SS SCS SJR 95 -- CREATION OF A SOVEREIGN WEALTH FUND FOR THE STATE

This constitutional amendment, upon voter approval, establishes the "Show-Me Prosperity Fund", which is established as a permanent public endowment to provide long-term fiscal stability with the goal of eliminating state-imposed taxes without impairing the real value of the Fund's principal. The Fund will consist of money appropriated to it by the General Assembly, and can also receive gifts, donations, grants, and bequests from any source.

The State Treasurer must invest the Fund in exchange-traded funds tracking the stock performance of the Standard and Poor's 500 in a manner consistent with fiduciary standards applicable to public trust funds. No money can be appropriated from the Fund until the notification is given by the Treasurer that the "net investment earnings" of the Fund, as defined in the amendment, are sufficient to eliminate state-imposed taxes, at which time net investment earnings from the Fund can be used to eliminate State taxes as provided in the amendment. The total amount of moneys that can be appropriated from the Fund in a fiscal year must not exceed 3% of the average market value of the Fund over the preceding five fiscal years.

Upon the elimination of all state-imposed taxes, no such taxes can thereafter be enacted, provided, however, that in the event the Fund is unable to meet its obligations due to insolvency, revenue shortfall, or program failure, the General Assembly must retain full authority to appropriate funds from any lawful source and to enact legislation establishing or increasing taxes or other revenues as necessary to ensure continuity of State programs and fulfillment of State expenditures that were anticipated to be supported by the Fund.

Upon the elimination of all state-imposed taxes, the General Assembly can appropriate net investment earnings from the Fund for the purpose of replacing Federal moneys received by the State, for issuing dividend payments to residents of the State, or both.

The amendment prohibits the principal of the Fund from being appropriated, pledged, or borrowed against. The State Auditor must conduct an audit of the Fund to ensure compliance with the provisions of the amendment at such times that the Auditor deems necessary, but no less than once every three fiscal years.

The balance and investment performance of the Fund will be made available and updated at least quarterly on an existing free, internet-based database created by law or executive order for the purpose of tracking State and local financial information.