

SECOND REGULAR SESSION

HOUSE JOINT RESOLUTION NO. 49

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES LAGER (Sponsor), BEARDEN, WASSON, MORRIS, DIXON, ICET, WRIGHT, ERVIN, SCHNEIDER, BAKER, WOOD, ROARK, WILSON (130), STEVENSON, PORTWOOD, CRAWFORD, BOUGH, KING, SANDER, REINHART, HUNTER, STEFANICK, GOODMAN, JETTON, DEEKEN, MOORE, PHILLIPS, SHOEMAKER, MUNZLINGER, SUTHERLAND, MYERS, CUNNINGHAM (86), ANGST, BIVINS, QUINN, DAVIS (19) AND BROWN (Co-sponsors).

Read 1st time February 3, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3958L.011

JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment repealing section 27(a) of article IV of the Constitution of Missouri, and adopting three new sections in lieu thereof relating to limits on state appropriations.

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
2 following the first Monday in November, 2004, or at a special election to be called by the
3 governor for that purpose, there is hereby submitted to the qualified voters of this state, for
4 adoption or rejection, the following amendment to article IV of the Constitution of the state of
5 Missouri:

Section A. Section 27(a), article IV, Constitution of Missouri, is repealed and three new
2 sections adopted in lieu thereof, to be known as sections 23(a), 27(a), and 27(c), to read as
3 follows:

Section 23(a). 1. As used in this section and sections 27(a) and 27(c) of this article:
2 **(1) "Appropriations growth limit", means a percentage figure that is the greater**
3 **of zero or the sum of the annual rate of inflation and the annual change in the population**

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

4 of Missouri;

5 (2) "Emergency", means an event or series of events or a state of affairs that
6 requires the immediate appropriation of moneys for the health, safety, and general welfare
7 of the people;

8 (3) "Inflation", means the rate of inflation as measured by the Consumer Price
9 Index for All Urban Consumers, all items, for the Midwest, or its successor index, as
10 reported by the United States Department of Commerce or its successor agency, for the
11 most recent calendar year;

12 (4) "Net general revenue collections", means all revenue deposited into the general
13 revenue fund less refunds and revenues originally deposited into the general revenue fund
14 but designated by law for a specific distribution or transfer to another state fund as
15 reported by the office of administration;

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

19 (6) "Total state general revenue appropriations", means the total of appropriations
20 from net general revenue collections, including supplemental appropriations 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 and appropriations
23 to pay principal and interest on state bonded indebtedness.

24 2. Total state general revenue appropriations for any fiscal year shall not exceed
25 total state general revenue appropriations for the immediately preceding fiscal year by
26 more than the appropriations growth limit for the immediately preceding calendar year.

27 3. For any fiscal year in which net general revenue collections exceed total state
28 general revenue appropriations allowed pursuant to subsection 2 of this section by more
29 than one percent of total state general revenue appropriations allowed, the commissioner
30 of administration shall, by August first following the end of the fiscal year, transfer the
31 excess funds over one percent in equal amounts to the cash operating reserve fund
32 established by section 27(a) of this article and to the budget reserve fund established by
33 section 27(c) of this article, subject to the limits specified in such sections. Any such excess
34 general revenue funds remaining after such transfers shall be refunded pro rata based on
35 the liability reported on the state income tax returns filed for the tax year in which the
36 fiscal year ended. The general assembly shall provide by law for refunds in the manner
37 specified in section 18, article X of this constitution.

38 4. Total state general revenue appropriations for any fiscal year may exceed total
39 state general revenue appropriations for the immediately preceding fiscal year by more

40 **than the appropriations growth limit only under the following conditions:**

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

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

48 **5. The general assembly may enact laws implementing this section.**

Section 27(a). 1. **On July first following the adoption of this section,** there is hereby
2 established within the state treasury a fund to be known as the "[Budget] **Cash Operating**
3 **Reserve Fund**". [The balances in the cash operating reserve fund and the budget stabilization
4 fund shall be transferred to the budget reserve fund.] **One-half of the balance in the budget**
5 **reserve fund on July first following the adoption of this section shall be transferred to the**
6 **cash operating reserve fund.**

7 2. The commissioner of administration may, throughout any fiscal year, transfer amounts
8 from the [budget] **cash operating** reserve fund to the general revenue fund or any other state
9 fund without other legislative action if he **or she** determines that such amounts are necessary for
10 the cash requirements of this state. Such transfers shall be deemed "cash operating transfers".

11 3. The commissioner of administration shall transfer from the general revenue fund or
12 other recipient fund to the [budget] **cash operating** reserve fund an amount equal to the cash
13 operating transfer received by such fund pursuant to subsection 2 of this section, together with
14 the interest that would have been earned on such amount, prior to May sixteenth of the fiscal year
15 in which the transfer was made. No cash operating transfers out of the [budget] **cash operating**
16 reserve fund may be made after May fifteenth of any fiscal year.

17 4. Funds in the [budget] **cash operating** reserve fund shall be invested by the treasurer
18 in the same manner as other state funds are invested. Interest earned on such investments shall
19 be credited to the [budget] **cash operating** reserve fund. Subject to the provisions of subsection
20 [7] **5** of this section, the unexpended balance in the [budget] **cash operating** reserve fund at the
21 close of any fiscal year shall remain in the fund.

22 5. [In any fiscal year in which the governor reduces the expenditures of the state or any
23 of its agencies below their appropriations in accordance with section 27 of this article, or in
24 which there is a budget need due to a disaster, as proclaimed by the governor to be an emergency,
25 the general assembly, upon a request by the governor for an emergency appropriation and by a
26 two-thirds vote of the members elected to each house, may appropriate funds from the budget
27 reserve fund to fulfill the expenditures authorized by any of the existing appropriations which

28 were affected by the governor's decision to reduce expenditures pursuant to section 27 of this
29 article or to meet budget needs due to the disaster. Such expenditures shall be deemed to be for
30 "budget stabilization purposes". The maximum amount which may be appropriated at any one
31 time for such budget stabilization purposes shall be one-half of the sum of the balance in the
32 fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the
33 fund for budget stabilization purposes but not yet appropriated for repayment to the fund.

34 6. One-third of the amount transferred or expended from the budget reserve fund for
35 budget stabilization purposes during any fiscal year, together with interest that would otherwise
36 have been earned on such amount, shall stand appropriated to the budget reserve fund during
37 each of the next three fiscal years, and such amount, and any additional amounts which may be
38 appropriated for that purpose, shall be transferred from the fund which received such transfer to
39 the budget reserve fund by the fifteenth day of the fiscal year for each of the next three fiscal
40 years or until the full amount, plus interest, has been returned to the budget reserve fund. The
41 maximum amount which may be outstanding at any one time and subject to repayment to the
42 budget reserve fund for budget stabilization purposes shall be one-half of the sum of the balance
43 in the fund and all outstanding amounts appropriated or otherwise owed to the fund.

44 7. If the balance in the budget reserve fund at the close of any fiscal year exceeds seven
45 and one-half percent of the net general revenue collections for the previous fiscal year, the
46 commissioner of administration shall transfer that excess amount to the general revenue fund
47 unless such excess balance is as a result of direct appropriations made by the general assembly
48 for the purpose of increasing the balance of the fund; provided, however, that if the balance in
49 the fund at the close of any fiscal year exceeds ten percent of the net general revenue collections
50 for the previous fiscal year, the commissioner of administration shall transfer the excess amount
51 to the general revenue fund notwithstanding any specific appropriations made to the fund. For
52 purposes of this section, "net general revenue collections" means all revenue deposited into the
53 general revenue fund less refunds and revenues originally deposited into the general revenue
54 fund but designated by law for a specific distribution or transfer to another state fund.

55 **8.] If the balance in the cash operating reserve fund at the close of any fiscal year**
56 **exceeds three and three-fourths of the net general revenue collections for the previous fiscal**
57 **year, the commissioner of administration shall transfer that excess amount to the general**
58 **revenue fund unless such excess balance is a result of direct appropriations made by the**
59 **general assembly for the purpose of increasing the balance of the fund; provided, however,**
60 **if the balance in the fund at the close of any fiscal year exceeds five percent of the net**
61 **general revenue collections for the previous fiscal year, the commissioner of administration**
62 **shall transfer the excess amounts to the general revenue fund notwithstanding any specific**
63 **appropriations made to the fund.**

64 **6.** If the sum of the ending balance of the [budget] **cash operating** reserve fund in any
65 fiscal year [and any amounts owed to the fund pursuant to subsection 6 of this section], **after any**
66 **transfers made pursuant to subsection 3 of section 23(a) of this article**, is less than [seven
67 and one-half] **three and three-fourths** percent of the net general revenue collections for the
68 same year, the difference shall stand appropriated and shall be transferred from the general
69 revenue fund to the budget reserve fund by the fifteenth day of the succeeding fiscal year.

Section 27(c). 1. On July first following the adoption of this section, there is hereby
2 **established within the state treasury a fund to be known as the "Budget Reserve Fund".**
3 **One-half of the balance in the budget reserve fund, as formerly established by section 27(a)**
4 **of this article, as it exists on July first following the adoption of this section, shall remain**
5 **in the budget reserve fund as established by this section.**

6 **2. In any fiscal year in which the governor reduces the expenditures of the state or**
7 **any of its agencies below their appropriations in accordance with section 27 of this article,**
8 **the general assembly, upon a proclamation by the governor that the reductions need to be**
9 **restored and that no other funds are available for such restoration and upon his or her**
10 **request for an emergency appropriation supported by a vote of two-thirds of the members**
11 **elected to and serving in each house, may appropriate funds from the budget reserve fund**
12 **to fulfill the expenditures authorized by any of the existing appropriations.**

13 **3. In any fiscal year in which there are appropriation needs due to an emergency**
14 **proclaimed by the governor, and affirming that no other funds are available to meet such**
15 **needs, the general assembly, upon a request by the governor for an emergency**
16 **appropriation and by a vote of two-thirds of the members elected to and serving in each**
17 **house, may appropriate funds from the budget reserve fund to meet the appropriation**
18 **needs due to the emergency.**

19 **4. Funds in the budget reserve fund shall be invested by the state treasurer in the**
20 **same manner as other state funds are invested. Interest earned on such investments shall**
21 **be credited to the budget reserve fund. Subject to the provisions of subsection 5 of this**
22 **section, the unexpended balance in the budget reserve fund at the close of any fiscal year**
23 **shall remain in the fund.**

24 **5. If the balance in the budget reserve fund at the close of any fiscal year exceeds**
25 **five percent of the net general revenue collections for the previous fiscal year, the**
26 **commissioner of administration shall transfer that excess amount to the general revenue**
27 **fund unless such excess balance is a result of direct appropriations made by the general**
28 **assembly for the purpose of increasing the balance of the fund; provided, however, if the**
29 **balance in the fund at the close of any fiscal year exceeds five percent of the net general**
30 **revenue collections for the previous fiscal year, the commissioner of administration shall**

31 **transfer the excess amount to the general revenue fund notwithstanding any specific**
32 **appropriations made to the fund.**

33 **6. If the sum of the ending balance of the budget reserve fund in any fiscal year,**
34 **after any transfers made pursuant to subsection 3 of section 23(a) of this article, is less than**
35 **five percent of the net general revenue collections for the same year, the difference shall**
36 **stand appropriated and shall be transferred from the general revenue fund to the budget**
37 **reserve fund by the fifteenth day of the succeeding fiscal year. The provisions of this**
38 **subsection shall not apply following any fiscal year in which net general revenue collections**
39 **are less than in the previous fiscal year.**