



Office of Missouri State Auditor
Nicole Galloway, CPA

ADMINISTRATION
Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2017

Report No. 2018-036

June 2018

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

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

Background

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

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

Section 18(e) requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the OA-BP, the relevant annual revenue limit for fiscal year 2017 was \$101.5 million.

Fiscal Year 2017 Conclusions

For the fiscal year ended June 30, 2017, total state revenue was approximately \$4.2 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2017. This revenue limit has not been exceeded since the year ended June 30, 1999.

In addition, the OA-BP determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by a total of \$2.3 million, which is under the revenue limit of \$101.5 million. The projected net increase does not include 4 bills for which the Section 18(e) fiscal impact could not be projected. Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

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

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

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NICOLE GALLOWAY, CPA **Missouri State Auditor**

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

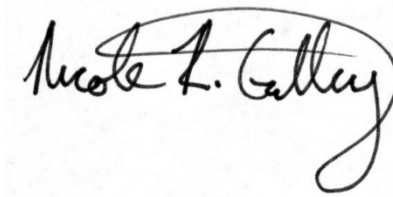
We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2017, and the application to those revenues of Article X, Section 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We previously reported on revenues of the state for the years ended June 30, 1982 through 2016. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

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

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

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

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

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

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA
Audit Manager:	Jeffrey Thelen, CPA, CISA
Audit Manager:	Josh Allen, CPA, CFE
Audit Staff:	Jeffrey Roberts, CISA

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

Executive Summary

Executive Summary

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

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

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

For the year ended June 30, 2017, total state revenue (TSR) was approximately \$4.2 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2017. This revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years, the amount of TSR under the refund threshold has ranged from \$3.6 billion to \$4.2 billion.

Tax and fee increases Section 18(e)

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

For the year ended June 30, 2017, the Office of Administration, Division of Budget and Planning (OA-BP) determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by a total of \$2.3 million, which is under the tax and fee increase revenue limit of \$101.5 million. The projected net increase does not include 4 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit is determined by measuring the aggregate actual new annual revenues produced in the first fiscal year each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

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

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

Background, Methodology, and Conclusions

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

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

Total State Revenue Section 18(a-d)

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

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

Calculation

The table below summarizes the calculated TSR, revenue limits, refund thresholds, and refund calculations for the 5 years ended June 30, 2017.

	Year Ended June 30,				
	2013	2014	2015	2016	2017
	(in millions)				
TOTAL STATE REVENUE (TSR)					
Total revenues	\$ 24,736.17	24,616.14	25,845.98	26,737.22	27,249.91
Less excluded revenue	(14,050.75)	(13,878.69)	(14,442.15)	(15,019.33)	(15,326.03)
Less expenditure refunds	(1,240.31)	(1,328.25)	(1,278.49)	(1,459.78)	(1,474.61)
Add refundable tax credits	17.21	19.19	24.22	29.83	53.62
TSR	\$ 9,462.32	9,428.39	10,149.56	10,287.94	10,502.89
Missouri personal income (MPI)	\$ 228,218.00	235,661.00	245,771.39	252,482.44	257,338.33
Base year ratio (BYR)	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	12,870.35	13,290.10	13,860.28	14,238.75	14,512.60
Judicial article amendment	51.50	51.86	52.42	52.70	53.75
Revenue limit	12,921.85	13,341.96	13,912.70	14,291.45	14,566.35
1 percent adjustment	129.22	133.42	139.13	142.91	145.66
Refund threshold	\$ 13,051.07	13,475.38	14,051.83	14,434.36	14,712.01
TSR	\$ 9,462.32	9,428.39	10,149.56	10,287.94	10,502.89
Less refund threshold	13,051.07	13,475.38	14,051.83	14,434.36	14,712.01
Over (under) threshold	(3,588.75)	(4,046.99)	(3,902.27)	(4,146.42)	(4,209.12)
1 percent adjustment	0.00	0.00	0.00	0.00	0.00
Refund	\$ 0.00	0.00	0.00	0.00	0.00



Review of Article X, Sections 16 Through 24,
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The calculation shows for the year ended June 30, 2017, TSR was approximately \$4.2 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2017. This revenue limit has not been exceeded since the year ended June 30, 1999.

Revenue limit formula

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

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

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

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

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

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

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



Review of Article X, Sections 16 Through 24,
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The BYR was calculated by the OA-BP as follows (dollar amounts are in millions):

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

In its calculations of the revenue limit, the OA-BP rounded the BYR to .056395. To determine the revenue limit for the fiscal year, this amount is multiplied by the MPI in the calendar year preceding the calendar year in which appropriations were made for the fiscal year or the average MPI for the 3 calendar years preceding the fiscal year. For the fiscal year 2017 revenue limit calculation, the OA-BP used the CY 2015 MPI which was greater than the average MPI for the preceding 3 calendar years.

Adjustments

Section 18(d) provides the revenue limit may be adjusted, ". . . 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, effective on July 1, 1981. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that this adjustment to the revenue limit is appropriate.

Refund threshold

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

TSR

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

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not



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included in TSR. These funds include university local funds; local sales and use tax fund collections made by the Department of Revenue; various funds held in trust for inmates, patients, etc.; and various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and not appropriated. Thus, it is reasonable to conclude these funds should not be included in TSR.

From the revenue amounts obtained from SAM II, 7 funds are entirely excluded and 25 types of revenues are excluded to arrive at TSR, as defined in Section 17(1). These excluded funds and revenue types, and other exclusions and limits considered to arrive at TSR are described at Appendix C. A detailed schedule of SAM II revenue, adjustments for excluded funds and revenue types and other exclusions and limits, and resulting TSR for the 5 years ended June 30, 2017, is shown at Appendix A.

Tax and Fee Increases Section 18(e)

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

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

The OA-BP calculates the limits and monitors new legislation for tax and fee increases and decreases for each legislative session.

Calculation

The following table summarizes the OA-BP's annual projected net increases/decreases from legislative actions based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, calculated revenue limits, and projected amounts over/under revenue limits for the 5 years ended June 30, 2017.



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	Year Ended June 30,				
	2013	2014	2015	2016	2017
LEGISLATIVE ACTIONS*					
Net tax and fee increases/decreases	\$ 28,637,998	At least (619,541,539)	(20,823,150)	Up to 127,712,253	2,272,090
REVENUE LIMIT					
By MPI growth	\$ 106,086,662	110,160,390	115,701,458	117,529,541	120,291,485
By 1 percent of TSR	\$ 84,244,171	87,556,705	94,623,204	94,283,895	101,495,508
Revenue limit (lesser amount)	\$ 84,244,171	87,556,705	94,623,204	94,283,895	101,495,508
DIFFERENCE					
Over (under) limit	\$ (55,606,173)	N/A	N/A	Up to 33,428,358	(99,223,418)

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

For the year ended June 30, 2017, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by a total of \$2.3 million, which is under the tax and fee increase revenue limit of \$101.5 million. As noted in the Legislative actions section, the projected net increase does not include 4 bills for which the Section 18(e) fiscal impact could not be projected. As noted in the Compliance section, actual compliance can be determined after each bill is fully effective. The 2016 legislative session was the only year the limit has been projected to be exceeded.

Revenue limit formula

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

For fiscal year 2017, the OA-BP calculated the MPI growth limit at \$120.3 million by multiplying the fiscal year 2016 MPI growth limit (\$117.5 million) by the percentage change in the MPI for fiscal year 2015 (2.35%). The OA-BP calculated the TSR limit at \$101.5 million by multiplying the fiscal year 2015 TSR (\$10.15 billion) by 1 percent. The revenue limit was established at the lesser of these amounts, or the TSR limit of \$101.5 million.

Legislative actions

After each legislative session, OA-BP personnel prepare a spreadsheet to quantify the potential fiscal impact of tax and fee increases and decreases from legislation enacted during the session. In accordance with Section 18(e), the OA-BP includes each House Bill and Senate Bill truly agreed and finally passed during the session, except bills vetoed by the governor and not overridden by the general assembly, and the estimated fiscal impact amount.



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

The OA-BP legislative actions spreadsheet for the fiscal year 2017 legislative session included 54 bills, 13 of which the OA-BP determined had potential Section 18(e) fiscal impact.

Compliance

Section 18(e)(4) provides compliance with Section 18(e) shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year each individual tax or fee change is fully effective. For the fiscal year 2017 legislative session, actual compliance can be measured after each 2017 legislative session bill is fully effective.

Section 18(e)(5) provides any taxpayer or statewide elected official may bring action under Section 23 of the Hancock Amendment to enforce compliance with the provisions of Section 18(e). For actions brought by any statewide elected official, the Missouri Supreme Court shall have original jurisdiction. In such enforcement actions, the court shall invalidate the taxes and fees that should have received a public vote. The court shall order remedies in the amount of excess revenues collected, such as refunds or reductions in future taxes and/or fees.

Conclusions

TSR

For the year ended June 30, 2017, TSR was approximately \$4.2 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2017. This revenue limit has not been exceeded since the year ended June 30, 1999.

Tax and Fee Increases

For the year ended June 30, 2017, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by a total of



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\$2.3 million, which is under the revenue limit of \$101.5 million. The projected net increase does not include 4 bills for which the Section 18(e) fiscal impact could not be projected.

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

Appendix A

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

Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
1001		Sales and use tax	\$ 1,956,108,763	1,977,037,033	2,013,256,448	2,109,630,089	2,143,671,908
1003	(8)	Parks sales and use tax	41,011,615	42,830,073	44,211,573	46,171,505	46,830,973
1005	(7)	Soil and water sales and use tax	41,011,618	42,830,077	44,211,575	46,171,508	46,830,977
1007		General revenue reimbursements - local sales and use tax	1,710,168	1,650,259	2,749,261	2,228,574	2,664,200
1009		Motor vehicle sales tax	3,013,954	4,090,999	5,060,318	4,722,745	5,401,164
1009	(24)	Motor vehicle sales tax - Amendment 3	200,691,181	264,542,465	287,525,910	300,926,757	317,332,358
1011	(16)	Conservation sales and use tax	102,532,262	107,076,440	110,528,741	115,429,774	117,077,413
1013	(2)	Proposition C sales and use tax	803,929,533	841,225,588	868,206,165	906,517,715	918,927,877
1015		Sales and use taxes paid under protest	138,240	217,330	252,144	248,449	1,079,334
1022		Individual income tax	6,374,054,124	6,421,715,624	6,904,282,195	7,182,257,124	7,331,004,488
1024		Individual income taxes paid under protest	2,322	7,174	6,927	-	-
1026		Corporate income tax	469,446,717	479,242,902	525,403,403	466,496,555	432,357,927
1028		Corporate income taxes paid under protest	38,061	16,571	1,155,831	-	-
1033		County foreign insurance tax	191,390,872	202,752,455	239,393,674	247,446,081	280,592,925
1037		Worker's compensation insurance tax	14,058,446	15,700,482	17,199,724	17,156,163	16,720,052
1039		Worker's compensation insurance tax - second injury	42,328,061	54,987,065	90,502,981	106,107,160	101,791,431
1041		Excess lines of insurance tax	26,311,783	28,719,999	29,713,178	30,024,860	33,455,598
1049		Heavy beer tax	8,044,713	7,887,262	7,708,889	7,798,378	7,666,892
1053		Liquor tax	21,047,333	21,925,239	22,476,067	22,844,443	24,012,395
1055		Wine tax	5,598,899	5,947,749	6,023,763	6,205,469	6,184,019
1057		Cigarette tax	86,837,985	82,301,596	81,745,445	83,685,975	79,873,777
1059		Tobacco product tax	16,895,556	17,225,212	17,691,619	19,434,019	20,516,652
1060		Motor vehicle fuel tax	400,533,646	395,257,448	393,296,159	400,332,970	410,393,007
1060	(3)	Motor vehicle fuel tax	163,022,120	164,058,506	165,022,444	172,484,819	171,758,978
1060	(24)	Motor vehicle fuel tax - Amendment 3	144,685,683	145,605,497	146,461,013	153,104,463	152,531,806
1062		Special fuel non-gas tax	262,158	258,291	566,554	944,100	502,526
1062	(24)	Special fuel non-gas tax - Amendment 3	138,610	128,033	128,680	108,038	109,013
1064		Aviation fuel tax	274,827	264,010	252,969	257,088	257,653
1070		Corporation franchise tax	56,194,216	61,314,630	32,211,295	19,512,409	2,743,150
1073		Estate tax	174,751	129,700	92,215	56,183	55,785
1074	(12)	Bingo tax	2,000,965	1,810,599	1,770,286	1,705,122	1,751,736
1076	(13)	Gaming commission gross receipts tax	329,024,116	314,364,443	320,386,965	323,585,514	324,262,046
1079		County private car tax	218	83	-	-	-
1080		Real and personal property tax	26,662,885	26,731,442	27,568,831	28,189,016	28,830,339
1082		Delinquent real and personal property tax	3,232,208	2,994,380	2,696,733	2,702,974	2,811,753
1084		Hazardous waste fees	2,671,827	2,365,426	2,321,743	2,331,512	2,721,071
1086		Miscellaneous taxes protested	-	-	536	-	-
1088		Nursing facility reimbursement allowance	18,111,951	18,329,061	18,022,997	20,891,666	19,522,237
1089		Pharmacy reimbursement allowance	95,070,564	91,412,290	87,807,243	95,736,817	87,380,822
1090		Federal reimbursement allowance	19,305,322	15,956,994	15,380,839	15,806,286	15,567,989
1093		Athletic events tax	165,508	112,214	129,711	154,464	232,140
1094		Ambulance service reimbursement allowance	8,135,233	7,956,001	7,894,871	7,863,498	9,781,742
1095		Surcharges	189,214	154,948	140,769	132,696	105,605
1097		Agency collected sales taxes	225,236	230,578	214,314	216,632	204,114
1098		Telecommunications tax	-	-	28	-	7,512,046
1099		Other taxes	83,390	79,512	44,349	91,624	77,086
1100		Professional licenses or permits	29,001,314	27,594,721	29,225,729	26,707,324	28,140,106
1102		Recreational licenses or permits	4,965,053	5,559,494	5,927,972	6,324,511	6,977,269
1106		Motor vehicle licenses or permits	122,181,185	124,206,058	125,787,801	131,250,543	134,957,753
1106	(24)	Motor vehicle licenses or permits - Amendment 3	54,681,388	54,180,250	54,865,114	55,461,349	56,738,706
1108		Interstate transportation licenses or permits	48,344,030	50,908,751	53,343,143	56,630,383	52,754,737
1108	(24)	Interstate transportation licenses or permits - Amendment 3	21,809,372	23,011,734	24,046,211	25,644,751	23,865,121
1110		Driver's licenses or permits	6,832,517	6,331,641	7,461,353	7,165,485	6,391,039
1110	(24)	Driver's licenses or permits - Amendment 3	8,248,271	7,677,449	8,692,977	8,195,615	7,363,142
1112		Land reclamation commission permits	566,245	601,738	549,999	586,109	673,840
1114		Salesman licenses or permits	740,050	802,435	841,500	1,024,810	1,343,560
1116		Vehicle and boat manufacturer and dealer licenses	866,356	869,682	875,649	906,202	944,410
1118		Liquor licenses or permits	5,035,454	5,308,776	5,122,020	5,358,359	5,303,962
1120		Gaming commission licenses	1,555,913	1,829,568	1,633,790	1,992,445	2,024,787
1121		Fantasy Sports Licenses	-	-	-	-	23,446
1124		Motor carrier licenses	2,692,836	2,791,638	2,961,695	2,492,555	2,294,927
1126		Hunting and fishing licenses and commission permits	30,653,188	31,725,219	31,788,573	33,011,845	31,988,432
1127		Hunting and fishing special tags	961,550	1,015,201	1,038,386	1,356,543	1,094,487

Appendix A

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

Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
	1128	Hazardous waste transporter licenses	281,665	322,289	335,378	343,769	327,114
	1130	Water pollution control permits	4,226,907	4,065,386	4,715,396	5,494,736	5,859,232
	1132	(24) Overdimension/overweight permits - Amendment 3	8,452,114	9,545,940	9,277,614	9,563,794	9,377,774
	1134	Merchant licenses	1,448,958	1,551,865	1,578,713	1,558,949	1,624,958
	1136	Tobacco licenses	27,100	27,000	27,300	27,800	27,200
	1138	Temporary licenses	575	375	275	525	1,000
	1140	Duplicate plates	1,548,829	1,468,228	1,442,386	1,481,181	1,549,922
	1142	Duplicate driver license	1,962,246	1,819,152	1,862,866	1,994,714	2,133,152
	1149	Other licenses and permits	3,885,485	3,593,531	3,605,389	3,730,385	3,797,009
	1149	(24) Other licenses and permits - Amendment 3	1,259,068	1,493,436	1,743,776	1,277,111	2,221,319
	1150	Lobbyist registration fees	11,130	10,920	11,000	11,230	11,370
	1152	Motorboat fees	11,829,678	12,145,169	12,549,673	12,358,613	12,687,392
	1154	Narcotics and dangerous drugs fees	504,880	750,873	876,520	880,086	904,213
	1156	Occupational boards exam fees - individual exam fees	811,132	788,310	801,324	843,897	474,928
	1160	(24) Non-motor fuel decal fees - Amendment 3	185,168	234,285	285,643	247,609	316,589
	1162	Filing fees	17,882,469	18,691,254	19,047,755	19,812,035	19,096,824
	1163	Certifying/authenticating fees	45,411	130,938	11,809	55,699	135,395
	1164	Transfer fees	28,608	31,108	34,040	33,548	33,376
	1165	Service contract registration fee	105,100	119,000	116,100	131,500	129,950
	1169	Other registration fees	10,664,905	11,090,142	11,501,235	11,916,069	11,926,930
	1172	(13) Fantasy Sports Operation Fees	-	-	-	-	228,935
	1174	Asbestos fees	215,940	241,620	235,535	245,555	454,125
	1176	Egg license fees	-	27,083	15,885	58,646	31,481
	1178	Milk control fees	114,907	79,082	30,309	96,454	100,914
	1180	Home health care license fees	121,800	113,825	120,200	111,750	121,210
	1182	Nursing home license fees	122,011	127,806	142,069	137,660	146,633
	1184	Title V emissions fees	7,300,494	7,492,099	7,081,848	7,865,484	6,284,503
	1185	Emission fees/non Title V facilities	348,521	348,043	349,628	448,478	416,085
	1186	Boarding home license fees	712,735	710,206	737,607	719,001	744,606
	1188	Public utilities fees	19,996,899	20,118,625	19,695,636	19,842,506	19,936,400
	1190	Hospital license fees	84,559	85,884	89,082	81,871	87,149
	1192	Grain warehouse license fees	38,162	32,184	36,367	42,072	64,423
	1194	Missouri primacy fees	4,771,139	4,520,406	4,748,831	4,835,262	4,065,366
	1198	Transport load fees	11,227,662	11,239,640	11,195,303	11,567,440	11,633,855
	1200	Storage tank registration fees	42,980	192,916	193,725	205,110	57,645
	1202	Tourist cabin permit fees	183,095	181,910	181,401	179,526	180,454
	1206	Solid waste disposal fees	10,462,793	10,576,521	10,946,036	11,764,753	12,282,791
	1208	New tire fees	1,988,327	2,060,844	2,166,653	2,217,207	2,276,854
	1209	Battery fee	678,421	738,351	683,452	680,264	740,814
	1210	Ground water protection fees	920,000	667,969	616,030	693,711	698,748
	1211	Radioactive waste transport fee	318,600	248,625	289,850	256,975	210,775
	1214	Insurance regulatory fees, renewals and purchasing groups	2,105,145	2,804,144	2,435,554	2,269,071	2,544,199
	1216	Air conservation commission permit fees	298,638	212,155	246,325	333,850	423,138
	1218	Bingo license fees	39,580	38,010	35,085	31,930	31,030
	1220	Lab fees	5,572,347	5,725,578	6,079,666	6,305,303	7,957,512
	1222	Program administration fees	1,091,830	1,056,753	1,069,294	1,413,854	1,408,679
	1223	Confined animal feed operation indemnity fees	2,143	4,392	-	2,196	-
	1224	Railroad assessments	784,786	756,623	1,027,245	422,007	810,359
	1227	Enhanced vehicle emission inspection fees	1,970,590	2,000,573	2,096,697	2,130,025	2,177,427
	1233	Grain warehouse inspection fees	1,749,142	2,563,861	3,583,890	3,371,837	3,870,846
	1235	Milk inspection fees	1,158,584	1,032,307	1,011,168	1,030,191	1,085,848
	1237	Ice cream products inspection fees	32,806	35,125	33,150	31,731	30,600
	1239	Mine inspection fees	64,606	67,789	61,016	67,080	63,688
	1241	Mobile home and recreational vehicle inspection fees	357,436	401,934	383,477	426,507	434,304
	1243	Oil inspection fees	2,360,750	2,362,714	2,344,403	2,417,687	2,598,663
	1244	Oil and Gas Resources Fees	-	-	-	-	32,403
	1249	Other inspection fees	2,461,158	2,526,682	2,523,411	2,621,839	2,520,987
	1250	Collection fees	26,739,487	28,363,897	30,805,269	32,230,771	32,330,843
	1252	Admission fees	1,320,732	1,351,851	1,366,316	1,643,202	1,594,891
	1252	(13) Admission fees - riverboat gambling	48,803,064	44,870,917	44,222,953	42,523,664	40,826,259
	1254	State auditor fees	185,072	171,721	171,573	166,770	164,549
	1260	Grade crossing safety fees	1,305,614	1,310,711	1,325,763	1,336,137	1,360,093
	1262	Loan administration fees	6,516,695	6,923,903	7,127,199	8,311,128	9,385,819

Appendix A

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

Revenue Source		Year Ended June 30,				
		2013	2014	2015	2016	2017
1263	Contract fees	-	-	117,855	1,048,116	1,394,510
1263	(A) Contract fees - Fund 657	-	-	384	-	-
1264	Court fees	40,544,604	39,013,101	39,184,711	35,253,537	33,635,353
1266	Financial institutions examination fees	10,176,788	11,112,130	10,676,424	10,386,467	11,444,946
1268	Consumer finance license fees	999,525	956,625	963,425	1,351,002	1,312,454
1270	Transcript fees	92,683	102,687	128,674	98,305	105,059
1274	Marketing development fees	36,502	42,194	29,947	31,393	29,835
1276	Miscellaneous insurance fees	90,660	93,380	91,690	91,400	88,150
1278	Gaming commission administrative income	-	145	-	28	36
1279	(A) Lottery commission fees	301,162	298,707	301,291	262,260	170,512
1280	Motor vehicle inspection sticker fees	3,778,928	3,840,955	3,850,742	3,844,936	3,815,022
1282	Logo sign advertising fees	3,167,882	4,434,405	4,561,512	6,440,866	4,971,340
1284	Public defender fees	1,176,797	1,335,978	1,339,899	1,356,885	1,415,002
1286	Witness fees	5,758	5,561	9,212	4,808	3,913
1288	County recorders fees	7,472,773	6,460,207	6,247,774	6,472,305	6,697,602
1290	Training or conference fees	183,421	169,658	205,630	205,462	161,925
1294	Electronic monitoring fee	78,278	76,488	63,381	52,187	38,739
1295	Intervention fees	9,851,227	9,006,410	8,503,124	8,429,899	7,414,914
1298	Substance abuse offender program fees	6,291,593	5,831,337	5,402,865	4,834,915	4,621,600
1302	Criminal records check fees	10,798,720	10,027,568	11,037,517	12,170,148	11,578,987
1303	Other fees	10,700,540	10,278,791	10,976,155	11,062,952	12,192,455
1305	(4) Bond sales proceeds	-	-	167,828,087	210,116,282	102,130,224
1306	Proceeds from capital leases	-	2,592,318	5	-	-
1310	Land sales	8,422,605	5,938,834	3,444,324	8,871,857	3,221,947
1312	Sales of natural resources products	2,849,276	3,892,772	2,702,674	2,764,888	3,026,638
1314	Sales of agriculture products	2,874,050	3,239,003	2,890,674	2,355,652	2,254,153
1316	Manufactured product sales	8,827,769	7,779,143	8,418,694	7,456,017	7,814,296
1318	Information sales	2,351,654	2,537,175	2,579,080	2,197,919	2,128,295
1320	Souvenir sales	474,186	582,266	936,945	1,188,846	1,331,883
1322	Surplus property sales - state	3,704,451	2,761,141	2,921,816	2,443,802	1,963,089
1322	(22) Surplus property sales - state - Fund 710	1,414,547	1,725,866	2,003,696	1,996,692	2,889,940
1324	Surplus property sales - federal	2,989,213	2,295,451	2,059,579	2,401,222	1,849,831
1326	Unclaimed property sales	1,205	-	2,971	7,228	-
1328	Sales of fixed assets - control	10,727,324	7,931,754	6,972,758	8,237,789	16,771,373
1330	Vital records sales	1,149,125	1,082,840	1,010,445	1,033,867	1,083,091
1332	Lottery ticket sales	-	64	-	-	-
1332	(A) Lottery ticket sales - Fund 657	490,432,070	492,825,818	463,931,842	544,750,138	-
1332	(A) Lottery ticket sales - Fund 682	-	-	-	-	506,939,548
1334	Cafeteria sales	661,975	800,225	895,283	848,497	815,052
1338	Other sales	259,540	258,697	1,401,509	150,851	164,257
1340	Gain sale fixed assets - control	-	-	-	-	10,000
1342	Supply sales	-	31	249	206	186
1401	Land rentals/leases	31,690	64,383	38,650	101,391	222,151
1403	State facilities rentals/leases	1,486,747	1,413,722	1,504,187	1,320,462	1,179,200
1404	Parking rentals/leases	63,176	63,552	69,989	69,424	66,696
1405	Concessions and recreational rentals/leases	2,567,237	2,495,952	2,951,494	3,034,114	3,105,762
1407	Housing/building rentals/leases	255,524	218,818	260,615	235,093	221,368
1409	Other leases and rentals	736,716	1,079,948	1,458,148	1,503,996	2,559,687
1414	(1) Medicare	5,359,704	6,781,464	5,691,724	6,509,624	9,098,685
1418	(1) Medicaid	90,326,464	81,573,482	73,123,636	72,032,939	80,000,126
1419	(1) Medicaid - case managers	100	6,462	-	113,400	-
1420	(1) Medicaid - community based	205,718,504	214,026,223	240,617,515	259,045,530	275,410,223
1422	Private payments	1,813,703	1,862,213	4,055,811	4,725,731	4,310,559
1424	Insurance payments	327,885	445,098	510,326	443,538	326,524
1426	Other payments	28,989	9,474	12,863	7,547	538,898
1434	Institutional support fees	-	-	-	1,284	-
1436	Room and care	26,953,266	28,363,819	28,109,625	27,664,512	26,946,999
1442	Mail/freight services	-	8	-	-	1,321
1446	Printing service	195,571	197,944	158,884	150,009	214,420
1448	Computer services	847	79,095	288,876	524,018	418,050
1450	Administration services	12,658	36,613	38,548	19,962	6,076
1501	Private donations	5,297,073	5,600,103	7,797,052	4,554,090	7,531,073
1502	Other governmental entity donations	5,000,000	4,050,000	1,050,032	-	1,607,500

Appendix A

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

Revenue Source		Year Ended June 30,				
		2013	2014	2015	2016	2017
1507	(1) NASAO (airport inspections)	26,000	30,550	27,950	20,150	23,400
1510	(1) US Department of Agriculture	490,290,851	485,385,631	500,917,291	514,422,704	514,408,963
1512	(1) US Department of Defense	32,995,530	30,693,698	32,534,000	38,537,907	33,598,338
1513	(1) US Department of Homeland Security	2,909,266	2,786,890	3,808,312	2,854,523	2,430,710
1514	(1) US Department of Housing and Urban Development	48,483,173	45,313,039	40,676,241	46,977,140	47,220,963
1516	(1) US Department of Interior	27,550,163	29,116,162	27,826,979	29,441,709	32,053,401
1518	(1) US Department of Justice	2,575,272	3,808,162	2,856,329	5,251,610	4,430,759
1520	(1) US Department of Labor	156,406,546	125,567,984	126,368,853	120,842,194	123,241,053
1522	(1) US Department of Education	657,586,937	651,573,896	653,328,831	657,882,449	679,698,618
1522	(C) US Department of Education - Fund 880	4,968,022	6,631,940	4,125,941	3,075,670	2,513,914
1522	(C) US Department of Education - Fund 881	93,334,531	89,823,025	72,379,643	47,726,056	36,334,748
1524	(1) US Department of Transportation	983,599,456	913,853,780	856,690,126	908,711,359	921,311,289
1526	(1) National Foundation for the Arts and Humanities	3,666,292	3,402,815	3,667,829	3,861,753	3,667,633
1528	(1) US Veterans Administration	61,159,036	63,243,170	69,070,475	71,189,569	74,619,431
1529	(1) US General Services Administration	43,391	50,091	36,789	27,192	24,477
1530	(1) US Environmental Protection Agency	153,021,768	89,482,740	92,295,480	84,163,611	92,033,621
1532	(1) US Department of Energy	6,005,146	10,598,978	6,869,770	6,841,344	7,065,176
1534	(1) Federal Emergency Management Agency	72,661,743	48,677,321	136,785,815	90,290,749	80,291,635
1536	(1) US Department of Health and Human Services	6,431,112,075	6,699,531,165	7,047,608,534	7,283,666,051	7,595,549,648
1538	(1) National/community services	3,677,716	2,752,733	3,659,053	4,157,499	3,837,179
1540	(E) US Social Security Administration - Fund 727	-	-	-	23,237	15,657
1540	(1) US Social Security Administration	46,294,342	41,684,705	45,917,912	53,118,438	49,257,386
1542	(1) National Archives and Records	6,789	80,676	15,025	43,615	10,460
1544	(1) Elections Assistance Commission	24,162	-	-	-	-
1546	(1) US Department of Treasury	5,244	9,160,236	-	10,476	121,807
1548	(1) Equal Employment Opportunity Commission	-	134	-	-	-
1549	(1) Miscellaneous federal revenues	34,938,505	46,737,165	48,644,049	39,911,964	39,415,516
1551	County mental health programs	13,263,536	12,094,852	11,311,919	12,946,158	12,412,049
1557	(1) American Recovery and Reinvestment Act	153,213,693	83,364,036	40,937,451	27,772,004	37,522,104
1558	(1) American Recovery and Reinvestment Act - other	238,070	98,176	-	-	-
1560	(1) Federal pass-through grants	61,246,642	47,604,707	37,998,600	19,553,864	31,442,468
1560	(E) Federal pass-through grants - Fund 727	-	-	-	-	140
1601	Time deposits interest	3,864,773	1,759,898	1,611,893	1,558,436	1,776,400
1601	(2) Time deposits interest - Fund 688	94,686	40,548	40,894	36,417	40,463
1601	(A) Time deposits interest - Fund 657	20,393	8,630	9,615	11,594	7,860
1601	(A) Time deposits interest - Fund 682	-	-	-	-	6,900
1601	(7) Time deposits interest - Fund 614	39,420	17,658	22,182	21,547	23,033
1601	(8) Time deposits interest - Fund 613	29,258	12,552	11,456	10,151	7,517
1601	(B) Time deposits interest - Fund 905	9,488	4,274	5,275	4,474	3,797
1601	(12) Time deposits interest - Fund 289	1,480	452	150	88	62
1601	(13) Time deposits interest - Fund 285	20,688	9,321	8,292	7,262	9,526
1601	(D) Time deposits interest - Fund 963	1,230	512	513	442	495
1601	(16) Time deposits interest - Fund 609	56,042	25,879	28,629	25,434	46,378
1601	(C) Time deposits interest - Fund 880	36,591	22,942	27,827	25,249	27,386
1601	(C) Time deposits interest - Fund 881	51,270	12,854	9,036	6,758	10,378
1601	(E) Time deposits interest - Fund 727	-	-	-	3	12
1603	U.S./agency securities interest	20,360,811	21,271,757	19,236,045	21,062,373	25,189,472
1603	(2) U.S./agency securities interest - Fund 688	307,343	314,250	276,482	291,279	393,868
1603	(A) U.S./agency securities interest - Fund 657	63,503	67,509	64,305	90,912	67,231
1603	(A) U.S./agency securities interest - Fund 682	-	-	-	-	77,129
1603	(7) U.S./agency securities interest - Fund 614	132,540	136,776	149,111	172,161	223,251
1603	(8) U.S./agency securities interest - Fund 613	91,337	97,185	77,050	81,195	68,983
1603	(B) U.S./agency securities interest - Fund 905	29,795	33,279	35,597	35,689	35,704
1603	(12) U.S./agency securities interest - Fund 289	5,809	3,521	996	785	601
1603	(13) U.S./agency securities interest - Fund 285	67,409	71,221	55,813	58,132	92,251.87
1603	(D) U.S./agency securities interest - Fund 963	6,115	6,256	5,880	6,021	7,331
1603	(16) U.S./agency securities interest - Fund 609	173,935	201,135	192,528	202,650	451,363
1603	(C) U.S./agency securities interest - Fund 880	109,286	180,476	187,577	201,919	266,191
1603	(C) U.S./agency securities interest - Fund 881	175,470	96,161	60,978	53,579	101,089
1603	(E) U.S./agency securities interest - Fund 727	-	-	-	26	114
1605	Other investment interest	182,587	133,832	238,000	945,400	227,032
1608	Realized gains and losses	-	-	13,079	-	-
1610	Interest on loans	3,844,323	5,963,729	12,020,643	2,306,462	3,991,978

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Review of Article X, Sections 16 Through 24,
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Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
1612	(25)	Interest - federal	22,442,061	12,442,473	4,271,580	6,414	370
1614		Interest on receivables	4,697	5,686	2,083	2,189	1,399
1616		Interest on settlements	295,109	393,324	24,438	30,187	89,584
1618		Other interest	24,831	67,098	10,695	25,214	16,281
1618	(16)	Other interest - Fund 609	116	-	-	-	-
1620		Safety responsibility	-	-	50	-	-
1621		Penalties	16,383,711	15,026,501	17,377,448	13,441,422	10,476,994
1621	(C)	Penalties - Fund 881	88	61	38	1,232	41
1624		Settlements	55,120,514	5,310,083	39,019,494	5,602,284	11,865,632
1624	(A)	Settlements - Fund 657	-	-	-	1,578	-
1624	(C)	Settlements - Fund 880	-	-	582	-	-
1626		Court awards	1,266,313	12,167,031	11,122,925	12,786,154	23,175,458
1628		Insufficient funds charges	3,593	3,711	2,585	3,088	2,443
1634		Estates	218,619	247	3,950	792	461
1636		Unclaimed properties	95,900,842	92,346,642	100,888,189	94,224,664	96,044,838
1636	(A)	Unclaimed properties - state - Fund 657	631	-	-	-	-
1700	(5)	Salary refunds - federal	504,436	390,225	316,764	186,340	172,157
1701	(5)	Salary refunds - state	5,477	7,845	8,307	3,259	3,994
1702	(5)	Salary refunds - local/other	31,561	-	29	50	68
1703	(5)	General relief pension refunds	4,646	1,987	1,711	2,123	3,110
1704	(5)	Blind pension refunds	4,699	4,706	11,787	9,123	15,155
1706	(5)	Dependent children pension refunds	262,817	254,651	166,610	154,613	181,017
1715	(5)	Day care refunds	51,663	210,036	174,958	248,033	123,001
1717	(5)	Medicare - Medicaid refunds	639,370,093	546,964,083	555,309,589	764,065,387	745,882,820
1719	(5)	Cost in criminal cases refunds	958,828	1,055,769	1,145,795	1,107,583	989,773
1720	(5)	American Recovery and Reinvestment Act refunds	988,108	902,499	3,406,265	234,023	104,795
1721	(5)	Vendor refunds - federal	869,752	767,526	1,057,850	4,620,866	1,375,208
1722	(5)	Vendor refunds - state	679,317	2,021,933	606,888	655,137	1,671,200
1722	(A)	Vendor refunds - state - Fund 657	4,627	35,174	393	1,695	-
1722	(A)	Vendor refunds - state - Fund 682	-	-	-	-	2,422
1723	(5)	Vendor refunds - local/other	1,401,379	602,267	1,035,475	716,747	842,054
1723	(C)	Vendor refunds - local/other - Fund 880	712	383	339	209	967
1724	(5)	Political subdivision refunds	-	-	204	-	-
1725	(5)	Excess court payment refunds	648,913	8,716	152,449	27,813	270,262
1727	(5)	School refunds	9,526,783	6,710,912	3,773,819	6,417,301	3,867,964
1728	(5)	Scholarship refunds	72,950	45,031	1,737,431	1,079,095	1,184,340
1728	(C)	Scholarship refunds - Fund 880	-	-	-	270	-
1729	(5)	Audit findings - federal	209	-	7,894	3,541	-
1730	(5)	Audit findings - state	101	-	118	25	-
1731	(5)	Audit findings - local/other	40,404	103,069	26,509	76,760	34,242
1732	(5)	Utility refunds	3,305	101,704	112,228	136,184	184,036
1733	(5)	Fuel tax refunds	4,205	203,876	184,901	168,077	9,443
1735	(5)	Tax incremental financing (TIF) refund	-	974	-	-	-
1737	(5)	Other refunds	3,264,579	5,434,645	3,267,783	2,445,440	2,535,828
1737	(B)	Other refunds - Fund 905	-	-	176,756	-	-
1737	(C)	Other refunds - Fund 880	6	-	-	-	-
1737	(D)	Other refunds - Fund 963	-	-	-	-	136
1806	(18)	Recovery costs	150,725,636	82,224,337	146,337,214	141,153,215	208,492,070
1806	(A)	Recovery costs - Fund 657	-	-	6,565	-	-
1806	(A)	Recovery costs - Fund 682	-	-	-	-	61,714
1808		Deposit of surplus property funds	-	-	341	-	-
1811	(21)	Local match	98,129,383	50,600,510	34,985,281	20,599,206	14,410,471
1812	(19)	Cost reimbursements - federal	437,557	419,025	4,631,476	6,867,653	9,841,676
1813	(19)	Cost reimbursements - state	46,502,004	18,340,057	16,172,695	16,176,101	14,167,649
1813		Cost reimbursements - state (included)	15,728,569	15,930,219	17,577,192	18,273,342	17,608,815
1814	(19)	Cost reimbursements - local/other	187,364,955	187,174,831	170,106,348	179,458,857	137,157,431
1814	(B)	Cost reimbursements - local/other - Fund 905	-	100,510	-	-	2,849,735
1814	(C)	Cost reimbursements - local/other - Fund 880	8,615	6,630	4,461	2,175	-
1816		Bond account	9,214,123	8,760,097	8,693,952	8,020,533	6,843,143
1818	(17)	Employee expense reimbursement - federal	819	1,463	6,207	6,623	2,861
1819	(17)	Employee expense reimbursement - state	450	410	37,620	2,055	798
1820	(17)	Employee expense reimbursement - local/other	754	-	4,033	2,115	1,903
1821	(17)	Employee personal expense reimbursement	24,186	38,726	38,730	89,417	83,806

Appendix A

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

Revenue Source		Year Ended June 30,				
		2013	2014	2015	2016	2017
1822	(10) Outlawed checks	6,162,199	5,536,200	5,544,179	7,906,652	9,341,755
1822	(B) Outlawed checks - Fund 905	6,024	10,275	7,616	7,438	25,359
1824	(20) Canceled checks	2,182,674	1,861,189	4,730,204	4,523,255	5,055,748
1824	(A) Canceled checks - Fund 657	-	-	-	-	75
1824	(B) Canceled checks - Fund 905	2,355	6,209	178	129	2,857
1824	(C) Canceled checks - Fund 880	950	-	-	-	-
1826	(9) Redeposit of investments principal	264,945	1,459,102	112,942	109,022	1,123,588
1828	(11) Redeposit of loan principal	68,996,096	69,361,487	74,454,908	83,588,497	97,881,344
1830	Telephone commissions	1,447,934	1,490,792	1,535,516	1,581,576	1,629,024
1832	Commission on sales	11,266	13,523	5,731	5,728	4,655
1834	Rebates	2,503,915	1,539,474	1,438,212	1,176,702	1,350,966
1834	(A) Rebates - Fund 657	5,334	5,114	3,981	5,095	-
1834	(A) Rebates - Fund 682	-	-	-	-	4,814
1834	(C) Rebates - Fund 880	738	472	383	303	452
1834	(23) Rebates - WIC	52,386,707	57,273,740	81,979,391	48,507,981	65,071,479
1836	Housing and maintenance receipts	18,924	20,142	19,848	15,811	976
1838	Loan defaults	483,363	674,897	571,590	495,335	505,882
1840	(15) Loan proceeds	9,056,992	13,212,581	8,269,645	-	-
1842	(11) Loan repayment	218,043	200,599	248,334	328,190	310,072
1842	(C) Loan repayment - Fund 881	64,238,375	61,363,561	57,594,427	53,537,794	59,229,827
1843	(11) Loans receivable contra account	4,170,829	5,394,634	5,354,505	5,680,374	8,537,324
1844	Insurance proceeds	-	1,516	-	7,988	41,049
1846	Capital credits/dividends	66,172	64,039	104,066	96,044	93,480
1848	Recycling receipts	317,333	286,314	232,498	207,286	212,898
1850	Forfeitures	1,703,594	2,274,761	1,882,450	1,503,970	1,202,243
1852	Overpayments	513,751	801,638	360,921	508,376	596,653
1856	(1) Other miscellaneous receipts - federal	7,536,647	5,213,456	5,950,285	4,961,120	10,124,635
1858	Other miscellaneous receipts - state	3,954,119	3,907,352	3,977,952	3,869,407	13,832,071
1858	(A) Other miscellaneous receipts - state - Fund 657	3,438	8,330	2,291	1,773	-
1858	(A) Other miscellaneous receipts - state - Fund 682	-	-	-	-	4,655
1858	(B) Other miscellaneous receipts - state - Fund 905	13,536,541	14,686,795	14,770,311	11,499,237	5,669,644
1860	Other miscellaneous receipts - local/other	7,390,306	2,385,011	3,820,925	2,664,027	2,140,078
1860	(A) Other miscellaneous receipts - local/other - Fund 657	3,359,445	4,419,428	3,755,680	2,986,561	-
1860	(A) Other miscellaneous receipts - local/other - Fund 682	-	-	-	-	2,122,102
1862	Fees for copying public records	258,947	257,705	272,648	273,622	265,841
1862	(A) Fees for copying public records - Fund 657	56	998	-	151	-
1862	(A) Fees for copying public records - Fund 682	-	-	-	-	75
1866	Federal share of grantee sales	234,984	243,547	450,287	330,838	299,208
1868	Receivable overpayment - federal	-	76	58	178	-
1870	Receivable overpayment - state	19	790	67	40	3
1872	Receivable overpayment - local	1,345	40	96	250	-
6001	(6) Supply sales	401,968	451,132	390,128	479,411	374,932
6002	(6) Open records fees	12,065	16,184	15,081	8,987	10,574
6003	(6) Fleet services operations/maintenance	2,244,601	2,115,565	2,045,630	1,786,879	1,645,479
6005	(6) Fleet services replacement	1,590,541	1,522,658	1,678,517	1,630,894	240,065
6006	(6) Criminal records check fees	373,277	317,652	456,286	329,043	405,830
6007	(6) Mail/freight services	11,230,955	10,679,698	9,761,536	9,619,041	9,605,392
6009	(6) Telephone billing	34,581,943	36,473,586	36,836,383	37,945,584	38,207,119
6011	(6) Printing service	5,457,257	5,243,375	5,275,658	5,126,201	4,953,996
6013	(6) Reimbursement/recovery cost	59,725,679	27,114,023	31,672,678	27,485,232	27,633,771
6013	(C) Reimbursement/recovery cost - Fund 881	-	-	2,242	-	-
6015	(6) Leased facility	105,027,361	106,994,424	61,542,743	61,346,648	62,104,759
6017	(6) Sale of material, supplies, and services	564,009	909,355	810,590	1,151,871	792,091
6019	(6) Training	537,835	554,521	624,636	631,324	459,259
6021	(6) Computer services	19,567,908	22,297,639	24,413,038	29,571,066	30,753,047
6023	(6) Administration services	772,096	850,060	522,914	612,172	647,587
6025	(6) Flight operations services	399,173	298,650	770,175	492,045	542,252
6027	(6) Sale of manufactured products	17,974,645	18,969,055	19,461,962	20,665,985	20,192,629
6029	(6) Interagency receipts	51,636,237	42,755,745	41,407,133	34,873,321	34,431,497
6029	(C) Interagency receipts - Fund 881	588,922	522,508	591,646	562,670	634,586
6030	(6) Sampling &/or analysis	515,738	841,801	926,768	909,218	896,298
6031	(14) Redeposit of state funds	58,517	19,606	112,655	153,566	203,360
6032	(6) Deposit of unclaimed property	1,225	-	-	-	-

Appendix A

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

Revenue Source		Year Ended June 30,				
		2013	2014	2015	2016	2017
Code	SAM II Revenues					
6033	(6) Permits	47,185	38,426	41,669	54,736	58,800
6034	(6) Registration fees	55,048	103,377	133,015	107,443	124,446
6035	(6) Taxes	7,890,094	8,419,180	9,609,364	8,613,452	7,653,994
6036	(6) Transcript fees	8,016	8,210	26,002	10,195	16,039
	Total revenues	<u>24,736,168,819</u>	<u>24,616,141,577</u>	<u>25,845,977,839</u>	<u>26,737,217,477</u>	<u>27,249,912,291</u>
Fund Exclusions:						
(A)	Lottery Funds - Fund 657 and 682	494,190,659	497,669,708	468,076,347	548,111,757	509,465,037
(B)	Alternative Care Trust Fund - Fund 905	13,584,203	14,841,342	14,995,733	11,546,967	8,587,096
(C)	Student Loan Funds - Funds 880 and 881	163,513,576	158,661,013	134,985,120	105,193,884	99,119,579
(D)	Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	7,345	6,768	6,393	6,463	7,962
(E)	Division of Youth Services Child Benefits Fund - Fund 727	-	-	-	23,266	15,923
Revenue Source Exclusions:						
(1)	Federal funds	9,738,679,227	9,742,199,727	10,103,924,854	10,352,212,487	10,747,909,704
(2)	Proposition C sales and use tax/interest	804,331,562	841,580,386	868,523,541	906,845,411	919,362,208
(3)	Proposition A gas tax and license fee increases	163,022,120	164,058,506	165,022,444	172,484,819	171,758,978
(4)	Bond sales	-	-	167,828,087	210,116,282	102,130,224
(5)	Refunds	658,694,225	565,792,454	572,505,364	782,357,520	759,450,467
(6)	Interagency sales and receipts	320,614,856	286,974,316	248,421,906	243,450,748	241,749,856
(7)	Soil and water sales and use tax/interest	41,183,578	42,984,511	44,382,868	46,365,216	47,077,261
(8)	Parks sales and use tax/interest	41,132,210	42,939,810	44,300,079	46,262,851	46,907,473
(9)	Redeposit of investment principal	264,945	1,459,102	112,942	109,022	1,123,588
(10)	Outlawed checks	6,162,199	5,536,200	5,544,179	7,906,652	9,341,755
(11)	Redeposit of loan principal	73,384,968	74,956,720	80,057,747	89,597,061	106,728,740
(12)	Bingo	2,008,254	1,814,572	1,771,432	1,705,995	1,752,399
(13)	Riverboat gambling and other gaming proceeds	377,915,277	359,315,902	364,674,023	366,174,572	365,419,018
(14)	Redeposit of state funds	58,517	19,606	112,655	153,566	203,360
(15)	Loan proceeds	9,056,992	13,212,581	8,269,645	-	-
(16)	Conservation sales and use tax/interest	102,762,355	107,303,454	110,749,898	115,657,858	117,575,154
(17)	State employee expense reimbursement	26,209	40,599	86,590	100,210	89,368
(18)	Recovery costs	150,725,636	82,224,337	146,337,214	141,153,215	208,492,070
(19)	Cost reimbursements	234,304,516	205,933,913	190,910,519	202,502,611	161,166,756
(20)	Canceled checks	2,182,674	1,861,189	4,730,204	4,523,255	5,055,748
(21)	Local match	98,129,383	50,600,510	34,985,281	20,599,206	14,410,471
(22)	Proceeds of surplus property sales - Fund 710	1,414,547	1,725,866	2,003,696	1,996,692	2,889,940
(23)	DHSS program rebates	52,386,707	57,273,740	81,979,391	48,507,981	65,071,479
(24)	Amendment 3 revenue derived from highway users	440,150,855	506,419,089	533,026,938	554,529,487	569,855,828
(25)	Interest - federal	22,442,061	12,442,473	4,271,580	6,414	370
Other Exclusions and Limits:						
	CMIA interest payment to the federal government	-	-	19,999	7,016	12,274
	Agency remitted sales tax	260,481	239,471	224,953	236,007	213,462
	Abandoned funds claim payments	38,155,004	38,604,634	39,309,427	38,888,067	43,082,600
	Coding errors	-	-	(95)	-	-
	Total exclusions	<u>14,050,745,141</u>	<u>13,878,692,499</u>	<u>14,442,150,954</u>	<u>15,019,332,558</u>	<u>15,326,026,148</u>
	Total revenues after exclusions	<u>10,685,423,678</u>	<u>10,737,449,078</u>	<u>11,403,826,885</u>	<u>11,717,884,919</u>	<u>11,923,886,143</u>
	Less SAM II expenditure refunds (Appendix B)	(1,240,311,060)	(1,328,253,309)	(1,278,493,892)	(1,459,778,233)	(1,474,612,512)
	Add refundable tax credits:					
	Missouri Works	-	-	-	-	11,969,574
	Enterprise Zone	231,246	109,188	141,943	-	-
	BUILD	5,590,472	4,610,238	3,311,820	3,858,758	4,832,573
	Missouri Quality Jobs	7,355,213	9,774,161	17,445,172	20,281,001	30,145,802
	New Enhanced Enterprise Zone	3,522,698	3,834,717	2,395,322	3,470,176	3,350,388
	Self-employed Health Insurance	451,242	793,147	829,513	1,523,728	1,946,042
	Public Safety Officer Surviving Spouse, Residential Dwelling Accessibility, Sporting Event Credit, and Business Facility Credit	56,949	72,258	94,043	695,312	1,367,055
	Total State Revenue	<u>\$ 9,462,320,438</u>	<u>9,428,389,478</u>	<u>10,149,550,806</u>	<u>10,287,935,661</u>	<u>10,502,885,065</u>

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

Appendix B

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

Object Code	SAM II Expenditure Refunds	Year Ended June 30,				
		2013	2014	2015	2016	2017
3200	Bond refunds	\$ 3,766,775	4,037,533	4,612,996	20,246,084	23,327,341
3206	Deposit and escrow refunds	75,616	65,501	80,882	568,458	48,096
3212	Federal share grantee sales refunds	-	-	46	-	-
3213	Tax credit debt offset	211,413	99,150	65,941	68,893	146,178
3215	Debt offset refunds	9,312,765	8,811,600	10,102,444	12,275,735	12,931,564
3218	Motor vehicle license fee refunds	451,527	526,385	312,432	430,535	1,318,516
3221	Driver's license fee refunds	61,656	55,674	54,387	50,160	38,925
3227	License and permit fee refunds	236,183	135,557	537,491	830,932	969,379
3230	Registration fee refunds	29,217	26,604	26,142	29,604	41,130
3233	Regulatory fee refunds	15,030	12,237	22,222	11,202	14,328
3236	Inspection fee refunds	42,713	51,341	68,105	53,611	54,007
3239	Miscellaneous fee refunds	420,978	388,745	379,316	444,125	463,144
3242	Sales refunds	16,664	18,821	4,539	6,030	5,824
3245	Lease and rentals refunds	3,265	4,070	2,085	3,535	4,673
3248	Medical services refunds	6,010,508	7,406,446	10,030,985	7,794,112	8,874,556
3251	Contributions refunds	29,913	-	56,807	500	597
3254	Federal refunds	493,420	989,516	700,700	3,994,617	481,514
3257	Penalty and court award refunds	(856)	10,332	285	1,640	326
3260	Interagency billing refunds	1,884	-	-	300	-
3261	Receivable overpayment refunds	377,953	289,274	375,941	338,729	331,152
3267	Deferred revenue refunds	2,401,657	1,316,303	1,773,082	3,398,108	2,139,922
3268	Liability account refunds	-	3,276	-	-	-
3269	Other refunds	12,383,222	1,331,127	2,349,459	643,356	1,134,036
3272	Sales and use tax protested refunds	8,383	332	574,348	1,314	3,217
3281	County foreign insurance tax refunds	39,317,277	13,616,378	9,270,877	6,166,772	4,131,633
3284	County domestic insurance tax refunds	-	4,345,959	91,816	-	-
3287	Worker's compensation insurance tax refunds	513,702	96,395	169,765	308,555	267,358
3290	Worker's compensation 2nd injury insurance tax refunds	-	-	-	4,618	2,385
3291	Surplus lines insurance tax refund	16,672	42,391	31,040	54,296	32,302
3293	Cigarette tax refunds	26,810	50,251	20,732	19,696	38,557
3299	Aviation fuel tax refunds	4,131	20,025	5,607	5,772	2,239
3305	Special fuel (non-gas) tax refunds	20,461,228	19,702,979	19,891,763	16,618,103	17,609,769
3308	Fuel tax refunds	7,838,108	9,112,720	10,582,920	10,050,762	14,701,157
3311	Sales tax refunds	535	-	-	-	261
3314	Food tax exemption refunds	-	179	-	-	-
3317	General sales and use tax refunds	25,564,348	44,356,280	26,712,898	40,504,538	35,688,543
3326	Motor vehicle sales tax refunds	3,658,569	4,561,344	6,193,025	5,319,325	6,112,493
3329	Motor vehicle use tax refunds	1,060,387	286,517	64,376	3,210	2,791
3335	Boat tax refunds	4,784	3,760	3,680	3,688	4,070
3338	Individual tax refunds	879,453,248	948,964,266	943,383,972	1,032,515,749	1,080,740,622
3341	Senior citizens tax refunds	113,962,551	110,643,361	104,810,266	106,927,409	100,851,062
3344	Corporation tax refunds	108,715,703	142,741,406	120,498,356	181,455,603	159,007,587
3347	Franchise tax refunds	1,471,893	1,826,313	2,151,688	6,023,791	10,681
3350	Inheritance tax refunds	-	412	-	-	101,364
3356	Other tax refunds	1,891,228	2,302,549	2,480,476	2,604,766	2,979,213
	Total SAM II Expenditure Refunds	\$ 1,240,311,060	1,328,253,309	1,278,493,892	1,459,778,233	1,474,612,512

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

Appendix C

TSR Exclusions

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

Excluded Funds

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

(A) Lottery Funds

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded. Beginning in fiscal year 2017, lottery proceeds are deposited in the State Lottery Fund. In prior fiscal years, lottery proceeds were deposited in the Lottery Enterprise Fund.

(B) Alternative Care Trust Fund

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

(C) Student Loan Funds

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

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

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

(E) Division of Youth Services Child Benefits Fund

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



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



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(12) Bingo Tax

The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.

(13) Riverboat Gambling and
Other Gaming Proceeds

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

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

Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.

On November 24, 1998, the Missouri Court of Appeals, Western District, entered its final decision in *Kelly v. Hanson*, 984 S.W. 2d 540 (Mo. App. W.D. 1998). The Missouri Court of Appeals, Western District, held that revenue from the \$1 portion of the state-imposed \$2 admission fee payable to the state is excluded from TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining \$1 portion of the \$2 admission fee is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.



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

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



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- (21) Local Match Local governments provide funds to the state to use as a local match to qualify for federal or state funding. Since these funds are not state funds, they are excluded.
- (22) Proceeds of Surplus Property Sales The proceeds from some sales of surplus property are excluded. Although the constitution does not specifically mention proceeds of surplus property sales and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.
- (23) DHSS Program Rebates The Department of Health and Senior Services (DHSS) receives rebates through various federal programs, including the Special Supplemental Nutrition Program for Women, Infants, and Children and the HIV Care Formula Grants. These rebates are related to purchases made with federal funds and are therefore excluded.
- (24) Amendment 3 Revenue Derived From Highway Users
- In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.
- Section 30(a)(4) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, "The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of 'total state revenues'"
- Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, "The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of 'total state revenues'"
- As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.
- The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item (3))



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

(25) Interest - Federal

Interest assessed and received on advances made to the state by the federal government. Since the interest is due to the federal government, it is excluded from TSR.

Other Exclusions and
Limits

Other exclusions and limits have been considered to arrive at TSR, as follows:

Cash Management Improvement
Act (CMIA)

The state has to enter into an agreement with the federal government that governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.

Agency Remitted Sales Tax

Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.

Abandoned Funds Claim
Payments

Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.

Expenditure Refunds

Under Article X, Section 17(1), Missouri Constitution, TSR shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. A schedule of expenditure refunds is included at Appendix B.

Tobacco Master Settlement
Agreement Proceeds

The OA-BP excluded \$191,261,135 received from tobacco companies during fiscal year 2017. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and state Attorney Generals. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001.



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The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2017 were as follows:

Fiscal Year	Amount
2001	\$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958
2010	140,318,927
2011	132,631,552
2012	135,246,224
2013	135,166,246
2014	66,085,418
2015	132,261,643
2016	123,645,603
2017	191,261,135

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

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



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A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies, but they believe continued exclusion is reasonable.

Federal Reimbursement
Allowance and Nursing Facility
Reimbursement Allowance

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

Appendix D

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

Revenue Source	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2013	2014	2015	2016	2017			
1536	US Department of Health and Human Services	\$ 6,431,112,075	6,699,531,165	7,047,608,534	7,283,666,051	7,595,549,648	35,057,467,473	27.14	27.14
1022	Individual income tax	6,374,054,124	6,421,715,624	6,904,282,195	7,182,257,124	7,331,004,488	34,213,313,555	26.48	53.62
1001	Sales and use tax	1,956,108,763	1,977,037,033	2,013,256,448	2,109,630,089	2,143,671,908	10,199,704,241	7.90	61.52
1524	US Department of Transportation	983,599,456	913,853,780	856,690,126	908,711,359	921,311,289	4,584,166,010	3.55	65.07
1013	Proposition C sales and use tax	803,929,533	841,225,588	868,206,165	906,517,715	918,927,877	4,338,806,878	3.36	68.42
1522	US Department of Education	755,889,490	748,028,861	729,834,415	708,684,175	718,547,280	3,660,984,221	2.83	71.26
1060	Motor vehicle fuel tax	708,241,449	704,921,451	704,779,616	725,922,252	734,683,791	3,578,548,559	2.77	74.03
1717	Medicare - Medicaid refunds	639,370,093	546,964,083	555,309,589	764,065,387	745,882,820	3,251,591,972	2.52	76.54
1510	US Department of Agriculture	490,290,851	485,385,631	500,917,291	514,422,704	514,408,963	2,505,425,440	1.94	78.48
1332	Lottery ticket sales	490,432,070	492,825,882	463,931,842	544,750,138	506,939,548	2,498,879,480	1.93	80.42
1026	Corporate income tax	469,446,717	479,242,902	525,403,403	466,496,555	432,357,927	2,372,947,504	1.84	82.26
1076	Gaming commission gross receipts tax	329,024,116	314,364,443	320,386,965	323,585,514	324,262,046	1,611,623,084	1.25	83.50
1009	Motor vehicle sales tax	203,705,135	268,633,464	292,586,228	305,649,502	322,733,522	1,393,307,851	1.08	84.58
1420	Medicaid - community based	205,718,504	214,026,223	240,617,515	259,045,530	275,410,223	1,194,817,995	0.92	85.51
1033	County foreign insurance tax	191,390,872	202,752,455	239,393,674	247,446,081	280,592,925	1,161,576,007	0.90	86.41
1106	Motor vehicle licenses or permits	176,862,573	178,386,308	180,652,915	186,711,892	191,696,459	914,310,147	0.71	87.11
1814	Cost reimbursements - local/other	187,373,570	187,281,971	170,110,809	179,461,032	140,007,166	864,234,548	0.67	87.78
1806	Recovery costs	150,725,636	82,224,337	146,343,779	141,153,215	208,553,784	729,000,751	0.56	88.35
1520	US Department of Labor	156,406,546	125,567,984	126,368,853	120,842,194	123,241,053	652,426,630	0.51	88.85
1011	Conservation sales and use tax	102,532,262	107,076,440	110,528,741	115,429,774	117,077,413	552,644,630	0.43	89.28
1530	US Environmental Protection Agency	153,021,768	89,482,740	92,295,480	84,163,611	92,033,621	510,997,220	0.40	89.67
1305	Bond sales proceeds	-	-	167,828,087	210,116,282	102,130,224	480,074,593	0.37	90.05
1636	Unclaimed properties	95,901,473	92,346,642	100,888,189	94,224,664	96,044,838	479,405,806	0.37	90.42
1089	Pharmacy reimbursement allowance	95,070,564	91,412,290	87,807,243	95,736,817	87,380,822	457,407,736	0.35	90.77
1534	Federal Emergency Management Agency	72,661,743	48,677,321	136,785,815	90,290,749	80,291,635	428,707,263	0.33	91.10
1057	Cigarette tax	86,837,985	82,301,596	81,745,445	83,685,975	79,873,777	414,444,778	0.32	91.42
1418	Medicaid	90,326,464	81,573,482	73,123,636	72,032,939	80,000,126	397,056,647	0.31	91.73
6015	Leased facility	105,027,361	106,994,424	61,542,743	61,346,648	62,104,759	397,015,935	0.31	92.04
1039	Worker's compensation insurance tax - second injury	42,328,061	54,987,065	90,502,981	106,107,160	101,791,431	395,716,698	0.31	92.35
1828	Redeposit of loan principal	68,996,096	69,361,487	74,454,908	83,588,497	97,881,344	394,282,332	0.31	92.65
1108	Interstate transportation licenses or permits	70,153,402	73,920,485	77,389,354	82,275,134	76,619,858	380,358,233	0.29	92.94
1557	American Recovery and Reinvestment Act	153,213,693	83,364,036	40,937,451	27,772,004	37,522,104	342,809,288	0.27	93.21
1528	US Veterans Administration	61,159,036	63,243,170	69,070,475	71,189,569	74,619,431	339,281,681	0.26	93.47
1834	Rebates	54,896,694	58,818,800	83,421,967	49,690,081	66,427,711	313,255,253	0.24	93.72
1842	Loan repayment	64,456,418	61,564,160	57,842,761	53,865,984	59,539,899	297,269,222	0.23	93.95
1540	US Social Security Administration	46,294,342	41,684,705	45,917,912	53,141,675	49,273,043	236,311,677	0.18	94.13
1514	US Department of Housing and Urban Development	48,483,173	45,313,039	40,676,241	46,977,140	47,220,963	228,670,556	0.18	94.31
1252	Admission fees	50,123,796	46,222,768	45,589,269	44,166,866	42,421,150	228,523,849	0.18	94.48
1005	Soil and water sales and use tax	41,011,618	42,830,077	44,211,575	46,171,508	46,830,977	221,055,755	0.17	94.65
1003	Parks sales and use tax	41,011,615	42,830,073	44,211,573	46,171,505	46,830,973	221,055,739	0.17	94.82

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Revenue Source	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2013	2014	2015	2016	2017			
1811	Local match	98,129,383	50,600,510	34,985,281	20,599,206	14,410,471	218,724,851	0.17	94.99
1549	Miscellaneous federal revenues	34,938,505	46,737,165	48,644,049	39,911,964	39,415,516	209,647,199	0.16	95.16
6029	Interagency receipts	52,225,159	43,278,253	41,998,779	35,435,991	35,066,083	208,004,265	0.16	95.32
1560	Federal pass-through grants	61,246,642	47,604,707	37,998,600	19,553,864	31,442,608	197,846,421	0.15	95.47
1813	Cost reimbursements - state	62,230,573	34,270,276	33,749,887	34,449,443	31,776,464	196,476,643	0.15	95.62
1264	Court fees	40,544,604	39,013,101	39,184,711	35,253,537	33,635,353	187,631,306	0.15	95.77
6009	Telephone billing	34,581,943	36,473,586	36,836,383	37,945,584	38,207,119	184,044,615	0.14	95.91
6013	Reimbursement/recovery cost	59,725,679	27,114,023	31,674,920	27,485,232	27,633,771	173,633,625	0.13	96.04
1070	Corporation franchise tax	56,194,216	61,314,630	32,211,295	19,512,409	2,743,150	171,975,700	0.13	96.18
1512	US Department of Defense	32,995,530	30,693,698	32,534,000	38,537,907	33,598,338	168,359,473	0.13	96.31
1126	Hunting and fishing licenses and commission permits	30,653,188	31,725,219	31,788,573	33,011,845	31,988,432	159,167,257	0.12	96.43
1250	Collection fees	26,739,487	28,363,897	30,805,269	32,230,771	32,330,843	150,470,267	0.12	96.55
1041	Excess lines of insurance tax	26,311,783	28,719,999	29,713,178	30,024,860	33,455,598	148,225,418	0.11	96.66
1516	US Department of Interior	27,550,163	29,116,162	27,826,979	29,441,709	32,053,401	145,988,414	0.11	96.78
1100	Professional licenses or permits	29,001,314	27,594,721	29,225,729	26,707,324	28,140,106	140,669,194	0.11	96.88
1436	Room and care	26,953,266	28,363,819	28,109,625	27,664,512	26,946,999	138,038,221	0.11	96.99
1080	Real and personal property tax	26,662,885	26,731,442	27,568,831	28,189,016	28,830,339	137,982,513	0.11	97.10
6021	Computer services	19,567,908	22,297,639	24,413,038	29,571,066	30,753,047	126,602,698	0.10	97.20
1624	Settlements	55,120,514	5,310,083	39,020,076	5,603,862	11,865,632	116,920,167	0.09	97.29
1603	U.S./agency securities interest	21,523,353	22,479,526	20,342,362	22,256,721	26,974,579	113,576,541	0.09	97.37
1053	Liquor tax	21,047,333	21,925,239	22,476,067	22,844,443	24,012,395	112,305,477	0.09	97.46
1188	Public utilities fees	19,996,899	20,118,625	19,695,636	19,842,506	19,936,400	99,590,066	0.08	97.54
6027	Sale of manufactured products	17,974,645	18,969,055	19,461,962	20,665,985	20,192,629	97,264,276	0.08	97.61
1088	Nursing facility reimbursement allowance	18,111,951	18,329,061	18,022,997	20,891,666	19,522,237	94,877,912	0.07	97.69
1162	Filing fees	17,882,469	18,691,254	19,047,755	19,812,035	19,096,824	94,530,337	0.07	97.76
1059	Tobacco product tax	16,895,556	17,225,212	17,691,619	19,434,019	20,516,652	91,763,058	0.07	97.83
1858	Other miscellaneous receipts - state	17,494,098	18,602,477	18,750,554	15,370,417	19,506,370	89,723,916	0.07	97.90
1090	Federal reimbursement allowance	19,305,322	15,956,994	15,380,839	15,806,286	15,567,989	82,017,430	0.06	97.96
1037	Worker's compensation insurance tax	14,058,446	15,700,482	17,199,724	17,156,163	16,720,052	80,834,867	0.06	98.03
1110	Driver's licenses or permits	15,080,788	14,009,090	16,154,330	15,361,100	13,754,181	74,359,489	0.06	98.08
1621	Penalties	16,383,799	15,026,562	17,377,486	13,442,654	10,477,035	72,707,536	0.06	98.14
1551	County mental health programs	13,263,536	12,094,852	11,311,919	12,946,158	12,412,049	62,028,514	0.05	98.19
1152	Motorboat fees	11,829,678	12,145,169	12,549,673	12,358,613	12,687,392	61,570,525	0.05	98.24
1626	Court awards	1,266,313	12,167,031	11,122,925	12,786,154	23,175,458	60,517,881	0.05	98.28
1169	Other registration fees	10,664,905	11,090,142	11,501,235	11,916,069	11,926,930	57,099,281	0.04	98.33
1198	Transport load fees	11,227,662	11,239,640	11,195,303	11,567,440	11,633,855	56,863,900	0.04	98.37
1206	Solid waste disposal fees	10,462,793	10,576,521	10,946,036	11,764,753	12,282,791	56,032,894	0.04	98.41
1302	Criminal records check fees	10,798,720	10,027,568	11,037,517	12,170,148	11,578,987	55,612,940	0.04	98.46
1303	Other fees	10,700,540	10,278,791	10,976,155	11,062,952	12,192,455	55,210,893	0.04	98.50
1266	Financial institutions examination fees	10,176,788	11,112,130	10,676,424	10,386,467	11,444,946	53,796,755	0.04	98.54

Appendix D

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

Revenue Source	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2013	2014	2015	2016	2017			
6007	Mail/freight services	11,230,955	10,679,698	9,761,536	9,619,041	9,605,392	50,896,622	0.04	98.58
1328	Sales of fixed assets - control	10,727,324	7,931,754	6,972,758	8,237,789	16,771,373	50,640,998	0.04	98.62
1132	Overdimension/overweight permits - Amendment 3	8,452,114	9,545,940	9,277,614	9,563,794	9,377,774	46,217,236	0.04	98.66
1295	Intervention fees	9,851,227	9,006,410	8,503,124	8,429,899	7,414,914	43,205,574	0.03	98.69
6035	Taxes	7,890,094	8,419,180	9,609,364	8,613,452	7,653,994	42,186,084	0.03	98.72
1094	Ambulance service reimbursement allowance	8,135,233	7,956,001	7,894,871	7,863,496	9,781,742	41,631,343	0.03	98.75
1816	Bond account	9,214,123	8,760,097	8,693,952	8,020,533	6,843,143	41,531,848	0.03	98.79
1316	Manufactured product sales	8,827,769	7,779,143	8,418,694	7,456,017	7,814,296	40,295,919	0.03	98.82
1612	Interest - federal	22,442,061	12,442,473	4,271,580	6,414	370	39,162,898	0.03	98.85
1049	Heavy beer tax	8,044,713	7,887,262	7,708,889	7,798,378	7,666,892	39,106,134	0.03	98.88
1262	Loan administration fees	6,516,695	6,923,903	7,127,199	8,311,128	9,385,819	38,264,744	0.03	98.91
1532	US Department of Energy	6,005,146	10,598,978	6,869,770	6,841,344	7,065,176	37,380,414	0.03	98.94
1184	Title V emissions fees	7,300,494	7,492,099	7,081,848	7,865,484	6,284,503	36,024,428	0.03	98.97
1860	Other miscellaneous receipts - local/other	10,749,751	6,804,439	7,576,605	5,650,588	4,262,180	35,043,563	0.03	98.99
1822	Outlawed checks	6,168,223	5,546,475	5,551,795	7,914,090	9,367,114	34,547,697	0.03	99.02
	All other revenue source codes	239,905,424	257,305,389	255,998,311	246,890,088	267,013,317	1,267,112,529	0.98	100.00
	Total Revenues	\$ 24,736,168,819	24,616,141,577	25,845,977,839	26,737,217,477	27,249,912,291	129,185,418,003		

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

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

TAXATION

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.



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

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

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

* The 1996 amendment added Section 18(e).