

HOUSE JOINT RESOLUTION NO. 37

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CURTMAN.

1658H.011

D. ADAM CRUMBLISS, Chief Clerk

JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment to article IV of the Constitution of Missouri, and adopting one new section in lieu thereof relating to the state budget.

Be it resolved by the House of Representatives, the Senate concurring therein:

That at the next general election to be held in the state of Missouri, on Tuesday next following the first Monday in November, 2018, or at a special election to be called by the governor for that purpose, there is hereby submitted to the qualified voters of this state, for adoption or rejection, the following amendment to article IV of the Constitution of the state of Missouri:

Section A. Article IV, Constitution of Missouri, is amended by adopting one new section, to be known as section 23(a), to read as follows:

Section 23(a). 1. As used in this section, the following terms mean:

- (1) **"Appropriations growth limit"**, a percentage figure that is the greater of zero or the sum of the annual rate of inflation and the annual percentage change in the population of Missouri;
- (2) **"Emergency"**, an event or series of events or a state of affairs that requires the immediate appropriation of moneys for the health, safety, and general welfare of the people;
- (3) **"Inflation"**, the rate of inflation as measured by the Consumer Price Index for All Urban Consumers for the United States, semi-annual average of the first six months of the current calendar year;
- (4) **"Net general revenue collections"**, all revenue deposited into the general revenue fund less refunds and revenues originally deposited into the general revenue fund

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

13 but designated by law for a specific distribution or transfer to another state fund as
14 reported by the office of administration;

15 (5) "Population of Missouri", the number of persons residing in the state of
16 Missouri as determined by the United States Census Bureau in the last decennial census
17 including the most recent calendar year update; and

18 (6) "Total state general revenue appropriations", the total of appropriations from
19 net general revenue collections for a fiscal year, including supplemental appropriations
20 from any regular, special, or extraordinary session from the previous fiscal year from net
21 general revenue collections, passed by the general assembly and approved by the governor
22 as reported by the office of administration, except reappropriations, appropriations to pay
23 principal and interest on general obligation bonded indebtedness, and appropriations from
24 general revenue for final court judgments and costs in cases to the extent that the state was
25 not the prevailing party.

26 2. Total state general revenue appropriations for any fiscal year shall not exceed
27 total state general revenue appropriations for the immediately preceding fiscal year by
28 more than the appropriations growth limit determined by subsection 1 of this section,
29 except that new or increased tax revenues or fees that are below the limits in subsection 1,
30 section 18(e), article X of the Constitution of Missouri or receive voter approval shall be
31 exempted from the calculation of the appropriations growth limit for the year in which
32 they are passed.

33 3. (1) For each fiscal year in which net general revenue collections exceed total
34 state general revenue appropriations allowed under subsection 2 of this section by more
35 than one percent of total state general revenue appropriations allowed, there shall be a
36 permanent elimination of the lowest state income tax rate.

37 (2) Notwithstanding the provisions of subdivision (1) of this subsection, there shall
38 be no state income tax rate elimination if there is a single rate in effect.

39 (3) The commissioner of administration shall notify the director of revenue or a
40 successor agency to reduce such rates accordingly and to adjust corresponding income tax
41 returns to reflect the reduction and shall direct the revisor of statutes to note such changes
42 in the published statutes.

43 4. (1) For each fiscal year after the fiscal year in which the last state income tax
44 rate elimination is made pursuant to subsection 3 of this section, the commissioner of
45 administration shall record the amount by which net general revenue collections exceeds
46 total state general revenue appropriations. When the amount recorded exceeds two and
47 one-half percent of the total state general revenue appropriations, the top rate of state
48 income tax shall be reduced by one-quarter of one percent.

49 **(2) The commissioner of administration shall perform the state income tax rate**
50 **reduction process in subdivision (1) of this subsection beginning each fiscal year after the**
51 **fiscal year in which a rate reduction occurs until the top state income tax rate is eliminated.**

52 **(3) The commissioner of administration shall notify the director of revenue or a**
53 **successor agency to reduce such rates accordingly and to adjust corresponding income tax**
54 **returns to reflect the reduction and shall direct the revisor of statutes to note such changes**
55 **in the published statutes.**

56 **5. Total state general revenue appropriations for any fiscal year may exceed total**
57 **state general revenue appropriations for the immediately preceding fiscal year by more**
58 **than the appropriations growth limit only under the following conditions:**

59 **(1) The governor declares an emergency, specifying the nature of the emergency**
60 **and requesting appropriations to meet the emergency; and**

61 **(2) The general assembly, by a vote of two-thirds of the members elected to serve**
62 **in each house, enacts and the governor approves a separate bill or bills appropriating**
63 **moneys to meet the emergency. Any such appropriation bill or bills shall not be included**
64 **in total state general revenue appropriations for purposes of compliance with subsection**
65 **2 of this section for the next succeeding fiscal year.**

66 **6. The total state general revenue appropriations limit shall not be reduced or**
67 **increased if the amount of total state revenues, as defined in section 17, article X of the**
68 **Constitution of Missouri, for the prior fiscal year is less than the amount of total state**
69 **revenues for the next preceding fiscal year.**

70 **7. The general assembly may enact laws implementing this section.**

Section B. Under section 116.155, RSMo, and other applicable constitutional provisions
2 and laws of this state authorizing the general assembly to adopt ballot language for the
3 submission of this act to the voters of this state, the official ballot title of this act shall be as
4 follows:

5 "Shall the Missouri Constitution be amended to set an appropriations growth limit
6 formula, based on inflation and population, that restricts total state general revenue
7 appropriations and possibly require the reduction of all state income tax rates?"

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