



REVIEW OF ARTICLE X
SECTIONS 16 THROUGH 24
CONSTITUTION OF MISSOURI

TWO YEARS ENDED JUNE 30, 1999

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-18
March 22, 2000

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

March 2000

The following is a review conducted by our office of Article X, Sections 16 through 24, Constitution of Missouri.

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, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income 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 State Auditor's Office performs a review of the state's compliance with the provisions of the Hancock Amendment to verify the accuracy of the revenue limit computation performed by the Office of Administration, Division of Budget and Planning (OB-BP). The amount of the refund due to taxpayers for the year ended June 30, 1998 was \$166,740,970. In addition, a total of \$12,102,110 was also due to taxpayers from the prior years of 1995, 1996 and 1997. The state refunded the total of \$178,843,080 to taxpayers in late 1999. The amount of the refund due to taxpayers for the year ended June 30, 1999 is \$98,861,466.

On January 27, 1998, the Missouri Supreme Court entered a final decision in Kelly v. Hanson, et. al., 959 S.W. 2d 107 (Mo. 1998). This decision determined that taxes and other funds collected by the state may not be considered revenue in the context of total state revenue unless they meet a two-part test derived from an earlier judicial definition of revenue: (1) the funds must be received into the state treasury; and (2) the funds must be subject to appropriation.

On June 29, 1999, the Missouri Supreme Court entered a final decision in Conservation Federation of Missouri, et. al., v. Richard Hanson, et. al., 994 S.W. 2d 27 (Mo. Banc. 1999). This decision determined that Article IV, Section 43 (b) prohibits the disbursement of monies specified in that section for the purpose of making the refund required by Article X, Section 18, and that revenue derived from the one-eighth of one percent sales tax imposed by Article IV, Section 43(a) is not includable in total state revenue.

YELLOW SHEET

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI

TABLE OF CONTENTS

	<u>Page</u>	
STATE AUDITOR'S REPORT	1-2	
EXECUTIVE SUMMARY	3-5	
EXHIBITS:	6-8	
<u>Exhibit</u>	<u>Description</u>	
A	Summary of Total State Revenue and Refund Calculations, Five Years Ended June 30, 1999	7
B	Chart of Total State Revenues Versus Refund Threshold, Eighteen Years Ended June 30, 1999	8
NOTE TO THE EXHIBITS	9-10	
SCHEDULES:	11-25	
<u>Schedule</u>		
1	Schedule of Total State Revenues, By Fund - Five Years Ended June 30, 1999	12-18
2	Schedule of Total State Revenues, By Type - Five Years Ended June 30, 1999	19-24
3	Schedule of Expenditure Refunds, By Type - Five Years Ended June 30, 1999	25
BACKGROUND, METHODOLOGY, AND CONCLUSIONS	26-33	
APPENDIX:	34-38	
Appendix	Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996)	35-38



CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Mel Carnahan, Governor
and
Members of the General Assembly
and
Richard A. Hanson, Commissioner
Office of Administration
Jefferson City, Missouri 65102

We have conducted a review of revenues of the state of Missouri for the years ended June 30, 1999 and 1998, and the application to those revenues of Article X, Sections 16 through 24, of the Constitution of Missouri, more commonly referred to as the Hancock Amendment (included as Appendix). We had previously reported on revenues of the state for the years ended June 30, 1982 through 1997. 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:

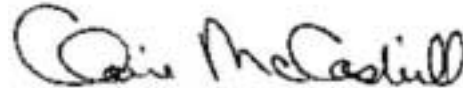
1. Evaluate the formula to calculate the state's revenue limit.
2. Determine the specific items included in total state revenues.
3. Verify the accuracy of the revenue limit computation and comparing that limit to total state revenues.
4. Review the state's overall compliance with the provisions of the 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 review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we held discussions with personnel of the Office of Administration, Division of Budget and Planning (OA, BP), inspected relevant records and reports compiled by that office, and reviewed reports from the statewide accounting system. We reviewed this information to the extent necessary to satisfy ourselves that the following Exhibits and Schedules are fairly stated in all material respects.

Our review was limited to the specific matters described earlier and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

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

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

February 8, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Kenneth W. Kuster, CPA
Audit Manager: Randy Doerhoff, CPA

EXECUTIVE SUMMARY

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
EXECUTIVE SUMMARY

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, commonly referred to as the Hancock Amendment, requires that 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.

Exhibit A presents a summary of the calculations of limited total state revenue (TSR) for the years ended June 30, 1999, 1998, 1997, 1996, and 1995. The calculations for years prior to 1998 have been changed to comply with a Supreme Court decision as further explained below.

On January 27, 1998, the Missouri Supreme Court entered a final decision in Kelly v. Hanson, et. al., 959 S.W. 2d 107 (Mo. 1998). This decision determined that taxes and other funds collected by the state may not be considered revenue in the context of TSR unless they meet a two-part test derived from an earlier judicial definition of revenue: (1) the funds must be received into the state treasury; and (2) the funds must be subject to appropriation. Thus, the Hancock Amendment presents unique financial related legal requirements that must be taken into consideration. The items that the Supreme Court specifically ruled on are as follows:

1. 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.
2. The local use tax imposed by the state under Section 144.748, RSMo, until repealed on May 21, 1996, and distributed to local government is not deposited in the state treasury and is not appropriated. As a result, this revenue is not included in TSR.
3. Revenue from the one dollar portion of the state imposed two dollar admission fee to gaming riverboats that is remitted to the "home dock city or county" and is not deposited in the state treasury, is not included in TSR.
4. Ten percent of the revenue for an adjusted gross receipts tax imposed by the state on gaming riverboats is remitted to the "home dock city or county" and is not deposited in the state treasury. As a result, this revenue is not included in TSR.
5. An adjustment to the revenue limit related to the state assuming certain judicial clerk salaries is appropriate.

On November 24, 1998, the Missouri Court of Appeals, Western District entered a final decision in Kelly v. Hanson, et. al., 984 S.W. 2d 540 (Mo. 1998). The Missouri Court of Appeals, Western District ruled that revenue from the one dollar of the state imposed two dollar admission fee to gaming riverboats is not included in TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs for gaming riverboats is included in TSR.

The State Auditor's Office (SAO) and OA-BP did not present an issue to the Supreme Court concerning the proper accounting for the effect of tax refunds. However, because the Supreme Court decision indicated that the Hancock provisions in the constitution require the actual receipt of revenue, the amendment presents a cash basis system of accounting. Based on the Court's decision, the SAO has changed the calculation of refunds from an appropriations basis to a cash basis.

On June 29, 1999, the Missouri Supreme Court entered a final decision in Conservation Federation of Missouri, et. al., v. Richard Hanson, et. al., 994 S.W. 2d 27 (Mo. Banc. 1999). This decision determined that Article IV, Section 43(b) prohibits the disbursement of monies specified in that section for the purpose of making the refund required by Article X, Section 18, and that revenue derived from the one-eighth of one percent sales tax imposed by Article IV, Section 43(a) is not includable in TSR.

This decision related to the use of Conservation Fund monies for making refunds under the Hancock Amendment. The General Assembly appropriated a total of approximately \$6 million from the Conservation Fund to be used to pay for refunds due to taxpayers under the Hancock Amendment for fiscal years 1995 and 1996. The Conservation Federation filed suit declaring that moneys in the Conservation Fund may not be used to make these refunds and that the sales tax proceeds are not includable in TSR. The Supreme Court ruled that Article IV, Section 43(b) requires that conservation funds be expended for conservation purposes as specified in that section and using these funds to pay for Hancock refunds is, therefore, unconstitutional.

This decision also related to whether the conservation sales tax should be included in TSR. The Supreme Court noted that the conservation sales tax imposed by Section 42(a) was enacted by a vote of the people in 1976, which was four years before the Hancock Amendment was approved. However, Section 43(b) was adopted contemporaneously with the Hancock Amendment and, therefore, went into effect after the Hancock Amendment's baseline period for TSR, which was fiscal year 1980-81. Thus, this case presents the unique situation that a tax was approved by the voters prior to the Hancock Amendment, but the voter-approved (indeed voter mandated) spending of that revenue was approved after the Hancock Amendment's initial tax and spending ceiling was calculated.

Since the state had already paid refunds to taxpayers for fiscal years 1995, 1996, and 1997, the state has decided not to recalculate TSR for those years. However, starting in fiscal year 1998, the state has excluded the conservation sales tax (and related interest earnings) from TSR in accordance with the Supreme Court decision. In addition, the state will not pay any refunds (for prior years or future years) from the Conservation Fund.

Although we agree with OA-BP's calculation of TSR for 1999 and 1998, we consider a few items open to interpretation, which deal with whether to include or exclude from TSR the monies received by the state for cost reimbursements and recovery costs. These issues are discussed in more depth later in this report.

In December, 1999, two lawsuits were filed in the Cole County Circuit Court. The first case, Flotron v. Carnahan, et. al., 99CV323351, claims that the Supreme Court held in Conservation Federation v. Hanson, 994 S.W. 2d 27 (Mo. Banc. 1999) that all revenue from the conservation sales tax must be removed not only from yearly total state revenues, but also from the baseline calculation for 1981. The second case, Missouri Merchants and Manufacturers Association, et. al. v. State of Missouri et. al., 99CV323530 claims that the state has not included tax credits in the calculation of the revenue limit and TSR.

EXHIBITS

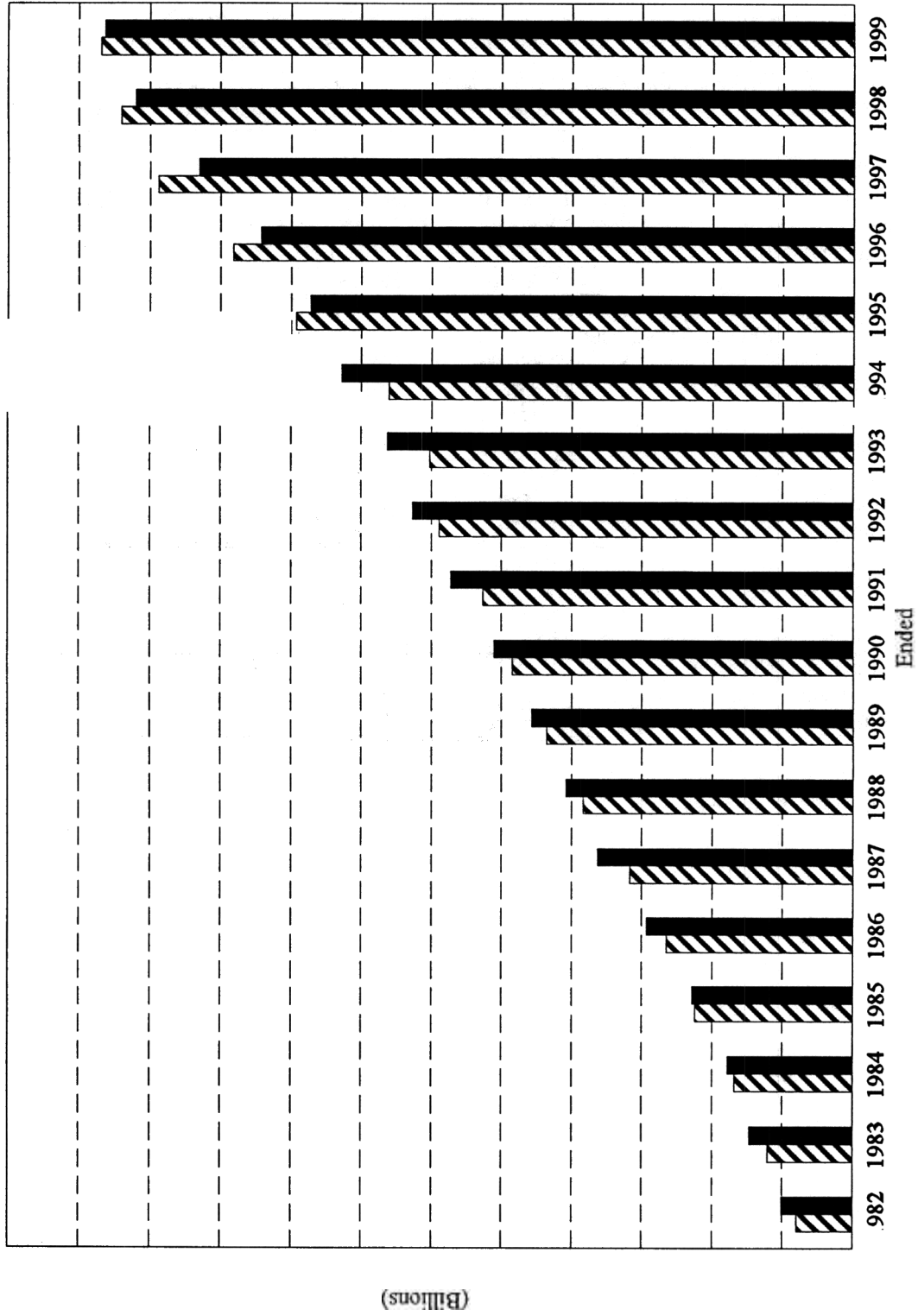
Exhibit A

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24, CONSTITUTION OF MISSOURI
 SUMMARY OF TOTAL STATE REVENUE AND REFUND CALCULATIONS
 FIVE YEARS ENDED JUNE 30, 1999
 (IN MILLIONS)

	Year Ended June 30,				
	1995	1996	1997	1998	1999
TOTAL STATE REVENUE (TSR)					
Total state receipts	\$ 11,892.90	12,308.50	13,225.70	14,162.44	15,076.69
Less excluded revenue	-5,448.48	-5,391.98	-5,765.43	-6,360.21	-6,846.96
Less expenditure refunds	-492.18	-529.59	-551.53	-647.09	-886.05
TSR	\$ 5,952.24	6,386.93	6,908.74	7,155.14	7,343.68
REVENUE LIMIT AND REFUND THRESHOLD					
MPI	\$ 102,386.00	108,519.00	116,154.00	123,280.00	127,795.00
Base year ratio	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	5,774.06	6,119.93	6,550.50	6,952.38	7,207.00
Judicial article amendment	30.52	31.74	33.98	36.02	37.82
Revenue limit	5,804.58	6,151.67	6,584.48	6,988.40	7,244.82
1 percent adjustment	58.05	61.52	65.84	69.88	72.45
Refund threshold	\$ 5,862.63	6,213.19	6,650.32	7,058.28	7,317.27
REFUND CALCULATION					
TSR	\$ 5,952.24	6,386.93	6,908.74	7,155.14	7,343.68
Less refund threshold	5,862.63	6,213.19	6,650.32	7,058.28	7,317.27
Over (Under) Threshold	89.61	173.74	258.42	96.86	26.41
1 percent adjustment	58.05	61.52	65.84	69.88	72.45
Refund	\$ 147.66	235.26	324.26	166.74	98.86

See the accompanying Note to the Exhibits.

REVIEW OF ARTICLES THROUGH
 ON TUTION O
 PART OF TOTAL TERE 'ENUES 'U; REF INDT H HOLD



NOTE TO THE EXHIBITS

REVIEW OF ARTICLE X, SECTION 16 THROUGH 24
CONSTITUTION OF MISSOURI
NOTE TO THE EXHIBITS

Refunds paid for the year ended June 30, 1998, totaled \$178,843,080 which included \$166,740,970 for 1998 plus \$12,102,110 due from the prior years of 1995, 1996, and 1997. Of the amount due from prior years \$12,071,930 related to the court decision that payments to the state to recoup public safety and regulatory enforcement costs for gaming riverboats should be included in total state revenue. The remaining \$30,180 related to various minor adjustments for 1995, 1996, and 1997.

SCHEDULES

Schedule 1

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
SCHEDULE OF TOTAL STATE REVENUES, BY FUND

Fund Number	Fund Name	Year Ended June 30,				
		1995	1996	1997	1998	1999
101	General Revenue	\$ 4,848,175,570	5,203,140,977	5,608,125,529	5,876,559,243	6,001,497,597
104	Vocational Rehabilitation - Federal	5,303	511,415	1,370	11,508	7,262
105	Elementary and Secondary Education - Federal and Other	72,197	72,241	192,813	177,318	108,542
106	Cash Operating Reserve - General Revenue	10,624,657	12,166,856	12,716,720	13,953,430	15,066,578
107	Budget Stabilization	1,858,127	1,467,772	5,022,803	6,823,161	7,354,863
108	Uncompensated Care	0	0	0	0	0
109	Mental Health Interagency Payments	0	0	0	0	245
111	Division of Youth Services - Federal and Other	2,378	2,519	3,351	2,335	1,605
112	Office of the State Public Defender - Federal and Other	-3,423	0	0	7,244	0
115	State Auditor - Federal	0	0	0	0	0
116	Department of Higher Education - Federal	0	9,505	0	0	0
117	Department of Labor and Industrial Relations - Commission on Human Rights - Federal	0	0	0	0	0
118	Department of Economic Development - Community Development Block Grant (Pass-through)	0	0	0	0	0
119	Department of Economic Development - Women's Council - Federal	15,210	79,272	20,089	400	0
121	Department of Public Safety - JAIBG	0	0	0	0	45,964
123	Department of Economic Development - Community Development Block Grant (Administration)	0	0	0	-1,000	0
124	Facilities Maintenance Reserve	0	0	0	95,631	240,483
125	Food Stamp EBT Settlement	0	0	0	0	0
126	Department of Transportation - Federal and Other	1,131,172	669,562	1,154,513	12,852	4,204
129	Department of Economic Development - Federal and Other	-200	16,711	0	0	0
130	Department of Corrections - Federal	0	0	0	20,045	0
132	Department of Revenue - Federal	0	0	0	0	2,095
133	Department of Agriculture - Federal and Other	0	0	0	-8,512	0
134	Utilicare Utilization	0	0	0	0	975,731
135	Office of Administration - Federal and Other	0	0	0	0	0
136	Attorney General - Federal and Other	-59,999	-138,041	-25,702	-14,811	-33
137	Supreme Court - Federal and Other	-5,459	9,912	-2,773	0	0
138	Department of Economic Development - Missouri Council on the Arts - Federal and Other	0	0	0	0	0
140	Department of Natural Resources - Federal and Other	19,248	77,355	35,037	14,673	-65
141	DED - Federal and Other	200,000	1,152,541	0	0	0
142	Federal Reimbursement Allowance	1,140,070	11,017,229	16,646,623	18,898,674	15,343,821
143	Department of Health - Federal	1,058,805	609,738	-834,612	219,742	191,277
145	State Emergency Management - Federal and Other	0	0	0	0	0
148	Department of Mental Health - Federal	8,391	8,302	10,219	32,323	-1,670
149	Department of Public Safety - Highway Safety	153	0	0	101	-147,738
152	Department of Public Safety - Federal	-17,355	9,549	81,466	38,898	184,687
153	Division of Aging - Federal and Other	39,816	25	0	3	0
155	Job Development and Training	0	-6,155	24	0	0
156	Department of Social Services - Federal and Other	244	10,579	54,638	2,520	0
161	Title XIX - Patient Placement - General Revenue	0	0	0	0	0
162	ADC - Federal	0	3,734	0	0	0
163	Title XIX - Federal	0	0	0	71	0
167	Division of Family Services Donations	7,261	12,193	111,811	189,051	83,699
168	Division of Aging Donations	0	0	0	0	0
169	Child Support Enforcement Collections	-124,388	-98,339	-112,745	-145,227	-458,743
176	General Revenue Reimbursements	0	0	-5,399	-313	0
177	Missouri Humanities Council Trust	0	0	6,687	10,445	18,909
184	Missouri Veterans Commission - Federal	0	0	0	0	0
185	MCSAP/Division of Transportation - Federal	3,566	4,456	0	94	140
186	Division of Labor Standards - Federal	0	0	0	0	0
187	Division of Workers' Compensation - Federal	0	0	0	0	0
188	Governor's Committee on Employment of the Handicapped - Federal	19,768	29,693	29,180	3,395	0
189	Federal and Other	-3,143	-2,312	-13,915	52,452	-66,128
190	Adjutant General - Federal	-135,316	-22,444	-129,430	-174,584	-142,549
191	Department of Labor and Industrial Relations - Crime Victims - Federal	0	0	0	0	0
192	Federal - MDI	175,620	170,532	0	0	0
194	Federal Drug Seizure	17,939	29,080	32,051	50,807	108,330
195	Secretary of State - Federal	598	103	727	0	0

196	Nursing Facility Federal Reimbursement Allowance	1,401,973	3,479,394	5,332,352	6,419,455	6,330,886
197	Community Service Commission - Federal and Other	0	0	0	0	0
198	Post Closure Fund	0	0	0	45,676	14,645
199	Temporary Assistance for Needy Families - Federal	0	0	0	0	0
Water Pollution Control Bond and Interest:						
220	Pre Tax Act 1986	487,568	484,563	395,046	125,400	32,919
221	Series B 1987	15,586	0	0	0	0
222	Series A 1989	59,017	54,675	62,204	59,432	67,820
224	Series A 1991	59,038	54,011	61,186	58,239	67,225
225	Series B 1992	157,926	147,110	247,412	270,073	311,916
226	Series A 1992	141,453	129,903	148,120	141,688	161,752
227	Series B&C 1991	197,964	234,974	232,510	238,548	242,318
228	Series A 1993	115,424	105,473	120,046	114,512	130,881
229	Series B 1993	332,588	307,088	352,439	420,455	528,382
Third State Building Bond Interest and Sinking:						
230	Pre Tax Act 1986	971,377	1,033,963	646,518	8,298	0
231	Post Tax Act 1986	33,484	0	0	0	0
232	Series A&B 1991	414,212	489,089	483,718	674,779	515,075
233	Series A 1992	824,491	762,647	1,254,351	1,456,912	1,738,811
234	Series A 1993	468,105	432,507	496,347	756,003	1,026,325
Water Pollution Control Bond and Interest -						
235	Series A 1995	49,068	111,403	128,950	124,739	143,090
236	Series A 1996	0	0	104,408	147,391	169,010
237	Series A 1998	0	0	0	6	111,817
Fourth State Building Bond and Interest -						
240	Series A 1995	45,231	273,396	322,451	311,714	357,709
241	Series A 1996	0	0	372,751	526,591	603,466
242	Series A 1998	0	0	0	9	159,738
246	Motorcycle Safety Trust	0	2,385	3,972	4,001	2,592
247	Hearing Instrument Specialist	0	22,590	70,665	71,590	67,750
249	Compulsive Gamblers	0	300,000	0	165,000	50,000
253	Missouri Crime Prevention Information and Programming	0	0	0	0	0
254	Missouri Housing Trust	2,343,493	3,595,779	3,717,438	4,218,072	5,101,111
255	Treasurer's Information	457	14,608	-12,604	0	0
261	Residential Mortgage Licensing	0	0	229,718	206,779	253,577
262	Missouri Arts Council Trust	0	40,758	360,162	646,287	868,759
263	Board of Geologist Registration	0	129,540	97,035	98,735	97,360
264	Missouri Commission for the Deaf Board of Certification of Interpreters	0	19	23,741	57,452	55,180
265	Gaming Commission Bingo	138,704	126,089	127,261	102,865	93,223
266	Secretary of State's Technology Trust Fund Account	1,653,024	2,216,093	2,284,533	2,300,375	2,237,163
269	Missouri National Guard Training Site	137,151	172,645	200,022	209,420	251,972
270	Statewide Court Automation	2,381,223	4,134,134	4,184,606	4,389,356	4,650,327
271	Nursing Facility Quality of Care	192,022	761,874	1,083,679	998,513	1,035,715
272	Missouri Student Grant Program Gift	0	0	0	0	0
274	Division of Tourism Supplemental Revenue	0	0	0	0	0
275	Health Initiatives	31,057,762	32,275,006	32,223,483	32,706,731	32,481,966
276	Health Access Incentive	0	850,000	0	0	-27
277	Mental Health Housing Trust	0	0	4,019	176	195
278	Family Support Loan Program	1,613	9,647	16,884	20,627	20,782
279	School Building Revolving	0	0	0	0	170,232
280	Business Extension Service Team	0	0	0	0	0
281	Peace Officers Standards and Training Commission	246,941	301,104	418,625	983,415	1,330,822
284	Independent Living Center	121,332	138,900	170,204	215,370	229,851
285	Gaming Proceeds for Education	0	0	0	0	0
286	Gaming Commission	3,549,967	10,073,218	10,894,185	11,598,983	12,932,432
287	Outstanding Schools Trust	5,080,843	10,068,818	14,204,380	18,753,652	19,830,070
288	Mental Health Earnings	1,964,418	2,515,064	1,646,729	1,518,350	1,667,082
289	Bingo Proceeds for Education	0	0	0	0	0
290	Highway Department - Grade Crossing Safety Account	833,805	1,241,628	1,046,319	1,087,828	1,092,874
291	Lottery Proceeds	0	289	1,436	327	0
292	Animal Health Laboratory Fee	206,987	232,636	262,064	298,099	323,488
293	Mammography	56,784	63,984	86,684	91,434	91,550
295	Animal Care Reserve	241,580	243,647	253,783	266,084	269,657
296	Division of Aging - Elderly Home Delivered Meals Trust	1,042	182	211	19,892	140
297	Highway Patrol Inspection	852,835	877,026	1,076,350	1,088,625	1,081,460
298	Missouri Public Health Services	543,625	758,657	639,393	1,688,006	1,440,800
299	Livestock Brands	22,870	18,375	16,920	30,120	31,025
304	Veteran's Homes Capital Improvement Trust	0	68,831	275,570	1,391,613	3,233,103
320	State Road	17,557,065	20,927,760	11,228,850	18,296,844	21,192,666
325	Veterans Homes Capital Improvement	96,453	136,091	47,801	0	0
346	Water Pollution Control - Series A 1992 - 37E	0	0	0	0	0
347	Water Pollution Control - Series A 1992 - 37C	0	0	0	0	0
348	Water Pollution Control - Series A 1993 - 37C	373,030	162,446	34,581	0	0

349	Water Pollution Control - Series A 1993 - 37E	362,960	15,445	0	0	0
351	Water Pollution Control - Series A 1995 - 37C	52,555	242,872	112,250	0	0
352	Water Pollution Control - Series A 1995 - 37E	262,750	1,004,170	313,244	0	0
353	Water Pollution Control - Series A 1996 - 37C	0	0	502,120	484,911	385,676
354	Water Pollution Control - Series A 1996 - 37E	0	0	844,553	880,504	476,218
355	Water Pollution Control - Series A 1998 - 37C	0	0	0	36	331,841
356	Water Pollution Control - Series A 1998 - 37E	0	0	0	131	1,220,732
360	Third State Building - Pre Tax Act 1986	395,464	301,821	199,935	120,177	70,179
371	Third State Building Trust - Pre Tax Act 1986	0	1,925	1,669	0	1,658
380	Fourth State Building - Series A 1995	786,728	3,211,948	1,391,385	0	0
381	Fourth State Building - Series A 1996	0	0	4,803,635	4,050,880	809,357
382	Fourth State Building - Series A 1998	0	0	0	236	2,026,496
403	Mental Health Central Supply	0	0	0	0	0
406	Commodity Council Merchandising	8,715,352	8,929,820	10,748,958	9,727,565	336,529
407	Federal Surplus Property	1,853,998	1,616,386	1,403,661	1,813,341	1,949,854
408	Single-purpose Animal Facilities Loan Program	0	54,146	235,061	154,112	118,793
410	State Fair Fees	2,948,455	2,516,152	2,393,159	2,719,103	3,124,498
412	Agricultural Product Utilization Business Development Loan Program	0	0	0	0	14,591
413	Agricultural Product Utilization Grant	0	0	0	0	9,079
415	State Parks Earnings	5,142,735	5,755,621	5,526,811	7,168,783	5,910,361
420	State Parks Revolving	123,327	145,172	389,949	447,305	505,293
425	Natural Resources Revolving Services	237,624	254,343	281,535	414,256	433,814
430	Historic Preservation Revolving	751	89,034	17,227	16,739	35,129
460	Missouri Veterans' Homes	8,835,638	9,181,603	9,200,352	9,121,616	10,172,503
465	Missouri State Chest Hospital	2,751,013	3,377,440	197,193	0	0
500	Department of Natural Resources Cost Allocation	21	-1,005	62	0	207
501	State Facility Maintenance and Operation	0	0	198,889	199,295	201,053
505	Office of Administration Revolving Administrative Trust	3,814,326	12,930,918	12,775,659	9,828,139	11,329,043
510	Working Capital Revolving	1,531,389	1,866,955	1,840,155	1,907,847	2,270,013
511	Microfilming Service Revolving Trust	881	561	12	3,391	12
515	Central Check Mailing Service Revolving	0	0	0	0	0
520	House of Representatives Revolving	52,153	31,170	24,001	21,305	19,345
525	Supreme Court Publications Revolving	116,399	112,359	124,282	53,679	162,043
530	Adjutant General Revolving	48,579	59,093	49,134	50,447	63,179
535	Senate Revolving	13,848	10,880	42,610	9,336	11,427
540	Inmate Revolving	2,837,488	3,085,362	3,260,298	3,431,892	3,459,684
545	Department of Social Services Administrative Trust	224,695	183,463	445,050	170,745	44,827
546	Statutory Revision	727,955	225,824	162,149	170,458	178,802
547	Department of Economic Development Administrative	2,214,666	1,839,580	38,984	23,941	7,976
548	Division of Credit Unions	617,733	735,264	794,654	832,926	871,050
549	Division of Savings and Loan Supervision	450,514	42,865	38,751	38,635	37,550
550	Division of Finance	6,811,399	6,763,194	7,199,578	7,331,979	7,023,357
551	Industrial/Commercial Energy Conservation Loan	159,916	173,974	136,144	0	0
552	Insurance Examiners	6,130,048	6,353,390	7,032,816	6,620,279	7,161,085
553	Design and Construction - Donated	2,450	0	0	0	0
554	Firing Range Fee	700	470	0	0	0
555	Natural Resources Protection	322,648	354,204	260,030	30,168	554,307
556	Youth Service and Conservation Corps	0	0	0	0	0
559	Deaf Relay Service	4,320,598	4,503,021	4,754,625	5,045,207	5,218,209
560	Mortgage Broker Administration	62,095	1,100	0	0	0
561	Real Estate Appraisers	327,941	314,764	297,049	277,744	306,221
562	Endowed Care Cemetery Audit	207,179	203,290	153,771	141,131	133,368
563	Missouri Community College Job Training Program	3,695,728	6,393,596	6,924,397	7,791,944	9,355,975
565	Professional and Practical Nursing Student Loan and Nurse Loan Repayment	352,728	370,452	699,999	76,423	704,444
566	Department of Insurance Dedicated	5,908,814	6,880,730	6,707,213	7,643,287	7,848,903
567	International Trade Show Revolving	71,583	37,390	85,077	44,390	22,906
568	Natural Resources Protection - Water Pollution Permit Fee Subaccount	2,657,205	2,850,079	4,685,674	4,580,914	5,331,953
569	Solid Waste Management - Scrap Tire Subaccount	1,600,186	1,651,838	1,728,208	1,767,698	1,925,453
570	Solid Waste Management	7,201,983	7,075,466	7,357,325	8,066,622	9,194,937
573	Aquaculture Marketing Development	18,966	18,053	19,020	10,837	10,597
574	Clinical Social Workers	318,090	234,869	286,463	282,363	289,935
575	Metallic Minerals Waste Management	89,708	92,429	93,142	94,108	104,153
576	Landscape Architectural Council	24,098	19,360	21,180	22,445	22,210
577	Local Records Preservation	1,138,421	1,190,145	1,250,992	1,372,966	1,730,569
579	Veterans Trust	14,083	16,509	19,305	21,243	24,294
580	State Committee of Psychologists	338,998	366,572	350,699	354,581	371,552
581	Livestock Sales and Markets Fees	15,600	14,990	13,875	13,725	13,505
582	Manufactured Housing	426,908	500,876	552,592	534,724	502,155
583	Missouri Health Care Providers	99,155	114,664	75,815	13,270	-70
::						
584	Natural Resources Protection - Air Pollution Asbestos					

	Fee Subaccount	448,141	519,895	450,613	327,665	250,230
585	Underground Storage Tank Insurance	2,603,788	4,363,430	16,685,770	18,001,607	18,031,848
586	Underground Storage Tank Regulation Program	251,765	86,483	94,443	687,277	385,798
587	Chemical Emergency Preparedness	700,364	734,915	723,515	687,261	741,172
588	Motor Vehicle Commission	942,513	999,572	1,023,983	909,808	938,732
589	Health Spa Regulatory	8,200	5,800	5,700	5,400	4,050
591	State Forensic Laboratory	250,000	250,000	250,000	250,000	250,000
592	Services to Victims	971,101	925,240	1,706,463	2,567,069	3,004,163
594	Natural Resources Protection Air Pollution Permit					
	Fee Subaccount	6,425,326	5,995,951	7,051,966	6,968,599	6,310,586
598	Medical School Loan and Loan Repayment Program	0	0	0	0	-379
599	Video Instructional Development and Educational					
	Opportunity	0	0	0	0	0
600	Missouri Job Development	0	388	0	0	0
601	Children's Services Commission	5,311	747	746	858	861
602	Water and Wastewater Loan Revolving	4,259,193	4,137,706	6,162,800	7,245,092	9,078,862
603	Attorney General's Court Costs	193	19,612	5,858	9,525	19,310
605	Missouri Breeders	3,321	3,619	3,732	3,976	4,119
607	Public Service Commission	10,617,489	11,873,034	11,576,967	12,200,053	14,282,975
608	Grade Crossing and Safety Account	0	0	0	0	0
609	Conservation Commission	97,465,656	104,348,924	110,506,508	28,454,208	34,207,585
610	Division of Family Services - Administrative	-160,062	-257,217	-581,740	-1,065,749	-2,915,384
613	Parks Sales Tax	8,597	62,295	27,193	-8,290	20,566
614	Soil and Water Sales Tax	13	1,555	3,570	0	0
615	Apple Merchandising	4,832	4,715	5,064	5,184	838
616	State School Money	59,392,720	59,253,661	58,712,784	57,747,838	57,596,218
619	Department of Revenue Information	3,315,158	3,844,376	3,903,445	3,129,572	2,699,485
620	Department of Social Services Educational Improvement	-7	0	0	-2	0
621	Blind Pension	14,033,071	14,625,859	15,570,167	16,786,123	17,417,008
622	Tort Victims Compensation	7,956	9,565	16,689	4,816,845	2,555,773
623	State Seminary Money	197,574	224,084	236,788	211,031	232,976
624	Livestock Dealer Law Enforcement and Administration	2,054	3,709	4,946	6,293	1,438
626	State Guaranty Student Loan	5,085,949	4,316,116	4,380,199	0	0
627	Board of Accountancy	768,913	589,961	635,199	623,635	540,727
628	Board of Barber Examiners	169,860	174,133	170,760	175,563	171,263
629	Board of Podiatry	43,868	44,927	53,408	51,686	53,051
630	Board of Chiropractic Examiners	275,770	277,104	257,485	271,048	283,110
631	Merchandising Practices Revolving	556,434	1,129,952	862,469	835,698	772,612
632	Board of Cosmetology	235,544	1,896,202	376,286	2,103,511	210,279
633	Board of Embalmers and Funeral Directors	347,710	437,156	455,466	467,823	483,901
634	Board of Registration for Healing Arts	3,116,765	3,168,610	3,243,660	3,515,430	3,530,403
635	Board of Nursing	1,665,337	1,737,466	3,097,964	1,041,452	2,686,608
636	Board of Optometry	87,595	88,084	125,612	124,604	128,351
637	Board of Pharmacy	813,706	1,058,506	1,120,302	1,118,388	1,177,263
638	Missouri Real Estate Commission	1,973,277	1,496,353	1,964,355	1,534,040	2,059,250
639	Veterinary Medical Board	333,135	341,293	340,726	344,216	341,247
644	Highway Department	131,434,168	138,282,043	138,954,472	136,850,756	147,650,514
645	Milk Inspection Fees	1,512,667	1,483,842	1,461,870	1,390,580	1,427,041
646	Department of Health Document Services	124,494	132,284	221,169	197,143	141,887
647	Grain Inspection Fees	1,421,303	1,374,474	1,755,887	1,505,428	1,458,494
648	Petition Audit Revolving Trust	142,461	102,392	111,143	168,398	103,612
649	Water and Waste Water Loan	37,301	46,293	62,319	56,047	82,562
650	Tourism Marketing	824	395	0	1,000	1,000
651	Excellence in Education	1,523,880	1,969,563	2,108,992	1,851,521	86,305
652	Workers' Compensation	2,305,544	1,192,237	13,588,696	13,597,121	25,275,726
653	Workers' Compensation - Second Injury	5,980,545	2,780,461	3,928,274	19,036,957	33,556,340
654	State Environmental Improvement Authority	0	0	0	1,631	0
655	Missouri Prospective Teachers Loan	1,960	1,030	360	240	90
657	Lottery Enterprise	0	0	0	0	0
658	Department of Health - Donated	76,362	181,473	909,455	487,508	997,118
659	Railroad Expense	499,949	502,560	507,778	765,196	701,545
660	Water Well Drillers	463,735	481,901	491,579	494,758	495,165
662	Petroleum Inspection	1,902,235	1,886,807	1,700,177	1,796,504	1,792,948
663	Missouri Disaster	0	0	0	0	0
666	Attorney General's Anti-trust	40,000	104,976	454,528	332,771	0
667	Energy Set-Aside Program	553,836	556,801	695,146	1,088,875	1,163,367
668	State Land Survey Program	1,131,484	1,183,239	1,253,040	1,372,894	1,730,569
669	Petroleum Violation Escrow	1,114,858	1,163,320	1,232,242	1,256,533	1,199,858
670	Legal Defense and Defender	329,890	654,082	438,558	653,048	999,043
671	Criminal Record System	899,476	1,210,678	1,603,159	2,164,400	2,478,711
672	Committee on Professional Counselors	253,257	266,289	299,190	317,889	337,047
673	Motor Fuel Tax	485,843,150	499,231,650	562,182,075	596,880,734	599,443,779
674	Highway Patrol Academy	160,711	167,808	259,883	337,139	390,149
675	State Transportation	143	0	0	0	0

676	Hazardous Waste	1,098,495	1,174,939	1,121,670	980,823	1,188,104
677	Dental Board	510,807	512,403	678,038	656,139	649,006
678	State Board of Architects, Engineers and Land Surveyors	1,169,388	550,425	1,019,932	531,831	1,093,343
679	Safe Drinking Water	2,938,524	2,885,439	2,911,110	2,852,193	2,871,008
680	Missouri Office of Prosecution Services	161,980	164,906	159,777	191,131	207,709
681	Crime Victims' Compensation	4,248,257	4,336,598	3,825,731	4,490,679	4,988,090
683	Marketing Development	385,672	432,942	433,748	450,575	471,587
684	Coal Mine Land Reclamation	287,389	375,778	221,410	132,818	181,852
685	Missouri Horse Racing Commission	104	88	0	0	0
686	State Elections Subsidy	0	0	0	0	0
687	Fair Share	25,347,571	25,632,040	25,078,896	24,959,778	24,684,130
688	School District Trust	0	100	0	0	0
689	Professional Registration Fees	-45,308	-28,543	-30,474	-33,258	-32,180
690	Hazardous Waste Remedial	2,566,414	2,391,093	3,104,501	2,066,329	3,274,060
691	Missouri Air Pollution Control	868,268	888,741	921,777	948,257	949,193
692	State Legal Expense	0	0	0	1,500	0
693	Athletic	59,357	88,705	210,211	356,416	426,397
694	Children's Trust	1,564,441	1,529,200	1,651,531	1,612,737	1,719,145
695	Highway Patrol Motor Vehicle Revolving	3,585,067	4,318,508	4,429,562	5,103,182	5,137,004
696	Local Government Energy Conservation Loan	202,176	214,050	143,099	0	0
697	Abandoned Mine Reclamation	11,431	20,585	24,729	27,586	32,134
698	Meramac-Onondaga State Parks	41,835	45,997	46,948	50,259	52,744
699	Oil and Gas Remedial	0	38,199	0	0	0
706	Missouri State Employees' Deferred Compensation					
	Incentive Plan Administration	0	39,775	51,250	0	0
710	Proceeds of Surplus Property Sales	1,048,905	929,115	1,016,777	393,129	337,213
715	ADA Compliance	0	0	0	-30	0
753	Debt Offset Escrow	-3,742,353	-6,195,085	-4,821,258	-5,568,241	-3,213,563
756	Agriculture Bond Trustee	-10,000	0	0	0	0
760	Proprietary School Bond	0	0	0	9,393	-9,393
812	Confederate Memorial Park	4,662	5,237	5,456	5,940	6,347
817	State Public School	25,430	85,105	121,065	95,009	146,340
820	Marital and Family Therapists'	0	0	0	0	47,985
824	Organ Donor Program	0	124,099	353,369	367,465	373,458
826	Child Labor Enforcement	0	400	5,850	45,915	69,025
828	Inmate Incarceration Reimbursement Act Revolving	0	17,200	57,245	55,129	35,737
829	Secretary of State's Investor Education	0	15,100	124,608	22,980	104,392
830	Property Reuse	0	0	107,322	181,324	188,312
831	State Court Administration Revolving	0	0	0	0	-117
833	Respiratory Care Practitioners	0	0	0	245	168,060
834	Concentrated Animal Feeding Operation Indemnity	0	0	0	25,086	33,583
836	State Document Preservation	0	0	20,053	9,289	12,409
838	Light Rail Safety	0	0	0	3,000	0
839	Student Grant	0	0	0	0	0
840	Academic Scholarship	0	0	0	0	0
841	State Transportation Assistance Revolving	0	0	0	52,718	53,685
842	Criminal Justice Network and Technology Revolving	0	0	0	0	0
844	Missouri Office of Prosecuting Services Revolving	0	0	0	1,710	60,035
845	Missouri Board of Occupational Therapy	0	0	0	1,037	315,717
846	Licensed Purfusionists	0	0	0	0	13,606
849	Bridge Scholarship	0	0	0	0	0
851	U.S. Department of Education/Coordinating Board for Higher Education P.L. 105-33 Interest Account	0	0	0	0	0
852	Domestic Relations Resolution	0	0	0	0	177,217
853	Correctional substance Abuse Earnings	0	0	0	0	16,171
855	Missouri Wine Marketing and Research Development	0	0	0	0	7,308
858	Missouri College Guarantee	0	0	0	0	8,033
859	Early Childhood Development, Education and Care	0	0	0	0	62,048
862	Escheats	688,495	455,928	330,704	620,640	849,278
863	Abandoned Fund Account	15,362,885	16,537,096	21,184,632	11,757,373	13,462,992
872	State Seminary	0	0	0	0	0
873	Champ W. Smith & Mary C. Smith Memorial Endowment Trust	19,297	20,537	20,330	21,062	21,268
900	Missouri National Guard Trust	0	0	0	0	11,183
904	Agriculture Development	164,387	180,467	161,484	76,686	-60,578
905	Alternative Care Trust	0	0	0	0	0
906	Mined Land Reclamation	366,037	321,068	304,803	402,954	499,294
910	Missouri State Employees' Voluntary Life Insurance	0	0	0	0	0
911	Babler State Park	246,630	284,337	281,006	335,810	292,429
920	School for Blind Trust	43,781	399,400	745,171	1,311,301	1,671,881
922	School for Deaf Trust	0	15,000	0	8,038	0
925	Institution Gift Trust	0	0	5,500	697	10,106
926	Mental Health Institution Gift Trust	6,080,906	6,937,519	6,023,564	5,234,238	7,276,348
927	Department of Health Institution Gift Trust	21,874	20,876	123	0	0

928	Higher Education Institution Gift Trust	0	3,811	8,059	29,649	45,718
929	Secretary of State Institution Gift Trust	96,575	58,510	55,081	53,653	46,963
948	Unemployment Compensation Administration	-174	79	-3,871	-25	-21,611
949	Special Employment Security	4,245,071	981,705	811,942	715,630	847,281
950	Crippled Children	1,817	5,867	28,950	3,420	3,790
951	State Fair Trust	4,496	4,904	4,007	3,890	3,339
952	Aviation Trust	458,456	418,275	428,161	467,588	2,985,393
963	Pansy Johnson-Travis Memorial State Gardens Trust	30,345	36,395	37,868	0	0
969	Prosecuting and Circuit Attorneys' Retirement	4,138	0	0	0	0
	Total State Revenues (TSR)	\$ 5,952,239,457	6,386,936,483	6,908,736,259	7,155,138,374	7,343,678,391

Schedule 2

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
SCHEDULE OF TOTAL STATE REVENUES, BY TYPE

Object Code	Type of Revenue	Year Ended June 30,				
		1995	1996	1997	1998	1999
Taxes:						
Sales and use taxes -						
1001	Sales and use tax	\$ 1,500,216,708	1,572,942,103	1,661,577,698	1,638,007,711	1,597,791,851
1002 (i)	Parks sales and use tax	27,464,734	28,831,212	30,147,296	31,352,894	32,935,172
1003 (h)	Soil and water sales and use tax	27,464,743	28,831,220	30,147,300	31,352,898	32,935,175
1004	GR reimbursement - local use tax	0	0	0	0	79,096,168
1005	Motor vehicle sales and use tax	166,606,905	176,976,510	183,282,751	202,713,704	219,599,654
1007 (u)	Conservation sales and use tax	68,668,633	72,082,941	75,372,032	78,385,982	82,340,252
1008 (b)	Proposition C sales and use tax	546,940,077	573,887,136	599,874,927	623,639,845	655,249,994
1009	Sales and use taxes paid under protest	-500	372,590	330,458	9,423,439	2,176,870
Income taxes -						
1010	Individual income tax	2,870,296,890	3,119,662,175	3,417,345,814	3,772,640,819	4,092,591,906
1011	Individual income taxes paid under protest	34,502	-44,851	52,260	132,709	85,845
1015	Corporate income tax	422,130,243	475,543,706	471,803,854	449,267,624	439,289,076
1016	Corporate income taxes paid under protest	-73,723	1,200,484	-243,289	-594,437	-294,907
Premium taxes -						
1020	County foreign insurance tax	164,815,554	166,069,784	158,043,999	150,357,021	145,801,929
1023	County stock insurance tax	3,305,610	4,635,617	5,293,720	5,312,386	5,457,500
1025	Workers' compensation insurance tax	2,340,213	1,102,132	12,930,619	12,890,246	24,412,634
1030	Workers' compensation insurance tax - second injury	3,406,167	453,685	2,260,522	17,998,969	33,230,373
1032	Excess lines of insurance tax	8,205,283	8,263,241	7,178,036	7,832,193	7,681,185
Commodity taxes -						
1035	Cigarette tax	113,454,810	115,877,272	113,954,350	113,829,230	112,785,479
1040	Heavy beer tax	7,564,576	7,413,845	7,522,370	7,652,979	7,871,069
1045	Light beer tax	85,486	78,097	67,390	61,942	58,753
1047	Liquor tax	13,402,780	13,317,705	13,322,732	13,401,423	14,066,925
1050	Wine tax	2,329,404	2,599,439	2,601,203	2,704,029	2,800,571
Miscellaneous taxes -						
1055	Corporation franchise tax	67,624,527	72,274,454	78,462,670	81,537,660	91,159,167
1060 (c) (n)	Motor vehicle fuel tax	424,360,346	434,673,292	491,041,894	504,631,858	559,590,832
1065 (c) (n)	Special fuel tax	141,024,078	146,173,382	170,151,257	180,374,017	120,953,914
1070	Inheritance tax	73,088,557	57,329,820	82,808,839	100,860,722	120,578,663
1073 (o)	Bingo tax	6,016,548	4,400,745	4,314,178	4,008,145	3,927,639
1074 (p)	Gaming commission receipts tax	0	95,833,764	116,631,782	144,001,648	160,727,218
1080	Incorporation tax	9,440,289	10,101,429	10,741,031	10,395,638	10,986,913
1085	Real and personal property tax	12,503,874	13,543,245	12,433,841	13,803,719	15,124,684
1090	Delinquent real and personal property tax	1,529,197	1,082,614	3,098,424	2,961,617	2,292,324
1094	Miscellaneous taxes paid under protest	0	0	0	0	146
1095	Other taxes	4,017,091	14,694,075	22,267,080	25,555,718	21,982,073
1095 (e)	Other taxes - Lottery	0	252	0	0	0
License, permits, and fees:						
Licenses and permits -						
1100	Professional licenses or permits	12,202,534	13,386,050	14,618,353	13,149,301	14,959,793
1105	Recreational licenses or permits	3,518,910	3,221,729	3,507,553	3,912,627	3,770,000
1108	All-terrain vehicle licenses or permits	330,278	366,280	3,517	4,805	5,217
1110 (c)	Motor vehicle licenses or permits	216,613,049	223,109,380	225,784,047	229,814,047	239,609,478
1113	Driver's licenses or permits	16,733,367	17,902,082	18,660,249	20,536,364	21,487,425
1115	Land reclamation commission permits	279,109	426,668	416,422	377,692	523,367
1117	Salesman licenses or permits	9,256,379	9,664,765	10,400,422	11,981,323	12,815,287
1119	Motor vehicle and boat manufacturer and dealer licenses	922,458	975,585	997,816	859,527	881,314
1120	Liquor licenses or permits	3,388,388	3,452,377	3,535,290	3,537,491	3,619,106
1122	Gaming commission licenses	2,133,548	2,706,346	2,998,949	2,633,356	2,639,534
1125	Beer licenses or permits	20,654	17,405	16,546	14,808	15,284
1130	Motor carrier licenses	3,131,450	2,557,957	2,551,975	2,678,385	2,843,312
1132	Hunting and fishing licenses and permits	20,321,729	21,451,397	25,905,843	18,599,630	24,826,238
1133	Hazardous waste transportation permits	0	0	0	92,865	399,225
1135	Other licenses and permits	7,702,828	8,422,128	9,291,738	9,351,576	9,474,911
Collection fees -						
1140	City sales tax collection fees	10,748,925	11,548,704	11,728,152	12,962,850	13,944,697
1145	County collectors fees	0	6,678	0	3	0
1150	Jackson County cigarette tax collection fees	28,013	28,333	29,753	28,001	29,199
1155	St. Louis County cigarette tax collection fees	48,551	48,696	47,871	46,915	46,734
1160	Financial institution intangible property tax collection fees	464,729	380,695	254,439	234,842	232,480

	Registration fees -					
1170	Motorboat fees	3,415,680	3,667,343	4,694,914	5,140,333	5,351,150
1175	Narcotics and dangerous drugs fees	626,170	632,630	626,150	676,500	673,300
1180	Outboard motor fees	497,515	484,113	0	0	0
1185	Occupational boards fees - individual	991,997	1,051,954	1,034,060	1,053,453	570,501
1186	Occupational boards fees - corporate	160,175	127,096	139,015	143,495	168,000
1187	Nonmotor fuel decal fees	299,652	287,917	273,711	258,588	261,646
1189	Other registration fees	426,405	509,300	509,002	473,979	602,540
	Regulatory fees -					
1190	Athletic (commission) fees	37,622	56,410	177,426	319,173	391,618
1195	PSC/Division of Transportation - regulatory fees	15,302,992	16,603,654	16,512,014	17,584,910	19,803,548
1200	Milk control fees	67,365	59,684	57,799	46,556	76,437
1204	Home health care license fees	180,300	197,400	228,000	213,000	162,000
1205	Nursing home license fees	22,590	19,640	18,130	15,602	17,235
1206	Title V emissions fees	4,360,307	4,010,668	4,286,862	4,135,106	4,485,555
1207	Boarding home license fees	238,413	692,690	749,906	735,087	783,412
1209	Hospital license fees	105,072	107,152	98,664	96,295	96,536
1210	Grain warehouse license fees	55,288	50,893	49,980	50,428	50,806
1211	Missouri primacy fees	2,318,310	2,238,168	2,413,183	2,366,976	2,378,180
1212	Underground storage tank annual participation fees	1,089,231	1,521,791	1,506,037	1,553,954	1,379,907
1213	Transport load fees	18,107	1,234,193	13,073,438	13,638,343	13,584,334
1215	Tourist cabin permit fees	138,229	96,868	124,768	171,966	108,660
1218	New tire fees	1,590,293	1,641,537	1,713,438	1,756,898	1,915,894
1219	Livestock sales and marketing fees	15,725	150	0	0	0
1221	Insurance companies regulatory fees	1,054,906	1,946,490	1,931,466	1,914,979	1,878,059
1222	Air conservation commission permit fees	203,582	310,308	477,569	485,245	298,621
1223	Bingo license fees	135,537	122,072	120,821	103,758	87,566
	Inspection fees -					
1225	Beverage inspection fees	471,889	532,106	491,242	481,415	485,704
1230	Grain warehouse inspection fees	1,364,728	1,305,079	1,713,361	1,462,182	1,422,410
1235	Milk inspection fees	1,512,727	1,483,863	1,461,870	1,390,580	1,427,041
1237	Ice cream products inspection fees	65,309	44,245	38,760	27,710	30,875
1240	Mine inspection fees	61,543	64,604	73,414	79,090	79,776
1245	Mobile home and recreational vehicle inspection fees	426,908	487,188	535,050	534,815	500,392
1249	Oil inspection fees	1,849,263	1,801,916	1,603,507	1,692,286	1,678,959
1253	Other inspection fees	580,846	679,262	716,007	925,826	836,222
	Miscellaneous fees -					
1255	Admission fees	1,224,845	856,156	850,362	913,696	963,906
1257	State auditor fees	423,430	428,807	515,808	734,817	893,928
1260	Secretary of state fees	2,042,609	2,103,117	2,130,122	2,194,018	2,051,185
1262	Savings and loan association fees	394,132	37,314	35,372	35,372	34,527
1263	Grade crossing safety fees	210,090	217,017	0	0	0
1265	Court fees	17,244,125	18,948,444	19,068,093	20,760,582	22,101,149
1267	Financial institutions examination fees	6,962,249	6,943,207	7,386,374	7,417,667	6,987,414
1268	Consumer finance license fees	246,275	268,900	317,425	381,525	593,525
1270	Institutional support fees	811,815	840,035	115,005	71,971	52,539
1275	Land survey fees	2,259,370	2,366,477	2,501,984	2,745,789	3,461,137
1282	Marketing development fees	8,935,485	9,515,159	10,906,547	9,815,567	439,942
1285	Miscellaneous insurance fees	3,095,598	2,122,278	2,138,781	336,626	372,104
1285 (y)	Miscellaneous insurance fees - Fund 626	0	0	0	2,247,871	2,870,508
1287	Gaming commission fees	1,165,440	6,468,169	6,173,978	6,462,499	123,208
1287 (p)	Gaming commission fees - Admission fees excluded	12,608,261	22,297,394	31,904,943	39,509,717	40,689,436
1290	Motor vehicle inspection sticker fees	4,028,411	4,146,514	4,160,557	4,211,327	4,176,488
1291	Hunting and fishing tag fees	1,177,346	1,163,143	1,203,458	1,234,293	1,435,463
1293	Public defender fees	328,472	647,409	429,399	646,431	989,944
1296	County recorders fees	3,118,225	4,262,538	4,390,182	4,837,415	5,774,246
1297	Other fees	24,912,537	25,608,894	29,867,818	32,215,808	32,389,387
1297 (e)	Other fees - Lottery	44,592	115,284	145,090	81,506	105,778
	Sales:					
1305 (d)	Bond sales	105,219,799	0	160,000,000	85,270,126	0
1310	Land sales	1,521,315	2,855,015	1,786,479	1,280,032	3,050,617
1315	Natural resources sales	1,648,300	1,551,477	1,928,865	2,187,523	2,928,587
1320	Agriculture sales	1,368,864	954,432	1,387,826	1,936,122	1,664,596
1325	Commodity sales	663,883	474,683	395,710	308,329	293,368
1330	Information sales	5,551,054	5,791,902	5,758,040	4,656,064	4,417,064
1340	Surplus property sales - state	9,221,262	9,902,391	8,824,226	9,145,474	8,607,322
1340 (e)	Surplus property sales - state - Lottery	50,705	191,125	101,516	99,571	103,185
1341	Surplus property sales - federal	11,163	31,699	27,398	14,775	44,998
1343	Unclaimed property sales	0	0	0	738	0
1344	Sales of fixed assets	0	0	28,500	1,945	4,079
1345	Vital records sales	1,939,188	1,794,726	1,308,634	1,167,305	1,180,599
	Working Capital Revolving Fund sales -					
1346 (g)	Intragovernmental	17,584,686	22,785,926	28,736,005	35,303,959	26,586,333

1346	(e)	Intragovernmental - Lottery	0	0	1,969	0	0
1347		External	1,336,076	1,786,804	1,659,819	1,741,105	2,129,365
1348	(e)	Instant game ticket sales	81,858,017	91,018,456	95,085,120	111,662,147	104,481,103
1349	(e)	Lotto ticket sales	155,675,399	144,410,037	140,392,242	152,846,421	168,201,949
1350		Other sales	2,616,845	4,525,050	2,198,796	2,786,099	3,061,741
1350	(e)	Other sales - Lottery	0	0	150	0	0
Leases and rentals:							
1425		Office and parking rentals and leases	276,174	280,604	493,628	504,036	315,610
1435		Concessions and recreational rentals and leases	2,201,137	2,049,831	2,224,635	2,365,241	2,611,204
1440		Housing rentals and leases	17,615	132,151	272,056	273,940	317,963
1450		Other leases and rentals	3,657,353	5,248,479	3,766,771	4,276,053	4,708,059
Services:							
Medical services -							
1470	(a)	Managed care - Medicaid	0	84,717	325,873	76,038	314,987
1472		Managed care - Other	0	-1,752	0	0	222,502
1475	(a)	Hospital services - Medicare	5,276,563	8,035,839	4,476,075	5,070,578	6,032,770
1477	(a)	Hospital services - Medicaid	205,679,465	107,073,018	181,708,691	180,612,347	179,084,728
1479		Hospital services - other insurance	2,993,617	3,076,603	1,786,822	1,954,458	1,403,036
1481		Hospital services - private payments	7,211,360	6,537,551	6,447,658	6,906,480	6,447,187
1483		Hospital services - county court payments	887	12,093	38,505	213,423	31,137
1485	(a)	Professional services - Medicare	2,816,995	2,094,605	2,442,939	2,163,739	2,158,578
1487	(a)	Professional services - Medicaid	435	5,899	0	0	0
1489		Professional services - other insurance	230,721	183,080	172,285	147,777	85,260
1491		Professional services - private payments	320,086	397,574	424,859	408,498	429,995
1493		Professional services - county court payments	678	4,653	0	0	0
1494	(g)	State facility modification services	0	0	408,829	656,607	772,697
1495	(g)	OA revolving trust fund services	37,243,729	41,631,934	49,732,062	73,314,576	81,289,647
1497	(g)	Central check mailing service revolving fund services	42,554	47,642	47,554	49,650	52,844
1498	(g)	Central supply services	2,061,368	1,650,161	1,219,951	101,718	72,194
1499	(g)	Natural resources revolving services	28,265	382,206	1,276,710	2,151,289	2,177,124
1500	(g)	Revolving fund services	0	0	0	1,101,676	2,161,768
Contributions and intergovernmental receipts:							
1505		Donations - private or community donations	1,945,814	3,037,234	2,822,028	3,488,581	4,981,606
Federal receipts -							
1510	(a)	Health grants	142,585,458	151,930,415	146,250,014	156,144,040	161,677,718
1510	(l)	Health grants - Fund 905	0	439	540	0	0
1511	(a)	National forest timber grants	2,089,031	2,329,509	2,637,899	1,985,152	2,363,853
1512	(a)	U.S. flood control grants	454,708	566,029	742,423	815,277	743,540
1513	(a)	Adjutant General grants	6,902,025	9,125,625	9,626,254	9,815,410	13,312,839
1514	(a)	Environmental grants	47,481,460	66,901,172	57,231,957	50,800,353	51,697,478
1515	(a)	Education grants	388,479,231	383,864,074	412,821,223	459,376,094	499,134,037
1520	(a)	Public assistance grants	2,083,534,317	2,176,156,876	2,146,446,705	2,521,766,382	2,912,621,605
1525	(a)	Recreational grants	245,611	71,576	170,407	325,447	217,211
1530	(a)	Construction grants	8,895	20,416	0	1,625	0
1535	(a)	Other grants	233,459,212	216,966,701	180,194,048	185,178,404	205,599,931
1550	(a)	Federal reimbursements	529,882,164	455,062,633	479,041,135	490,564,495	524,725,639
1560	(a)	Interagency receipts	32,224,873	42,941,505	36,016,034	47,422,773	49,184,127
1565	(y)	Defaulted loan buyouts and advances	19,938,448	29,592,325	32,168,856	38,140,085	30,079,468
1569	(a)	Other miscellaneous receipts - federal	96,429,846	82,960,776	86,701,369	78,283,646	75,946,793
Other contributions and Intergovernmental receipts (nonfederal) -							
1570	(g)	Interagency receipts	71,866,488	76,089,182	84,746,397	89,929,286	102,537,868
1585		Other contributions or intergovernmental receipts	16,173,361	17,191,651	15,266,800	15,004,381	17,833,390
Interest, penalties, and unclaimed properties:							
1615		Time deposit interest	9,584,101	17,516,605	19,893,706	19,647,661	20,001,311
1615	(b)	Time deposit interest - Fund 688	232,743	324,657	313,930	300,250	333,170
1615	(e)	Time deposit interest - Fund 657	102,825	152,525	133,507	103,864	167,070
1615	(h)	Time deposit interest - Fund 614	213,226	234,023	164,798	86,754	90,333
1615	(i)	Time deposit interest - Fund 613	98,216	154,833	150,362	126,757	128,427
1615	(l)	Time deposit interest - Fund 905	12,763	19,588	16,068	13,609	13,031
1615	(o)	Time deposit interest - Fund 289	30,822	41,699	42,279	46,127	61,803
1615	(p)	Time deposit interest - Fund 285	91,514	585,882	247,689	60,392	66,231
1615	(q)	Time deposit interest - Fund 963	0	0	0	4,872	5,523
1615	(u)	Time deposit interest - Fund 609	0	0	0	65,208	84,538
1615	(y)	Time deposit interest - Fund 626	0	0	0	320,494	270,232
1615	(y)	Time deposit interest - Fund 851	0	0	0	0	109,724
1625		U. S. securities interest	82,495,800	112,687,360	140,764,110	161,189,015	159,256,032
1625	(b)	Time deposit interest - Fund 688	1,744,057	1,862,716	1,923,039	2,184,639	2,251,694
1625	(e)	Time deposit interest - Fund 657	784,460	887,955	829,734	741,698	1,146,957
1625	(h)	Time deposit interest - Fund 614	1,589,400	1,370,818	1,020,145	630,518	604,166
1625	(i)	Time deposit interest - Fund 613	747,332	890,127	926,055	920,088	878,354
1625	(l)	Time deposit interest - Fund 905	96,870	113,491	98,575	99,383	89,458
1625	(o)	Time deposit interest - Fund 289	227,016	241,734	259,122	329,903	422,865
1625	(p)	Time deposit interest - Fund 285	771,458	3,290,089	1,528,494	409,570	469,868

1625	(q)	Time deposit interest - Fund 963	0	0	0	35,338	37,638
1625	(u)	Time deposit interest - Fund 609	0	0	0	476,825	544,571
1625	(y)	Time deposit interest - Fund 626	0	0	0	2,325,629	1,740,242
1625	(y)	Time deposit interest - Fund 851	0	0	0	0	840,926
1630		Delinquent taxes interest	93,189	52,350	63,546	64,138	75,970
1637		Interest on loans	291,209	326,308	485,462	457,555	241,708
1640		Other interest	1,090,712	601,576	798,136	1,947,906	1,777,493
1640	(b)	Other interest - Fund 688	47,605	108,813	84,975	117,109	165,926
1640	(h)	Other interest - Fund 614	2,391	5,468	4,271	5,891	8,348
1640	(i)	Other interest - Fund 613	2,391	5,468	4,271	5,891	8,348
1640	(p)	Other interest - Fund 285	7,294	20,586	11,424	18,769	24,031
1640	(q)	Other interest - Fund 963	0	0	0	1,120	1,196
1640	(u)	Other interest - Fund 609	0	0	0	9,323	13,230
1640	(y)	Other interest - Fund 626	0	0	0	84,285	113,191
1645		Penalties - penalties and court awards	11,206,759	7,789,762	8,334,746	15,595,343	13,941,904
1645	(e)	Penalties - penalties and court awards - Lottery	0	0	0	0	0
1650		Estates	417,470	407,884	251,658	582,332	638,496
1665		Other unclaimed properties	15,422,817	16,594,852	21,251,390	16,186,636	18,842,289
Refunds:							
1700	(f)	Salary refunds	476,461	545,339	551,879	580,423	453,199
1700	(e)	Salary refunds - Lottery	0	1,084	0	0	0
1705	(f)	Old age assistance pension refunds	0	0	0	0	0
1710	(f)	General relief pension refunds	5,523,552	6,037,376	4,821,368	3,227,525	3,277,364
1715	(f)	Aid to Disabled pension refunds	0	66	0	0	0
1720	(f)	Blind pension refunds	1,214	1,130	10,660	3,435	15,924
1725	(f)	Dependent children pension refunds	460,594	558,368	580,810	681,834	1,806,395
1730	(f)	Day care refunds	75,387	33,959	54,590	69,476	80,438
1735	(f)	Medicare - medicaid refunds	69,785,994	67,635,106	72,917,011	84,292,233	103,436,122
1740	(f)	Cost in criminal cases refunds	81,383	117,075	129,811	143,651	163,031
1745	(f)	Vendor refunds	2,053,606	1,965,360	1,573,916	1,956,888	1,940,718
1745	(e)	Vendor refunds - Lottery	55,960	3,072	35,938	9,260	4,372
1745	(o)	Vendor refunds - Bingo	0	0	0	0	88
1750	(f)	Refunds from political subdivisions	443,425	352,954	102,623	128,718	97,476
1755	(f)	School refunds	4,220,711	4,647,105	7,389,300	8,972,442	7,739,295
1760	(f)	Miscellaneous highway department refunds	4,924,902	3,433,944	2,552,507	3,930,413	3,703,472
1765	(f)	Other refunds	26,126,303	27,213,983	46,884,752	16,666,100	12,031,336
1765	(e)	Other refunds - Lottery	0	0	0	0	0
1765	(y)	Other refunds - Fund 626	0	0	0	22,278,790	24,174,558
Miscellaneous receipts:							
1800	(k)	Outlawed checks	2,507,656	3,061,127	2,501,963	3,481,102	5,881,891
1800	(e)	Outlawed checks - Lottery	2,190	362	3,678	740	1,233
1800	(l)	Outlawed checks - Fund 905	4,237	5,407	3,870	3,658	3,748
1800	(y)	Outlawed checks - Fund 626	0	0	0	263	1,330
1802	(r)	Canceled checks	0	0	0	24,020	52,564
1804	(s)	Redeposit of state funds	0	0	0	4,080	1,351
1805	(j)	Redeposit of investment principal	9,173,790	15,113,621	11,725,349	9,396,483	14,398,546
1807	(m)	Redeposit of loan principal	2,218,108	2,873,778	43,399,046	10,035,757	20,613,258
1808		Deposit of surplus property funds	0	0	0	0	84,572
1809		Telephone commissions	3,643,002	11,740,727	9,750,416	12,066,526	13,122,902
1810		Other miscellaneous receipts	15,068,951	16,349,300	12,484,191	8,689,070	7,003,295
1810	(e)	Other miscellaneous receipts - Lottery	50	306	50	0	100
1810	(l)	Other miscellaneous receipts - Fund 905	9,315,334	9,237,109	9,260,078	8,536,808	8,133,130
1810	(y)	Other miscellaneous receipts - Fund 626	0	0	0	81,535	26,287
1816		Inmate housing receipts	29,566	104,924	286,226	275,644	2,640,113
1817	(v)	State employee expense reimbursement	351	64,967	-57,612	35,562	2,798
1818	(w)	Recovery costs	58,338,205	72,882,493	79,626,339	67,014,922	66,103,879
1818	(e)	Recovery costs -Lottery	0	60,390	42,804	125	704
1818	(l)	Recovery costs - Fund 905	69,850	75,150	0	0	684
1818	(p)	Recovery costs - Fund 285	0	0	0	0	295
1818	(l)	Recovery costs - Professional Registration	0	0	0	0	539,494
1819	(x)	Cost reimbursements	33,632,944	19,144,309	18,379,206	18,172,648	33,779,776
1819		Cost reimbursements - Riverboat Gaming	0	0	0	0	7,668,300
1820		Bond account	4,360,131	3,729,610	3,947,452	2,465,266	2,641,429
1820	(e)	Bond account - Lottery	108,498	109,370	109,715	108,375	108,704
1821	(t)	Loan proceeds	0	0	0	48,424,243	3,883,913
Total Revenues			11,837,159,779	12,308,495,799	13,225,697,550	14,162,443,978	15,076,688,023
Exclusions:							
(a)		Federal funds	-3,797,488,737	-3,735,783,710	-3,779,001,902	-4,190,401,801	-4,684,815,834
(b)		Proposition C sales and use tax/interest	-548,964,482	-576,183,322	-602,196,870	-626,241,843	-658,000,784
(c)		Proposition A gas tax and license fee increases	-156,801,130	-160,030,224	-162,129,652	-165,120,958	-166,879,447
(d)		Bond sales	-105,219,799	0	-160,000,000	-85,270,126	0
(e)		Lottery	-238,682,696	-236,950,218	-236,881,512	-265,653,707	-274,321,155
(f)		Refunds	-114,173,532	-112,541,765	-137,569,227	-120,653,138	-134,744,770

(g)	Interagency sales and receipts	-128,798,825	-142,587,051	-166,167,508	-202,608,761	-215,650,475
(h)	Soil and water sales and use tax/interest	-29,269,758	-30,441,529	-31,336,514	-32,076,061	-33,638,022
(i)	Parks sales and use tax/interest	-28,312,673	-29,881,640	-31,227,984	-32,405,630	-33,950,301
(j)	Redeposit of investment principal	-9,173,790	-15,113,621	-11,725,349	-9,396,483	-14,398,546
(k)	Outlawed checks	-2,507,656	-3,061,127	-2,501,963	-3,481,102	-5,881,891
(l)	Alternative Care Trust Fund	-9,499,054	-9,451,184	-9,379,131	-8,653,458	-8,240,051
(m)	Redeposit of loan principal	-2,218,108	-2,873,778	-43,399,046	-10,035,757	-20,613,258
(n)	Amendment 8 motor fuel tax to local governments	-109,921,832	-118,268,947	-139,026,185	-141,692,422	-142,360,295
(o)	Bingo	-6,253,704	-4,684,178	-4,615,579	-4,384,175	-4,412,395
(p)	Riverboat Gambling	-69,224,542	-122,027,715	-150,324,332	-184,000,096	-201,977,079
(q)	Pansey Johnson-Travis Memorial State Gardens Trust	0	0	0	-41,330	-44,357
(r)	Cancelled checks	0	0	0	-24,020	-52,564
(s)	Redeposit of state funds	0	0	0	-4,080	-1,351
(t)	Loan proceeds	0	0	0	-48,424,243	-3,883,913
(u)	Conservation sales and use tax/interest	0	0	0	-78,937,338	-82,982,591
(v)	State employee expense reimbursement	-351	-64,967	57,612	-35,562	-2,798
(w)	Recovery costs	-58,338,205	-72,882,493	-79,626,339	-67,014,922	-66,103,879
(x)	Cost reimbursements	-33,632,944	-19,144,309	-18,379,206	-18,172,648	-33,779,776
(y)	State Guaranty Student Loan Fund	0	0	0	-65,478,952	-60,226,466
	Total Revenues after Exclusions	6,388,677,961	6,916,524,021	7,460,266,863	7,802,235,365	8,229,726,025
	Less expenditure refunds (Schedule 3)	0	0	0	0	0
	Total State Revenues (TSR)	\$ 6,388,677,961	6,916,524,021	7,460,266,863	7,802,235,365	8,229,726,025

Schedule 3

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
SCHEDULE OF EXPENDITURE REFUNDS, BY TYPE

Object Code	Type of Expenditure Refund	Year Ended June 30,				
		1995	1996	1997	1998	1999
2530	Expense and equipment - miscellaneous refunds	\$ 1,276,309	1,521,137	7,718,935	1,980,545	4,028,216
2905	Sales tax refunds	17,392,843	15,387,532	23,709,060	37,632,112	47,065,832
2906	Local use tax refunds	0	0	0	0	79,096,174
2910	Motor vehicle sales tax refunds	1,499,726	1,400,723	1,552,623	3,348,218	3,066,023
2915	Motor vehicle use tax refunds	736,243	614,653	666,653	1,041,866	801,397
2920	Conservation sales tax refunds	45,572	42,724	47,510	0	0
2925	Boat tax refunds	6,848	10,025	8,827	4,792	3,026
2930	Individual tax refunds	315,882,653	359,807,319	358,940,695	376,402,881	415,815,449
2935	Senior citizens tax refunds	19,366,149	19,089,661	20,307,479	21,420,485	52,349,329
2940	Corporation tax refunds	73,161,723	64,612,413	72,489,256	92,972,439	182,959,771
2945	Franchise tax refunds	5,572,591	5,041,392	4,165,018	5,894,665	6,736,337
2950	Regular fuel tax refunds	18,031,576	15,029,407	12,975,589	17,047,605	17,286,735
2955	Special fuel (non-gasoline) tax refunds	19,038,400	19,840,175	25,967,303	28,938,038	25,044,526
2960	Inheritance tax refunds	1,165,379	1,444,205	1,649,218	1,518,947	1,909,027
2965	Motor vehicle license fee refunds	633,366	791,461	608,659	791,611	656,722
2970	Drivers license fee refunds	94,408	106,726	102,504	113,804	167,037
2975	Other tax refunds	12,712,765	17,337,825	12,677,706	44,839,290	34,182,049
	Cash Management Improvement Act	0	0	0	1,609,601	1,781,779
	Unclaimed property	0	0	0	4,315,881	5,326,361
2980	Miscellaneous refunds	5,567,968	7,510,160	7,943,569	7,224,211	7,771,844
	Total Expenditure Refunds	\$ 492,184,519	529,587,538	551,530,604	647,096,991	886,047,634

BACKGROUND, METHODOLOGY, AND CONCLUSIONS

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 BACKGROUND, METHODOLOGY, AND CONCLUSIONS

The following identifies the various components of the amendment and the application of the amendment to state revenues.

Formula

Article X, Section 18(a) of the Constitution of Missouri establishes the revenue limit formula as follows:

Revenue limit FY 19XX	=	$\frac{\text{TSR in FY 1981}}{\text{CY 1979 Missouri personal income (MPI)}}$	X	The greater of Missouri for Personal Income (MPI) in the calendar year (CY) prior to the CY in which appropriations are made for FY 19XX or Average MPI for three CYs preceding FY 19XX.
--------------------------	---	---	---	--

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) ensures that 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 does not adjust the BYR for changes already made or for future changes or adjustments to this amount by DOC. Article X, Section 17(2) refers to “. . . total income . . . as defined and officially reported by” DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests that the BYR should be adjusted whenever CY 1979 MPI is adjusted by DOC. The use of the initial reporting of MPI does provide an unchanging BYR for future years, which provides at least two benefits. First, 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 so long as it is followed consistently.

As with the BYR, the OA-BP uses the MPI first officially published by DOC after the close of the CY to calculate the revenue limit for the applicable fiscal year. For the reasons expressed in the preceding paragraph, we find this approach reasonable so long as it also is followed consistently.

The BYR was calculated by the OA-BP as follows:

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

In its calculations of the revenue limit the OA-BP rounded the BYR to .056395.

Article X, Section 18(b) allows the state to exceed the revenue limit by 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.

Adjustments

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

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo 1996, which was effective on July 1, 1981. In past years the SAO disagreed with this adjustment because state funding of these salaries was required by statute instead of by consequence of constitutional amendment. In addition, the Judicial Article Amendment was effective on August 3, 1976, which was prior to the time the Hancock Amendment was adopted by the voters on November 4, 1980. The Supreme Court ruled in its decision on January 27, 1998, that an adjustment to the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll is appropriate.

Composition of Total State Revenues

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

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

A. Federal Funds

Article X, Section 17 specifically excludes federal funds.

B. 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, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded.

C. Proposition A Gas Tax and License Fee Increases

In April 1987, the voters approved Proposition A, which increased the motor fuel tax by four 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.

D. Bond Sales

An attorney general opinion concluded that proceeds of the state's general obligation bonds were not to be included in TSR.

E. Lottery

In November 1984, the voters approved Article III, Section 39(b) of the 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.

F. Refunds

Refunds received due to the overpayment of obligations by the state, as identified by certain revenue object codes, are excluded.

G. 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 object codes, are excluded.

- H. Soil and Water Sales and Use Tax\Interest
and
- I. 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) 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.

- J. Redeposit of Investment Principal

The redeposit of investment principal is excluded.

- K. Outlawed Checks

Outlawed checks, which are state checks that were not cashed by the payee within the time allowed, are redeposited in the state treasury and are excluded.

- L. Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo 1994. The Division of Family 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 Division of Veteran's Affairs hold funds in trust for inmates and patients; however, these funds are not in the state treasury and are not included in TSR. 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.

- M. Redeposit of Loan Principal

Redeposits of loan principal are excluded.

- N. Amendment 8 Motor Fuel Tax to Local Governments

In August 1992, the voters approved an amendment to Article IV, Section 30(a) which revised the apportionment of the motor fuel tax. In addition, the amendment provided that beginning July 1, 1993, the net proceeds of fuel taxes allocated to local governments is excluded from TSR. Since the voters approved this revised allocation of the fuel tax, the fuel tax allocated to local governments is excluded.

- O. Bingo

The August 1992 amendment to Article III, Section 39(d) 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 1994 requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.

P. Riverboat Gambling

In August 1992, the voters approved an amendment to Article III, Section 39(d) of the Missouri Constitution. This constitutional amendment requires that all state gaming revenues must be appropriated for public education and excludes these revenues from TSR.

In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming which had been enacted by voters as Proposition A in November 1992.

Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d) 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) of the 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, et. al., 984 S.W. 2d 540 (Mo. App. 1998). The Missouri Court of Appeals, Western District ruled that revenue from the one dollar portion of the state imposed two dollar admission fee that is remitted to the "home dock city or county" is not included in TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR.

Q. Pansey 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.

R. Canceled Checks

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

S. 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.

T. Loan Proceeds

The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.

U. Conservation Sales and Use Tax/Interest

Pursuant to the Supreme Court decision in Conservation Federation of Missouri, et. al., v. Richard Hanson, et. al., 994 S.W. 2d 27 (Mo. Banc. 1999), the revenue derived from the one-eighth of one percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.

V. 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.

W. Recovery Costs (See Items Open to Interpretation)

Monies received from others for costs incurred by the state or to be incurred by the state are excluded.

X. Cost Reimbursements (See Items Open to Interpretation)

Monies received from other governments for reimbursements of costs incurred by the state are excluded.

Y. State Guaranty Student Loan Fund

Federal legislation in August 1997 made changes in the accounting required for federal education loans. Starting in state fiscal year 1998, the federal government considers all monies in this fund as property of the federal government. As a result, the state excludes the entire fund from TSR as funds held in trust for the federal government.

Expenditure Refunds

According to Article X, Section 17(1), total state revenue 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. The SAO had consistently used the appropriation basis to measure refunds. As a result, a difference existed. However, in its decision of January 27, 1998, the Supreme Court indicated that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. As a result, the SAO changed its calculation of expenditure refunds to the cash basis.

Cash Management Improvement Act

The state has to enter into an agreement with the federal government which 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.

Unclaimed Property

Under Section 447.543, RSMo Cumulative Supp. 1999, 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.

Items Open to Interpretation

The state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. The constitution does not specifically mention cost reimbursements and recovery costs. We agreed with such exclusions in prior years because from an accounting standpoint, they may not be considered revenue. However, recent court decisions during 1998 have brought up issues that make it uncertain as to whether these receipts should be excluded. The Supreme Court decision in Kelly v. Hanson, et. al., 959 S.W. 2d 107 (Mo. 1998) on January 27, 1998, indicated the calculation of TSR presents unique financial related legal requirements (as opposed to treatment from an accounting standpoint), when the court determined that funds collected by the state may not be considered revenue in the context of TSR unless the funds are received into the state treasury and the funds are subject to appropriation. Receipts from cost reimbursements and recovery costs meet the Supreme Court's two-part test noted above. In addition, on November 24, 1998, the Missouri Court of Appeals, Western District entered a final decision in Kelly v. Hanson, et. al., 984 S.W. 2d 540 (Mo. App. 1998) which ruled that revenue from the payments to the state to recoup public safety and regulatory enforcement costs for gaming riverboats is included in TSR. These recoupments from the gaming riverboats are coded as cost reimbursements by the state and have been properly included in TSR by the state. However, it is uncertain whether all other revenue from recovery costs and cost reimbursements should be included based on the courts' decisions. Although we have also excluded these receipts in our calculations of TSR, we consider these items open to interpretation and we will continue to review these issues.

This report is intended for the information of the office's management and other applicable state government officials. However, this report is a matter of public record and its distribution is not limited.

APPENDIX

ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
(ADOPTED NOVEMBER 4, 1980, AMENDED APRIL 2, 1996*)

TAXATION

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

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

(1) **“Total state revenues”** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.

(2) **“Personal income of Missouri”** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.

(3) **“General price level”** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized. (a). There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the fiscal year for which the calculation is being made, or 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).1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase shall be measured by 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 the effective date of this section that increase the rate of any existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

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

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

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

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

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.

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 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 subdivisions shall have standing to bring suit in a circuit court of proper venue and additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through

22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

Section 24. Voter approval requirements not exclusive-- self-enforceability. (a). The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

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

* The 1996 amendment added Section 18(e).

* * * * *