

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0053-02  
Bill No.: HCS for HJR 1  
Subject: Constitutional Amendments; Tax Credits  
Type: Original  
Date: October 20, 2011

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Bill Summary: Proposes a constitutional amendment mandating a vote by the General Assembly on repealing tax credits beginning in 2016.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |  |            |            |
|---|--|------------|------------|
| FUND AFFECTED   | FY 2012                                    | FY 2013    | FY 2014    |
| General Revenue   | \$0 or ( More than<br>\$7,000,000)         | \$0        | \$0        |
|   |  |            |            |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0 or ( more than<br/>\$7,000,000)</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2012    | FY 2013    | FY 2014    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

In response to HJR 1, 0053-01, officials from the **Division Fire Safety, Department of Economic Development, Department of Conservation, Department of Insurance, Financial Institutions and Professional Registration, Missouri Lottery, Missouri Department of Higher Education, Capitol Police, Missouri State Tax Commission, Missouri Department of Agriculture, Missouri Consolidated Health Care Plan, Office of State Courts Administrator, MoDOT and Patrol Employees' Retirement System, Governor's Office, Department of Revenue, Administrative Hearing Commission, Department of Natural Resources, Department of Mental Health, Department of Corrections, and Missouri Veteran's Commission** assume there would be no fiscal impact to their agencies.

In response to HJR 1, 0053-01, the **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

In Response to HJR 1, 0053-01, officials from the **Department of Health and Senior Services (DHSS)** assume the proposal only requires the General Assembly to file a bill repealing tax credits in 2016 and every four years thereafter. DHSS did not include a fiscal impact since the timeframe of the proposal is beyond the three years of the fiscal note scope and it is not possible to determine if Share Care Tax Credit Program participants would qualify for Medicaid services if the Shared Care Tax Credit was not available.

In Response to HJR 1, 0053-01, officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

In response to HJR 1, 0053-01, officials from the **Office of Administration, Division of Budget and Planning**, assume this proposal should not result in additional costs or savings to the division.

**Oversight** has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2012. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. The next scheduled general election is in February 2012 (FY 2012). It is assumed the subject within this proposal could be on that ballot; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in

ASSUMPTION (continued)

FY 2012.

To estimate the expense the state would incur for reimbursing local political subdivisions for a special election, Oversight requested expense estimates from all election authorities for an election. Eighty-six out of the one hundred fifteen election authorities responded to Oversight's request. From these respondents; the total election expense that would have to be reimbursed by the state government is over \$7 million. Therefore, Oversight will reflect a potential cost borne by the state in FY 2012 of over \$7 million for reimbursement to the local political subdivisions. Oversight assumes the Governor could call for a special election to be held prior to February 2012 regarding this joint resolution; however, if a special election is not called, the subject will be voted on at the general election in February , 2012.

Officials from the **Secretary of State's Office** did not respond to our request for a fiscal impact on this proposal.

| <u>FISCAL IMPACT - State Government</u>                 | FY 2012<br>(10 Mo.)                                   | FY 2013           | FY 2014           |
|---|---|-------------------|-------------------|
| <b>GENERAL REVENUE</b>                                  |   |                   |                   |
| <u>Costs</u> - Secretary of State's Office              | <u>\$0 or ( More<br/>than<br/>\$7,000,000)</u>        | <u>\$0</u>        | <u>\$0</u>        |
| <b>ESTIMATED NET EFFECT TO<br/>GENERAL REVENUE FUND</b> | <b><u>\$0 or ( More<br/>than<br/>\$7,000,000)</u></b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

| <u>FISCAL IMPACT - Local Government</u>                                | FY 2012<br>(10 Mo.)                          | FY 2013           | FY 2014           |
|--|--|-------------------|-------------------|
| <b>LOCAL POLITICAL SUBDIVISIONS</b>                                    |  |                   |                   |
| <u>Income</u> - cost reimbursement from the State for special election | \$0 or More<br>than \$7,000,000              | \$0               | \$0               |
| <u>Expense</u> - cost for special election                             | \$0 or (More<br>than<br><u>\$7,000,000</u> ) | <u>\$0</u>        | <u>\$0</u>        |
| <b>ESTIMATED NET EFFECT TO<br/>LOCAL POLITICAL SUBDIVISIONS</b>        | <b><u>\$0</u></b>                            | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation proposes a constitutional amendment mandating a vote by the General Assembly on repealing tax credits beginning in 2016.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Division of Fire Safety  
Department of Economic Development  
Office of Administration  
Division of Budget and Planning  
Attorney General's Office  
Department of Conservation  
Department of Insurance, Financial Planning  
and Professional Registration  
Missouri Lottery

VL:LR:OD (12/02)

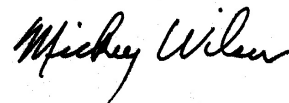
SOURCES OF INFORMATION (continued)

Department of Higher Education  
Capitol Police  
State Tax Commission  
Department of Agriculture  
Missouri Consolidated Health  
Care Plan  
Office of State Courts Administrator  
MoDOT & Patrol Employees' Retirement system  
Governor's Office  
Department of Revenue  
Administrative Hearing Commission  
Department of Natural Resources  
Joint Committee on Public Employee Retirement  
Department of Mental Health  
Department of Corrections  
Missouri Veteran's Commission  
Department of Health and Senior Services

NOT RESPONDING

Secretary of State's Office

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Director  
October 20, 2011