

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (10-05)**

Subject

Initiative petition from Steven Reed regarding a proposed constitutional amendment to Article IV, Section 36. (Received February 17, 2010)

Date

March 9, 2010

Description

This proposal would amend Article IV, Section 36 of the Missouri Constitution.

The amendment is to be voted on in November, 2010.

Public comments and other input

The State Auditor's Office requested input from the **Attorney General's Office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's Office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's Office**, the **Office of the State Public Defender**, the **Office of the State Treasurer**, **Greene County**, **Jackson County Legislators**, **St. Louis County**, the **City of Jefferson**, the **City of Kansas City**, the **City of St. Louis**, the **City of Springfield**, **Hannibal 60 School District**, **Rockwood R-VI School District**, **Linn State Technical College**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**.

Assumptions

The **Attorney General's Office** indicated they assume that any potential costs arising from this proposal can be absorbed with existing resources.

The **Department of Economic Development** indicated that this initiative petition will have unknown fiscal impact on their department.

The **Department of Higher Education** indicated that this initiative petition will have no direct, foreseeable fiscal impact on their department.

The **Department of Insurance, Financial Institutions and Professional Registration** indicated this initiative, if passed, will have no anticipated cost or savings to the department.

The **Department of Mental Health** indicated this proposed initiative petition should have no fiscal impact to the department.

The **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this initiative petition.

The **Department of Corrections** indicated this initiative petition will have no impact on the department.

The **Department of Revenue** indicated they would need to notify 150,000 registered sales tax accounts of the increased rate. Costs for letters, envelopes, and postage total \$75,750.

The **Department of Social Services** indicated there is no fiscal impact to the department.

Officials from the **Governor's Office** indicated there should be no added costs or savings to their office if this petition is passed by the voters.

Officials from the **Missouri House of Representatives** indicated the proposed initiative petition will have no fiscal impact to the operations budget of their agency.

The **Department of Conservation** indicated no adverse fiscal impact to their department would be expected as a result of this proposal.

The **Office of Administration** indicated there should be no added costs or savings to the Office of Administration if this petition is passed by the voters.

The **Office of State Courts Administrator** indicated there is no cost to the courts for this initiative petition.

Officials from the **Missouri Senate** indicated that the initiative appears to have no fiscal impact as it relates to their agency.

Officials from the **Secretary of State's Office** indicated their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article I, Section 26, 27, 28 of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million

historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2009, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$1.35 million to publish (an average of \$270,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements.

Officials from the **Office of the State Public Defender** indicated this initiative petition will not have any significant impact on their office.

Officials from the **Office of the State Treasurer** indicated this initiative petition will have no impact on their office.

Officials from the **City of Jefferson** indicated the City does not anticipate any fiscal impact should this petition become law.

Officials from **Linn State Technical College** indicated that based on the information presented, there appears to be no fiscal impact on their organization.

Metropolitan Community College indicated this petition would have no direct fiscal impact on their organization.

The **State Auditor's Office** notes the 1/10th cent sales and use tax currently levied for parks and soils has generated approximately \$82 million in FY2007 and FY2008 and approximately \$77.2 million in FY2009. Assuming negative revenue growth for FY2010 and subsequent positive revenue growth in CY2011, the tax may generate approximately \$77 million.

The State Auditor's Office did not receive a response from the **Department of Agriculture**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety**, the **Department of Transportation**, **Greene County**, **Jackson County Legislators**, **St. Louis County**, the **City of Kansas City**, the **City of St. Louis**, the **City of Springfield**, **Hannibal 60 School District**, **Rockwood R-VI School District**, **University of Missouri**, **St. Louis Community College**.

Fiscal Note Summary

The additional revenue generated by the levy of a sales and use tax of one-tenth of one percent for one year is approximately \$77 million. The estimated cost to state governmental entities is \$75,750. It is estimated the proposal would have no cost or savings to local governmental entities.