

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (16-SJR 1)**

Subject

Truly Agreed To and Finally Passed Senate Joint Resolution No. 1, 2005. (Received January 12, 2016)

Date

February 1, 2016

Description

This proposal is a resubmission of an amendment to Article IV of the Constitution of Missouri.

The amendment is to be voted on in 2016.

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 **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County Legislators**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they assume that any potential costs arising from the adoption of this proposal can be absorbed with existing resources.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no impact for their department.

Officials from the **Department of Higher Education** indicated this joint resolution would have no fiscal impact on their department.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** indicated this proposal, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated:

Fiscal Impact Statement (133 words):

The Parks, Soils and Water sales and use tax was first approved by Missouri voters in 1984. Reauthorization by voters in 2016 would continue, not increase, the existing sales and use tax. The one-tenth-of-one percent tax generates nearly \$90 million annually. The Department of Natural Resources divides the revenue equally to maintain Missouri soil and water conservation efforts and the state park system. One-half of the tax is used to conserve Missouri's soil and water resources by assisting agricultural landowners through voluntary programs administered by soil and water conservation districts in each county. The other half represents approximately three-fourths of the state park system budget; providing visitors with the opportunity to enter Missouri's nearly 90 state parks and historic sites at no charge. If approved, the next reauthorization vote would occur in 2026.

Summary on fiscal impact (50 words):

The reauthorization continues until 2026, but does not increase the existing sales and use tax of one-tenth of one percent passed in 1984 that must be renewed in 2016. The tax would generate approximately \$90 million annually for soil and water conservation efforts and operation of the state park system.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated no fiscal impact on their department.

Officials from the **Department of Revenue** indicated this joint resolution will have no fiscal impact on their department. If the ballot measure fails and the tax is not extended, their department must make changes to the integrated tax system. In addition, this requires their department to notify businesses of the rate change.

Officials from the **Department of Public Safety** indicated they see no fiscal impact due to this proposal.

Officials from the **Department of Social Services** indicated no fiscal impact on their department.

Officials from the **Governor's office** indicated there should be no fiscal impact to their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact to their office.

Officials from the **Department of Conservation** indicated that no adverse fiscal impact to their department would be expected as a result of this joint resolution.

Officials from the **Office of Administration** (OA) indicated the proposal would send an extension of the Department of Natural Resources soil and water and state parks sales tax to a vote of the people.

OA assumes that a general election or special election will be held before the sales tax authorization expires. Since this tax is voter approved and is not a part of total state revenue, this proposal will not have an impact on total state revenue or the calculations under Article X, Section 18(e), of the Missouri Constitution..

This proposal will have no fiscal impact to their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated no fiscal impact on their office.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, joint resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. If a special election is called to submit a joint resolution to a vote of the people, Section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special

election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Their 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. Through FY (fiscal year) 2013, the appropriation had 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 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and their office was appropriated \$1.19 million to publish the full text of the measures. Due to this reduced funding, their office reduced the scope of the publication of these measures. In FY 2015, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). Despite the FY 2015 reduction, their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

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

Officials from the **State Treasurer's office** indicated this proposal would have not impact to their office.

Officials from **Greene County** indicated there are not estimated costs or savings to report from their county for this joint resolution.

Officials from the **City of Columbia** indicated they would feel a fiscal impact whether the taxes are renewed (possible continuation of \$100,000 - \$125,000 in state grants every other year) or not (loss of those funds).

Since the state parks sales tax funds operations of the state parks program (including the grant administration office), they understand that failure to renew would restrict their access to federal grants administered at the state level. Examples include grants through the Land and Water Conservation Fund and the Recreational Trails Programs.

Officials from the **City of Jefferson** indicated they expect no fiscal impact should this bill become law.

The State Auditor's office did not receive a response from the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Transportation**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Jackson County Legislators**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Fiscal Note Summary

The measure continues and does not increase the existing sales and use tax of one-tenth of one percent for 10 years. The measure would continue to generate approximately \$90 million annually for soil and water conservation and operation of the state park system.