,127,287	139,370,508	154,736,154	138,347,905
1108	(24) Interstate transportation licenses or permits - Amendment 3	25,801,301	26,631,965	26,124,273	29,160,709	30,955,821
1108	Interstate transportation licenses or permits	57,069,595	60,057,681	57,737,550	64,291,482	68,129,818
1110	(24) Driver's licenses or permits - Amendment 3	8,105,039	7,685,988	6,657,090	8,157,049	7,479,036
1110	Driver's licenses or permits	7,439,702	6,926,116	6,014,869	7,653,870	7,014,758
1112	Land reclamation commission permits	757,262	771,316	790,000	791,266	836,060
1114	Salesman licenses or permits	1,486,950	1,378,800	1,337,635	1,939,489	1,389,100
1116	Vehicle and boat manufacturer and dealer licenses	938,393	879,887	1,309,795	446,625	1,168,723
1118	Liquor licenses or permits	5,476,918	5,616,612	4,656,836	6,508,676	6,127,476
1120	Gaming commission licenses	1,882,525	1,582,397	2,124,411	1,349,845	1,395,280
1121	Fantasy sports licenses	43	28,999	-	10,000	10,000
1124	Motor carrier licenses	2,384,911	2,368,584	2,203,274	2,525,392	2,366,851
1126	Hunting and fishing licenses and commission permits	32,628,927	31,809,260	33,422,911	39,515,434	39,368,206
1127	Hunting and fishing special tags	1,063,441	1,125,089	1,122,249	1,687,249	1,509,584
1128	Hazardous waste transporter licenses	318,958	324,105	333,280	344,604	327,122
1130	Water pollution control permits	5,501,402	5,436,904	5,382,151	5,464,355	6,201,296

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,				
		2018	2019	2020	2021	2022
1132	(24) Overdimension/overweight permits - Amendment 3	9,565,985	9,774,441	11,350,602	11,813,438	10,973,589
1134	Merchant licenses	1,619,808	1,784,454	1,640,099	1,869,604	1,932,278
1136	Tobacco licenses	26,700	25,000	24,500	24,100	27,900
1138	Temporary licenses	2,075	1,725	950	1,125	750
1140	Duplicate plates	1,558,861	1,484,598	1,385,099	1,532,660	1,493,551
1142	Duplicate driver license	2,051,614	1,974,253	1,389,134	1,422,231	1,428,304
1149	(24) Other licenses and permits - Amendment 3	1,297,211	1,330,693	1,484,353	964,092	1,114,824
1149	Other licenses and permits	3,827,119	3,885,915	4,801,659	5,247,293	5,548,098
1150	Lobbyist registration fees	11,420	10,780	10,400	9,793	9,610
1152	Motorboat fees	12,562,562	12,224,132	13,670,726	17,981,893	16,287,136
1154	Narcotics and dangerous drugs fees	926,437	941,585	955,580	980,919	974,871
1156	Occupational boards exam fees - individual exam fees	379,823	379,336	134,359	141,651	159,466
1157	Motor vehicle dealer administration fee	-	-	-	-	7,938,485
1160	(24) Non-motor fuel decal fees - Amendment 3	326,378	413,348	508,895	585,417	817,443
1162	Filing fees	19,153,508	19,777,511	20,189,821	21,402,706	22,952,885
1163	Certifying/authenticating fees	39,735	45,311	135,822	534,169	127,302
1164	Transfer fees	34,188	32,292	27,948	32,764	27,164
1165	Service contract registration fee	132,450	136,000	146,000	165,100	176,183
1169	Other registration fees	12,158,837	12,429,855	13,260,705	13,899,303	15,192,331
1172	(13) Fantasy sports operation fees	439,214	616,656	3,041	489,056	370,534
1174	Asbestos fees	641,260	594,897	602,184	584,427	562,457.15
1176	Egg license fees	33,688	36,863	32,195	33,448	30,797
1178	Milk control fees	108,294	106,344	99,705	161,277	14,234
1180	Home health care license fees	103,132	100,650	107,000	104,300	94,201
1182	Nursing home license fees	138,853	142,386	135,614	146,255	146,744
1184	Title V emissions fees	6,323,571	6,011,856	5,453,259	5,436,432	6,136,238
1185	Emission fees/non Title V facilities	438,997	683,547	387,493	412,678	445,978
1186	Boarding home license fees	715,228	753,068	753,796	730,562	746,457
1188	Public utilities fees	19,627,829	19,494,691	17,978,489	19,056,119	18,441,565
1190	Hospital license fees	83,634	85,610	86,204	85,287	80,193
1192	Grain warehouse license fees	68,966	65,504	65,197	63,006	61,855
1194	Missouri primacy fees	4,925,394	4,803,338	4,915,365	5,087,776	5,389,613
1198	Transport load fees	11,529,928	13,238,787	16,000,429	15,960,933	16,180,936
1200	Storage tank registration fees	48,405	169,650	184,515	188,680	65,505
1202	Tourist cabin permit fees	184,148	183,466	185,113	173,773	186,372
1206	Solid waste disposal fees	12,831,002	12,953,236	13,216,184	14,678,651	14,090,832
1208	New tire fees	2,125,370	2,435,613	2,464,829	2,007,200	3,033,999
1209	Battery fee	746,809	767,512	757,492	842,282	864,578
1210	Ground water protection fees	646,442	633,298	618,465	723,767	870,824
1211	Radioactive waste transport fee	139,850	144,575	134,000	102,265	181,275
1214	Insurance regulatory fees, renewals and purchasing groups	2,327,841	3,414,085	4,149,606	5,078,514	5,721,623
1216	Air conservation commission permit fees	578,176	420,838	427,288	490,432	499,616
1218	Bingo license fees	28,455	28,165	25,470	20,435	22,280
1220	Lab fees	8,623,532	8,409,131	8,132,137	8,368,059	8,773,440
1221	(F) Medical marijuana fee	-	3,958,000	21,338,720	11,887,562	14,187,428
1222	Program administration fees	1,375,091	3,213,994	1,469,038	1,345,568	1,843,707
1223	Confined animal feed operation indemnity fees	-	-	4	(4)	-
1224	Railroad assessments	968,288	1,215,223	961,401	1,142,510	1,207,401
1227	Enhanced vehicle emission inspection fees	2,157,771	2,195,749	2,130,635	2,296,152	2,148,194
1233	Grain warehouse inspection fees	4,025,240	3,190,579	2,744,214	3,499,957	3,434,471
1235	Milk inspection fees	1,101,997	1,076,971	1,187,174	1,110,594	1,019,326
1237	Ice cream products inspection fees	37,300	33,895	33,495	32,165	23,405
1239	Mine inspection fees	62,468	59,381	57,187	62,248	63,407
1241	Mobile home and recreational vehicle inspection fees	462,097	432,833	515,323	511,831	572,712
1243	Oil inspection fees	3,384,043	3,437,324	3,395,340	3,315,819	3,345,867
1244	Oil and gas resources fees	75,122	71,960	54,391	45,031	47,749
1249	Other inspection fees	2,555,711	2,632,367	2,363,875	2,796,839	2,703,961
1250	(F) Collection fees	-	-	-	-	2,091
1250	Collection fees	34,973,528	37,017,947	37,972,021	39,649,517	45,394,252
1252	(13) Admission fees - riverboat gambling	39,559,834	37,437,813	28,187,377	27,563,139	29,761,613
1252	Admission fees	1,645,002	1,501,543	1,419,259	161,026	1,497,847
1254	State auditor fees	155,378	108,510	112,585	226,896	157,166
1260	Grade crossing safety fees	1,359,194	1,387,418	1,482,791	1,430,492	1,312,524
1262	Loan administration fees	8,484,187	7,418,830	7,097,738	6,759,655	6,255,154
1263	Contract fees	2,119,654	3,166,839	3,549,414	4,109,736	4,431,349
1264	Court fees	32,990,320	31,876,520	29,055,384	25,832,244	28,173,785
1266	Financial institutions examination fees	11,138,716	11,659,106	11,517,987	11,638,758	11,845,682

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,				
		2018	2019	2020	2021	2022
1268	Consumer finance license fees	1,243,357	1,245,328	1,102,280	1,227,654	983,711
1270	Transcript fees	118,465	121,049	94,058	79,817	115,479
1274	Marketing development fees	42,912	27,910	24,324	19,931	29,769
1276	Miscellaneous insurance fees	85,650	98,170	96,800	104,500	99,230
1279	(A) Lottery commission fees	264,255	254,845	219,215	371,094	285,605
1280	Motor vehicle inspection sticker fees	3,788,372	3,747,763	3,056,030	2,997,570	2,749,600
1282	Logo sign advertising fees	3,758,337	5,196,400	6,389,140	3,750,058	5,480,220
1284	Public defender fees	505,578	257,076	306,031	359,942	238,285
1286	Witness fees	5,906	4,548	5,303	2,646	4,039
1288	County recorders fees	6,346,948	6,204,456	6,466,030	8,198,495	6,842,333
1290	Training or conference fees	134,102	202,626	69,970	37,420	83,724
1294	Electronic monitoring fee	44,976	33,897	31,481	44,384	26,656
1295	Intervention fees	8,028,733	8,573,586	8,305,511	9,464,786	8,226,120
1298	Substance abuse offender program fees	4,500,717	4,423,008	3,925,288	3,861,043	3,844,675
1302	Criminal records check fees	11,134,370	12,918,735	12,403,646	11,505,047	13,171,052
1303	(C) Other fees - Fund 881	-	-	(300)	-	-
1303	Other fees	10,500,051	13,908,822	12,381,456	11,513,924	13,082,027
1305	(4) Bond sales proceeds	133,670,887	35,003,859	201,000,000	-	160,287,560
1306	Proceeds from capital leases	-	-	40,313	53,735	13,438
1307	Other debt proceeds	-	-	1	-	-
1310	Land sales	6,192,002	2,661,304	18,414,336	1,819,489	2,290,349
1312	Sales of natural resources products	3,629,948	3,063,180	2,205,514	3,093,372	3,942,171
1314	Sales of agriculture products	1,963,186	1,950,279	1,696,429	1,878,195	1,746,394
1316	Manufactured product sales	8,355,266	7,321,967	8,787,837	5,061,799	5,119,576
1318	Information sales	1,933,697	1,826,523	2,568,638	2,364,612	1,696,308
1320	Souvenir sales	1,262,051	989,771	736,500	714,420	865,653
1322	(22) Surplus property sales - state - Fund 710	3,498,193	2,160,442	1,679,375	2,227,537	2,861,776
1322	Surplus property sales - state	1,397,226	1,568,514	1,329,370	2,359,771	1,864,122
1324	Surplus property sales - federal	1,731,547	1,526,781	1,158,166	1,025,877	870,004
1328	Sales of fixed assets - control	10,326,660	11,440,310	10,798,936	9,586,445	12,042,379
1330	Vital records sales	1,146,445	1,069,043	1,057,257	1,357,874	1,594,703
1332	(A) Lottery ticket sales - Fund 682	550,136,435	574,457,578	519,018,965	637,654,846	609,016,229
1334	Cafeteria sales	743,907	760,721	496,004	362,526	414,146
1335	Canteen sales	-	37,504,377	26,954,394	28,714,625	29,665,433
1338	Other sales	160,364	153,628	138,412	154,125	239,397
1342	Supply sales	195	124	65	17	10
1401	Land rentals/leases	216,239	174,597	30,530	34,836	38,491
1403	State facilities rentals/leases	1,210,786	1,009,946	877,478	780,069	852,870
1404	Parking rentals/leases	58,886	24,636	9,465	3,233	5,172
1405	Concessions and recreational rentals/leases	3,180,389	3,393,263	2,814,895	2,940,421	3,340,148
1407	Housing/building rentals/leases	225,190	243,439	249,542	247,536	247,893
1409	Other leases and rentals	1,135,969	1,166,182	1,457,662	1,060,698	1,261,428
1414	(1) Medicare	7,123,712	4,799,624	3,888,551	5,827,589	6,315,971
1418	(1) Medicaid	79,351,290	76,018,593	70,575,382	66,692,768	69,001,746
1420	(1) Medicaid - community based	389,406,224	386,380,675	433,514,434	453,616,181	444,948,931
1422	Private payments	4,172,575	3,699,234	3,740,570	3,956,374	3,967,626
1424	Insurance payments	561,970	250,135	243,638	224,022	119,831
1426	Other payments	790,371	789,245	809,271	800,500	732,034
1434	Institutional support fees	-	-	-	1,700	-
1436	Room and care	25,026,869	22,258,611	21,135,047	16,140,932	13,346,138
1442	Mail/freight services	-	-	-	45	-
1446	Printing service	112,625	163,355	157,764	89,045	140,321
1448	Computer services	471,206	715,912	608,402	779,931	646,732
1450	Administration services	6,398	5,813	4,868	7,062	3,772
1501	Private donations	4,634,610	3,981,709	4,255,415	6,354,874	3,974,683
1502	Other governmental entity donations	1,757,500	2,835,000	4,750,000	4,394,450	6,000,000
1507	(1) NASAO (airport inspections)	27,950	20,150	24,700	24,700	24,760
1510	(1) US Department of Agriculture	508,032,007	511,845,041	503,611,906	674,692,911	838,266,725
1512	(1) US Department of Defense	39,111,801	37,466,470	46,098,484	40,361,119	41,490,807
1513	(1) US Department of Homeland Security	2,051,905	2,285,287	2,854,295	2,233,367	2,424,837
1514	(1) US Department of Housing and Urban Development	55,239,661	40,029,975	35,620,200	59,242,773	63,475,486
1516	(1) US Department of Interior	32,848,237	33,968,755	36,897,228	33,895,420	36,224,502
1518	(1) US Department of Justice	4,112,224	40,216,518	45,873,125	57,199,125	55,774,030
1520	(1) US Department of Labor	109,450,198	122,957,840	102,964,876	137,768,876	116,064,454

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,				
		2018	2019	2020	2021	2022
1522	(1) US Department of Education	667,389,831	651,370,071	748,738,763	1,030,743,720	1,538,256,133
1522	(C) US Department of Education - Fund 880	2,322,003	1,883,170	2,282,678	983,239	-
1522	(C) US Department of Education - Fund 881	59,125,831	51,493,713	21,475,565	2,360,154	-
1524	(1) US Department of Transportation	1,014,416,571	964,603,792	1,029,971,801	1,348,590,993	999,716,885
1526	(1) National Foundation for the Arts and Humanities	3,711,534	3,915,414	3,653,394	4,274,019	6,741,115
1528	(1) US Veterans Administration	82,501,384	76,818,403	82,787,035	66,101,644	55,104,542
1529	(1) US General Services Administration	22,571	14,574	36,956	37,532	36,171
1530	(1) US Environmental Protection Agency	85,456,503	58,136,507	88,952,390	67,517,176	92,962,046
1532	(1) US Department of Energy	6,234,693	6,694,045	7,070,026	7,100,380	10,546,278
1534	(1) Federal Emergency Management Agency	77,200,265	54,783,155	71,343,933	230,030,786	197,013,434
1536	(1) US Department of Health and Human Services	8,045,420,770	8,183,022,147	9,103,810,671	9,665,372,089	11,602,241,728
1538	(1) National/community services	4,407,701	5,902,182	6,341,626	6,123,374	6,273,263
1540	(1) US Social Security Administration	47,106,666	46,827,978	48,828,172	49,313,469	49,742,174
1540	(E) US Social Security Administration - Fund 727	7,629	13,488	-	-	-
1542	(1) National Archives and Records	17,121	1,258	5,943	11,310	2,750
1544	(1) Elections Assistance Commission	7,230,625	-	15,698,860	64,469	1,219,482
1546	(1) US Department of Treasury	-	-	2,083,701,914	457,369,819	3,199,511,432
1549	(1) Miscellaneous federal revenues	43,310,397	44,728,057	55,560,377	58,852,371	68,065,258
1551	County mental health programs	8,557,588	7,206,115	6,009,959	4,907,653	3,662,172
1557	(1) American Recovery and Reinvestment Act	29,773,379	11,630,405	7,191,849	9,882,134	12,150,890
1560	(1) Federal pass-through grants	14,579,015	18,223,873	25,152,950	15,279,018	17,352,574
1601	(16) Time deposits interest - Fund 609	26,042	38,007	61,738	38,061	11,305
1601	(13) Time deposits interest - Fund 285	8,950	10,300	14,180	6,499	2,573
1601	(12) Time deposits interest - Fund 289	57	375	539	200	37
1601	(8) Time deposits interest - Fund 613	6,381	9,331	15,171	9,294	2,942
1601	(7) Time deposits interest - Fund 614	17,824	16,132	22,227	11,944	3,481
1601	(2) Time deposits interest - Fund 688	38,001	47,868	73,095	40,283	11,039
1601	(A) Time deposits interest - Fund 657	2,452	2,777	4,391	2,551	606
1601	(A) Time deposits interest - Fund 682	17,588	28,371	35,751	24,577	7,047
1601	(B) Time deposits interest - Fund 905	2,605	2,829	4,201	2,796	644
1601	(C) Time deposits interest - Fund 880	24,041	20,470	14,603	5,849	1,543
1601	(C) Time deposits interest - Fund 881	8,988	12,707	26,277	13,495	2,430
1601	(D) Time deposits interest - Fund 963	472	602	957	529	123
1601	(E) Time deposits interest - Fund 727	4	4	-	-	-
1601	(F) Time deposits interest - Fund 606	-	789	14,022	10,285	2,523
1601	Time deposits interest	2,247,521	2,139,605	3,091,459	2,953,507	1,110,295
1603	(16) U.S./agency securities interest - Fund 609	516,235	955,578	876,107	267,980	317,372
1603	(13) U.S./agency securities interest - Fund 285	171,468	256,369	196,929	42,929	83,403
1603	(12) U.S./agency securities interest - Fund 289	1,145	10,860	7,042	1,377	730
1603	(8) U.S./agency securities interest - Fund 613	126,197	230,422	237,304	71,017	83,768
1603	(7) U.S./agency securities interest - Fund 614	347,220	397,899	332,166	89,182	99,915
1603	(2) U.S./agency securities interest - Fund 688	781,242	1,192,306	1,591,597	440,144	303,452
1603	(A) U.S./agency securities interest - Fund 657	47,268	70,431	60,127	17,018	15,735
1603	(A) U.S./agency securities interest - Fund 682	347,260	705,698	482,139	164,149	154,606
1603	(B) U.S./agency securities interest - Fund 905	51,666	69,162	56,561	18,775	16,750
1603	(C) U.S./agency securities interest - Fund 880	467,557	495,254	198,575	39,493	44,147
1603	(C) U.S./agency securities interest - Fund 881	181,320	319,652	354,692	90,010	52,017
1603	(D) U.S./agency securities interest - Fund 963	11,847	17,625	15,722	6,577	6,468
1603	(E) U.S./agency securities interest - Fund 727	70	126	3	-	-
1603	(F) U.S./agency securities interest - Fund 606	-	19,707	177,982	69,000	68,318
1603	U.S./agency securities interest	43,348,110	70,091,462	73,174,480	34,213,613	43,612,876
1605	Other investment interest	1,069,890	925	1,250,000	2,600,000	735,000
1610	Interest on loans	5,137,467	5,475,074	6,921,579	42,472,890	1,523,228
1612	(25) Interest - federal	-	200	273	-	-
1614	Interest on receivables	3,732	7,147	3,452	4,528	4,288
1616	Interest on settlements	216,142	21,481	1,024,467	505	4,553
1618	Other interest	23,918	15,807	13,071	6,124	25,572
1621	(C) Penalties - Fund 881	86	161	416	203	99
1621	(F) Penalties - Fund 606	-	-	-	-	45,039
1621	Penalties	13,339,149	11,519,171	10,976,306	11,008,947	13,973,552
1622	Penalties - control	-	-	-	20,106	-
1624	(A) Settlements - Fund 657	36,826	-	-	3,459	-
1624	Settlements	4,954,292	13,216,473	6,200,832	27,544,074	10,046,920
1626	Court awards	19,228,331	15,085,967	21,798,763	493,040,550	6,825,291
1628	Insufficient funds charges	2,920	2,495	2,946	1,840	2,693
1634	Estates	208	550	564	3,646	5,633
1636	Unclaimed properties	98,968,823	97,610,441	85,468,078	99,282,273	115,142,505

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,				
		2018	2019	2020	2021	2022
1700	(5) Salary refunds - federal	155,384	247,439	226,248	253,899	210,425
1701	(5) Salary refunds - state	18,039	12,215	3,245	69,210	7,450
1702	(5) Salary refunds - local/other	1,218	442	675	15	31
1703	(5) General relief pension refunds	568	15	2,559	700	-
1704	(5) Blind pension refunds	13,313	13,541	18,871	12,225	4,959
1706	(5) Dependent children pension refunds	197,576	219,800	187,950	142,182	167,458
1715	(5) Day care refunds	160,334	190,391	178,095	116,638	56,080
1717	(5) Medicare - Medicaid refunds	769,637,896	782,649,205	793,013,286	823,648,251	974,049,512
1719	(5) Cost in criminal cases refunds	1,131,067	828,984	630,278	277,619	295,632
1720	(5) American Recovery and Reinvestment Act refunds	-	10,441	-	-	-
1721	(5) Vendor refunds - federal	977,390	2,494,719	1,155,291	1,805,763	1,534,031
1722	(5) Vendor refunds - state	1,132,213	1,001,934	7,016,701	1,994,037	2,507,647
1722	(A) Vendor refunds - state - Fund 682	3,206	2,905	8,618	2,364	-
1723	(5) Vendor refunds - local/other	811,425	511,124	1,067,901	1,785,324	1,745,223
1723	(C) Vendor refunds - local/other - Fund 880	609	-	-	-	-
1724	(5) Vendor refunds - political subdivision	-	-	-	70,012	-
1725	(5) Excess court payment refunds	1,185,773	5,238	21,982	-	716
1727	(5) School refunds	3,971,653	3,560,474	6,851,013	4,406,475	5,606,680
1728	(5) Scholarship refunds	1,163,954	1,113,541	1,093,242	1,091,078	1,856,316
1731	(5) Audit findings - local/other	118,960	120,662	3,287	104,965	-
1732	(5) Utility refunds	223,191	203,928	186,432	110,032	461,517
1733	(5) Fuel tax refunds	101,946	22,557	158,062	61,376	989
1737	(5) Other refunds	2,575,366	2,486,360	2,756,766	2,849,991	6,721,538
1737	(C) Other refunds - Fund 880	263	-	-	-	-
1737	(A) Other refunds - Fund 657	-	-	-	104	-
1806	(18) Recovery costs	155,657,507	151,805,702	145,520,688	154,110,560	154,723,921
1806	(A) Recovery costs - Fund 682	-	-	-	6,390	-
1806	(A) Recovery costs - Fund 657	-	-	-	94	-
1808	Deposit of surplus property funds	-	-	-	-	366
1811	(21) Local match	15,507,413	31,544,265	37,751,526	42,091,015	46,251,050
1812	(19) Cost reimbursements - federal	2,577,917	2,162,777	1,287,470	1,104,350	1,254,137
1812	(A) Cost reimbursements - federal - Fund 657	-	-	-	2,234	-
1813	(19) Cost reimbursements - state	18,239,650	12,710,970	41,100,382	10,516,181	11,492,104
1813	Cost reimbursements - state (included)	17,573,302	16,987,024	13,850,982	17,947,130	16,875,134
1814	(19) Cost reimbursements - local/other	154,003,419	140,539,292	217,396,998	202,935,423	181,636,070
1814	(B) Cost reimbursements - local/other - Fund 905	6,872,485	6,644,373	6,160,944	200,309	-
1816	Bond account	4,976,308	694,404	116,729	(109,486)	312,783
1818	(17) Employee expense reimbursement - federal	8,846	3,136	1,321	-	-
1819	(17) Employee expense reimbursement - state	208	13,711	2,598	594	134
1820	(17) Employee expense reimbursement - local/other	1,418,604	-	-	-	-
1821	(17) Employee personal expense reimbursement	42,534	44,356	33,552	19,539	69,717
1822	(10) Outlawed checks	8,039,816	9,398,263	9,955,197	20,856,430	21,171,130
1822	(B) Outlawed checks - Fund 905	8,076	19,708	28,733	14,489	-
1824	(20) Canceled checks	3,541,743	3,028,906	5,462,855	19,964,623	33,832,910
1824	(A) Canceled checks - Fund 657	-	-	-	-	-
1824	(B) Canceled checks - Fund 905	216	2,362	2,195	598	-
1826	(9) Redeposit of investments principal	1,608,437	-	1,163,000	-	-
1828	(11) Redeposit of loan principal	105,777,957	105,666,580	105,774,350	104,841,201	114,456,397
1830	Telephone commissions	1,677,892	1,677,196	1,727,512	1,779,361	1,832,717
1832	Commission on sales	5,411	4,362	935,297	1,009,906	1,136,824
1834	(23) Rebates - WIC	76,650,915	66,017,708	91,390,292	60,338,593	29,788,958
1834	Rebates	1,492,665	1,875,110	1,889,674	1,903,712	2,211,380
1834	(A) Rebates - Fund 657	9	-	-	-	-
1834	(A) Rebates - Fund 682	5,984	6,395	6,511	3,127	5,567
1834	(C) Rebates - Fund 880	337	87	120	87	89
1838	Loan defaults	844,904	322,182	956,907	289,137	172,960
1842	(11) Loan repayment	342,417	331,880	291,776	352,848	11,547,210
1842	(C) Loan repayment - Fund 880	-	-	359,678	-	-
1842	(C) Loan repayment - Fund 881	45,668,963	53,860,767	47,715,398	17,333,379	-
1843	(11) Loans receivable contra account	6,598,537	5,976,882	5,767,258	5,692,682	13,082,619
1844	Insurance proceeds	17,119	-	172,088	46,345	25,894
1844	(A) Insurance proceeds - Fund 682	-	-	-	4,300	4,228
1846	Capital credits/dividends	107,384	134,572	137,225	150,201	161,377
1848	Recycling receipts	192,205	135,655	86,155	130,506	277,496
1850	Forfeitures	1,782,672	1,355,045	1,131,840	1,106,794	2,133,541
1852	Overpayments	546,208	772,732	325,512	331,850	233,937

Appendix A

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

Revenue Source		Year Ended June 30,				
Code	SAM II Revenues	2018	2019	2020	2021	2022
1856	(1) Other miscellaneous receipts - federal	7,181,871	5,763,802	4,519,919	6,609,148	5,813,685
1858	(A) Other miscellaneous receipts - state - Fund 682	3,238	3,638	587	274	1,978
1858	(B) Other miscellaneous receipts - state - Fund 905	5,665,570	6,475,011	8,337,414	14,511,647	14,545,415
1858	Other miscellaneous receipts - state	10,610,567	9,679,740	11,224,781	3,355,828	2,847,650
1860	(A) Other miscellaneous receipts - local/other - Fund 682	3,883,124	1,985,789	6,051,060	9,299,573	9,217,555
1860	Other miscellaneous receipts - local/other	1,790,819	8,150,544	4,202,996	10,140,446	7,405,438
1862	(A) Fees for copying public records - Fund 682	36	-	-	-	-
1862	Fees for copying public records	267,948	311,020	287,750	294,965	315,861
1866	Federal share of grantee sales	233,188	123,333	126,002	197,323	82,118
1868	Receivable overpayment - federal	-	-	3,087	-	-
1870	Receivable overpayment - state	716	-	406	9	1
6001	(6) Supply sales	406,292	385,028	380,063	223,438	244,519
6002	(6) Open records fees	7,424	9,833	29,888	17,033	3,757
6003	(6) Fleet services operations/maintenance	1,767,638	1,845,034	1,630,001	1,342,387	1,349,068
6005	(6) Fleet services replacement	1,288,996	1,584,587	1,249,899	736,213	820,714
6006	(6) Criminal records check fees	314,477	247,727	185,840	149,328	247,103
6007	(6) Mail/freight services	9,291,754	9,789,843	10,798,189	10,204,399	10,492,151
6009	(6) Telephone billing	33,736,326	38,077,517	40,025,368	41,872,421	38,556,391
6011	(6) Printing service	4,323,276	5,156,289	4,711,820	3,773,457	4,178,058
6013	(A) IAB Reimbursement/recovery cost - Fund 682	-	-	-	1,481	-
6013	(6) Reimbursement/recovery cost	27,843,968	26,651,528	28,451,985	31,412,198	32,423,594
6015	(6) Leased facility	63,126,489	64,424,904	60,956,253	61,473,427	65,059,761
6017	(6) Sale of material, supplies, and services	655,026	588,218	646,191	496,592	584,674
6019	(6) Training	431,464	668,357	599,034	66,778	87,912
6021	(6) Computer services	32,349,562	37,043,025	37,691,418	40,835,010	41,297,364
6023	(6) Administration services	732,883	537,658	867,176	494,573	612,783
6025	(6) Flight operations services	86,447	282,306	273,466	204,018	374,925
6027	(6) Sale of manufactured products	18,619,178	22,131,780	20,375,048	15,210,421	15,765,394
6029	(6) Interagency receipts	33,691,602	34,030,155	31,060,817	35,564,890	32,039,560
6030	(6) Sampling &/or analysis	831,956	875,291	826,231	833,125	1,129,239
6031	(14) Redeposit of state funds	232,824	142,657	138,562	243,774	253,195
6032	(6) Deposit of unclaimed property	-	-	-	-	100
6033	(6) Permits	48,344	37,238	52,500	45,277	51,120
6034	(6) Registration fees	102,586	139,050	67,890	96,807	119,245
6035	(6) Taxes	8,380,299	8,188,913	8,202,365	8,004,451	7,438,121
6036	(6) Transcript fees	10,545	12,884	22,959	9,015	9,291
	Total Revenues	28,525,799,531	28,560,833,266	31,217,735,295	34,300,730,388	40,708,883,341

Fund Exclusions (See Appendix B for additional detail):

(A)	Lottery Funds - Fund 657 and 682	554,747,680	577,518,427	525,887,363	647,557,637	618,709,156
(B)	Alternative Care Trust Fund - Fund 905	12,600,617	13,213,445	14,590,048	14,748,614	14,562,809
(C)	Student Loan Funds - Funds 880 and 881	107,800,000	108,085,981	72,427,702	20,825,909	100,325
(D)	Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	12,319	18,227	16,679	7,106	6,591
(E)	Division of Youth Services Child Benefits Fund - Fund 727	7,703	13,618	3	-	-
(F)	Veterans' Health and Care Fund - Fund 606	-	3,978,496	21,530,724	13,970,812	25,961,056

Revenue Source Exclusions (See Appendix B for additional details):

(1)	Federal funds	11,362,716,108	11,388,424,592	14,665,289,758	14,554,828,280	19,536,762,089
(2)	Proposition C sales and use tax/interest	938,994,695	951,079,311	968,279,377	1,049,623,160	1,168,776,565
(3)	Proposition A gas tax and license fee increases	174,486,338	171,609,379	167,296,817	168,604,482	175,076,680
(4)	Bond sales	133,670,888	35,003,859	201,000,000	-	160,287,560
(5)	Refunds	783,587,704	795,682,569	814,571,885	838,799,688	995,226,204
(6)	Interagency sales and receipts	238,046,532	252,707,165	249,104,402	253,065,260	252,884,844
(7)	Soil and water sales and use tax/interest	48,195,693	48,787,855	49,558,126	53,606,005	59,475,394
(8)	Parks sales and use tax/interest	47,963,318	48,613,792	49,456,185	53,585,169	59,458,693
(9)	Redeposit of investment principal	1,608,437	-	1,163,000	-	-
(10)	Outlawed checks	8,039,816	9,398,263	9,955,197	20,856,430	21,171,130
(11)	Redeposit of loan principal	112,718,913	111,975,342	111,833,384	110,886,731	139,086,226
(12)	Bingo	1,453,961	1,544,378	1,397,534	902,629	1,371,549
(13)	Riverboat gambling	368,575,905	365,714,911	287,100,693	354,065,330	389,939,251
(14)	Redeposit of state funds	232,824	142,657	138,562	243,774	253,195
(15)	Loan proceeds	-	-	-	-	-
(16)	Conservation sales and use tax/interest	120,110,418	121,928,549	123,948,613	134,070,469	148,761,676
(17)	State employee expense reimbursement	1,470,191	61,203	37,471	20,133	69,851
(18)	Recovery costs	155,657,507	151,805,702	145,520,688	154,110,560	154,723,921
(19)	Cost reimbursements	174,820,986	155,413,039	259,784,850	214,555,955	194,382,311
(20)	Canceled checks	3,541,743	3,028,906	5,462,855	19,964,623	33,832,910
(21)	Local match	15,507,413	31,544,265	37,751,526	42,091,015	46,251,050

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,				
		2018	2019	2020	2021	2022
(22)	Proceeds of surplus property sales - Fund 710	3,498,193	2,160,442	1,679,375	2,227,537	2,861,776
(23)	DHSS program rebates	76,650,915	66,017,708	91,390,292	60,338,593	29,788,958
(24)	Amendment 3 revenue derived from highway users	580,237,026	568,526,419	568,456,377	509,210,133	643,820,612
(25)	Interest - federal	-	200	273	-	-
(26)	Suspense holding	58,298	40,014	(290,022)	152,212,397	(2,488,697)
Other Exclusions and Limits:						
	CMLA interest payment to the federal government	220,155	494,665	885,764	442,007	319,720
	Agency remitted sales tax	253,441	236,987	193,446	131,791	235,134
	Abandoned funds claim payments	43,734,033	43,372,088	38,218,447	44,603,811	46,412,390
	Circuit courts escrow	2,506,078	2,241,863	2,391,089	24,093	2,918,144
	Debt offset escrow	13,876,494	12,588,483	17,766,076	15,732,099	17,309,869
	Total exclusions	16,087,602,342	16,042,972,800	19,503,794,559	19,505,912,232	24,938,308,942
	Total revenues after exclusions	12,438,197,189	12,517,860,466	11,713,940,736	14,794,818,156	15,770,574,399
	Less SAM II expenditure refunds (Appendix C)	(1,480,782,389)	(1,391,943,779)	(1,313,261,786)	(1,536,579,798)	(1,384,822,732)
	Add refundable tax credits:					
	Missouri Works	16,996,555	-	38,753,019	15,611,763	34,844,512
	BUILD	7,080,218	7,893,969	9,686,302	-	14,631,418
	Missouri Quality Jobs	25,388,581	23,535,191	7,814,728	3,919,781	1,444,093
	New Enhanced Enterprise Zone	3,228,601	2,599,274	1,563,307	-	-
	Self-employed Health Insurance	2,123,978	1,748,506	3,193,355	2,579,205	2,144,118
	Public Safety Officer Surviving Spouse, Residential Dwelling Accessibility, Sporting Event Credit, and Business Facility Credit	1,341,800	20,331,791	1,850,763	1,938,624	1,542,700
	Total State Revenue	\$ 11,013,574,533	11,182,025,418	10,463,540,424	13,282,287,731	14,440,358,508

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

Source: This appendix was prepared using revenue data obtained from the Statewide Advantage for Missouri (SAM II) system.

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

Appendix B - Total State Revenue Exclusions

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,
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Appendix B - Total State Revenue Exclusions

(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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Appendix B - Total State Revenue Exclusions

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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 The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.
- (13) Riverboat Gambling and
Other Gaming Proceeds In August 1992, voters approved an amendment to Article III, Section 39(d), Missouri Constitution, that requires all state gaming revenues be appropriated for public education and excludes these revenues from TSR.
- In 1993, the 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.
- 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.
- Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.
- On November 24, 1998, the Missouri Court of Appeals, Western District, entered its final decision in *Kelly v. Hanson*, 984 S.W. 2d 540 (Mo. App. W.D. 1998). The Missouri Court of Appeals, Western District, held that revenue from the \$1 portion of the state-imposed \$2 admission fee payable to the state is excluded from TSR, while the revenue from the payments to the



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Appendix B - Total State Revenue Exclusions

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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Appendix B - Total State Revenue Exclusions

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



Review of Article X, Sections 16 Through 24,
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Appendix B - Total State Revenue Exclusions

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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Appendix B - Total State Revenue Exclusions

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 C.

Tobacco Master Settlement
Agreement Proceeds

The OA-BP excluded \$139,365,296 received from tobacco companies during fiscal year 2022. 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 2022 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
2021	138,571,552
2022	139,365,296



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Appendix B - Total State Revenue Exclusions

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "*all money recovered from others for costs incurred by the state or to be incurred by the state.*" The OA-BP 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 majority of 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 is collected by an offset against Medicaid claims, and is not directly deposited in the state treasury. As a result, this revenue is not included in TSR. This exclusion is pursuant to the Missouri Supreme Court's decision in *Kelly v. Hanson*, 984 S.W. 2d 540 (Mo. App. W.D. 1998). A small portion of the tax is not collected by an offset and is deposited in the state treasury and is, therefore, included in TSR.

Appendix C

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Expenditure Refunds, 5 Years Ended June 30, 2022

Object Code	SAM II Expenditure Refunds	Year Ended June 30,				
		2018	2019	2020	2021	2022
3200	Bond refunds	\$ 3,961,622	16,837,636	1,016,512	339,768	180,011
3206	Deposit and escrow refunds	83,042	29,773	47,537	18,337	19,418
3213	Tax credit debt offset	82,314	69,122	12,602	96,145	141,380
3215	Debt offset refunds	7,900,327	4,503,978	4,782,452	59,168	2,165,600
3218	Motor vehicle license fee refunds	394,301	422,322	533,014	585,404	560,099
3221	Driver's license fee refunds	37,582	48,911	35,107	40,641	37,158
3227	License and permit fee refunds	1,036,462	1,011,037	1,004,134	1,093,446	1,155,001
3230	Registration fee refunds	37,878	4,876	5,026	917	67
3233	Regulatory fee refunds	23,793	42,896	31,877	17,264	15,136
3236	Inspection fee refunds	45,159	57,762	53,231	50,107	63,593
3239	Miscellaneous fee refunds	407,726	369,017	295,908	826,089	363,536
3242	Sales refunds	3,443	6,109	3,344	4,677	4,358
3245	Lease and rentals refunds	3,738	2,358	12,206	9,811	3,815
3248	Medical services refunds	9,629,754	10,248,013	11,608,121	11,643,031	10,384,612
3254	Federal refunds	230,293	523,553	419,387	3,895,939	567,699
3255	Financial institutions tax refunds	199	-	-	-	-
3257	Penalty and court award refunds	69	201	11	55	1,436
3260	Interagency billing refunds	-	-	(13)	-	-
3261	Receivable overpayment refunds	325,019	290,277	420,895	320,383	334,323
3267	Deferred revenue refunds	2,013,248	1,917,960	2,977,685	1,283,565	3,254,499
3268	Liability account refunds	-	1,735	-	-	-
3269	Other refunds	2,090,584	1,542,918	2,363,226	3,638,185	1,093,874
3281	County foreign insurance tax refunds	5,112,963	33,713,018	25,300,398	66,804,142	28,667,957
3287	Worker's compensation insurance tax refunds	51,801	250,912	410,982	142,460	21,810
3290	Worker's compensation 2nd injury insurance tax refunds	7,122	10,005	-	-	-
3291	Surplus lines insurance tax refund	119,999	54,246	44,997	90,228	23,069
3293	Cigarette tax refunds	385	15,941	21,004	27,800	23,440
3296	Tobacco products tax refunds	-	-	156	-	-
3299	Aviation fuel tax refunds	3,360	3,735	1,036	3,638	2,832
3302	Local Use Tax Refunds	-	145,000	41,145	-	-
3305	Special fuel (non-gas) tax refunds	17,597,075	16,476,400	18,925,543	19,343,037	20,974,241
3308	Fuel tax refunds	11,281,600	11,823,784	11,243,402	13,543,056	9,333,091
3317	General sales and use tax refunds	23,275,186	39,412,110	28,231,179	71,578,135	54,819,928
3326	Motor vehicle sales tax refunds	6,218,889	7,102,520	6,562,565	7,350,520	9,315,288
3329	Motor vehicle use tax refunds	697	2,151	42	63	258
3335	Boat tax refunds	3,005	3,220	2,296	3,409	1,459
3338	Individual tax refunds	1,128,602,275	983,316,541	968,408,708	1,127,470,528	961,471,287
3341	Senior citizens tax refunds	98,808,490	83,217,656	88,708,537	87,279,419	81,211,385
3344	Corporation tax refunds	161,392,989	178,463,586	139,737,534	119,020,431	198,608,938
3356	Other tax refunds	-	2,500	-	-	2,134
	Total SAM II Expenditure Refunds	\$ 1,480,782,389	1,391,943,779	1,313,261,786	1,536,579,798	1,384,822,732

Source: This appendix was prepared using expenditure refunds data obtained from the Statewide Advantage for Missouri (SAM II) system.

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

Appendix D - Constitutional Language

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.