

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (05-02)**

Subject

Senate Joint Resolution No. 1 for amending the constitution regarding the parks and soils tax. (Received May 27, 2005)

Date

June 16, 2005

Description

This Senate Joint Resolution would amend the Constitution of Missouri by repealing section 47(c) of article IV, and adopting one new section in lieu thereof relating to the parks and soils tax. This resolution would continue the one-tenth of one percent sales and use tax for use by the Department of Natural Resources for soil and water conservation efforts and the state park system until 2016. Every ten years thereafter, the tax renewal issue would automatically be resubmitted to the voters for approval. If a majority of the voters fail to approve the continuance of the sales and use tax for parks and soils, the tax shall terminate at the end of the second fiscal year after the election was held, or 2008.

The amendment is to be voted on in November of 2006 or at a special election to be called by the Governor for that purpose.

Public comments and other input

The State Auditor's Office received input from the Office of Administration, Department of Revenue, Department of Natural Resources, and proponents of the resolution.

Assumptions

Officials from the Office of Administration (OA) report that the one-tenth of one percent statewide parks and soils sales tax generated \$74,786,795 in fiscal year 2004. The OA estimates the one-tenth of one percent statewide sales tax would generate approximately \$82 million in 2007, assuming a 3.49 percent yearly growth rate, (based upon the average growth in sales tax revenues for the past nine years).

Officials from the Department of Revenue assume this proposal would not have an impact on their agency.

Officials from the Department of Natural Resources (DNR) assume there will not be a fiscal impact to the department if the voters approve this proposal. However, if a majority of the voters fail to approve this proposal, the sales and use tax levied for soil

and water conservation and for state parks would terminate at the end of the second fiscal year after the election was held, or 2008.

Officials from DNR assume this proposal would allow for the seamless continuation of the sales and use tax levied for soil and water conservation and for state parks until a general election in 2016. This money is to be expended and used by the DNR through the state soil and water districts commission as defined in Section 278.070, RSMo, for the saving of the soil and water of this state for the conservation of the productive power of Missouri agricultural land, and by the DNR through the division responsible for the state park system for the acquisition, development, maintenance and operation of state parks and state historic sites. The sales tax renewal issue would be resubmitted to the voters for approval every ten years, beginning in 2016. It would continue to provide funding to maintain Missouri soil and water conservation efforts and the operation of the state park system. This is not a tax increase.

Fiscal Note Summary

The proposed constitutional amendment continues until 2016, but does not increase, the existing sales and use tax of one-tenth of one percent that is set to terminate in 2008. The tax would generate approximately \$82 million annually for soil and water conservation efforts and operation of the state park system.