

FIRST REGULAR SESSION

SENATE JOINT RESOLUTION NO. 34

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHROER.

1517S.01I

KRISTINA MARTIN, Secretary

JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing sections 17, 18, and 18(e) of article X of the Constitution of Missouri, and adopting three new sections in lieu thereof relating to limits on state revenues.

Be it resolved by the Senate, the House of Representatives 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, 2024, 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 X of the Constitution of the state of Missouri:

Section A. Sections 17, 18, and 18(e), article X, Constitution of Missouri, are repealed and three new sections adopted in lieu thereof, to be known as sections 17, 18, and 18(e), to read as follows:

Section 17. As used in sections 16 through 24 of Article X:

(1) "Total state revenues" includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year [1980-1981] **2022-2023**. Total state revenues shall exclude the amount of any **tax** credits [based on actual tax liabilities or the imputed tax components of rental

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

9 payments, but shall include the amount of any credits not
10 related to actual tax liabilities].

11 (2) "Personal income of Missouri" is the total income
12 received by persons in Missouri from all sources, as defined
13 and officially reported by the United States Department of
14 Commerce or its successor agency.

15 (3) "General price level" means the Consumer Price
16 Index for All Urban Consumers for the United States, or its
17 successor publications, as defined and officially reported
18 by the United States Department of Labor, or its successor
19 agency.

Section 18. (a) There is hereby established a limit
2 on the total amount of taxes which may be imposed by the
3 general assembly in any fiscal year on the taxpayers of this
4 state. Effective with fiscal year [1981-1982] **2023-2024**,
5 and for each fiscal year thereafter, the general assembly
6 shall not impose taxes of any kind which, together with all
7 other revenues of the state, federal funds excluded, exceed
8 the revenue limit established in this section. The revenue
9 limit shall be calculated for each fiscal year and shall be
10 equal to the product of the ratio of total state revenues in
11 fiscal year [1980-1981] **2022-2023** divided by the personal
12 income of Missouri in calendar year [1979] **2021** multiplied
13 by the personal income of Missouri in either the calendar
14 year prior to the calendar year in which appropriations for
15 the fiscal year for which the calculation is being made, or
16 the average of personal income of Missouri in the previous
17 three calendar years, whichever is greater.

18 (b) For any fiscal year in the event that total state
19 revenues exceed the revenue limit established in this
20 section by one percent or more, the excess revenues shall be
21 refunded pro rata based on the liability reported on the

22 Missouri state income tax (or its successor tax or taxes)
23 annual returns filed following the close of such fiscal
24 year. If the excess is less than one percent, this excess
25 shall be transferred to the general revenue fund.

26 (c) The revenue limitation established in this section
27 shall not apply to taxes imposed for the payment of
28 principal and interest on bonds, approved by the voters and
29 authorized under the provisions of this constitution.

30 (d) If responsibility for funding a program or
31 programs is transferred from one level of government to
32 another, as a consequence of constitutional amendment, the
33 state revenue and spending limits may be adjusted to
34 accommodate such change, provided that the total revenue
35 authorized for collection by both state and local
36 governments does not exceed that amount which would have
37 been authorized without such change.

Section 18(e). 1. In addition to the revenue limit
2 imposed by section 18 of this article, the general assembly
3 in any fiscal year shall **[not increase]** **implement no new**
4 taxes **[or]**, fees, **or tax changes** without voter approval that
5 **[in total produce new annual]** **increase net total state**
6 revenues **[greater]** **by more** than either fifty million dollars
7 adjusted annually by the percentage change in the personal
8 income of Missouri for the second previous fiscal year, or
9 one percent of total state revenues for the second fiscal
10 year prior to the general assembly's action, whichever is
11 less. In the event that an individual or series of tax or
12 fee increases exceed the ceiling established in this
13 subsection, the taxes or fees shall be submitted by the
14 general assembly to a public vote starting with the largest
15 increase in the given year, and including all increases in
16 descending order, until the aggregate of the remaining

17 increases and decreases is less than the ceiling provided in
18 this subsection.

19 2. [The term "new annual revenues" means the net
20 increase in annual revenues produced by the total of all tax
21 or fee increases enacted by the general assembly in a fiscal
22 year, less applicable refunds and less all contemporaneously
23 occurring tax or fee reductions in that same fiscal year,
24 and shall not include interest earnings on the proceeds of
25 the tax or fee increase.] For purposes of this
26 [calculation] **section, "[enacted] passed** by the general
27 assembly" shall include any and all bills that are truly
28 agreed to and finally passed within that fiscal year, except
29 bills vetoed by the governor and not overridden by the
30 general assembly. Each individual tax or fee increase shall
31 be measured by the [estimated new annual] **net increase in**
32 **total state** revenues collected during the first fiscal year
33 that it is fully effective. **If any tax or fee increase is**
34 **implemented over multiple fiscal years, the net increase in**
35 **total state revenues collected once fully implemented shall**
36 **be used in this calculation following the first year the**
37 **increase is fully effective.** The term "increase taxes or
38 fees" means any law or laws passed by the general assembly
39 after the effective date of this section that increase the
40 rate of an existing tax or fee, impose a new tax or fee, or
41 broaden the scope of a tax or fee to include additional
42 class of property, activity, or income, but shall not
43 include the extension of an existing tax or fee which was
44 set to expire.

45 3. In the event of an emergency, the general assembly
46 may increase taxes, licenses or fees for one year beyond the
47 limit in this subsection under the same procedure specified
48 in section 19 of this article.

49 4. Compliance with the limit in this section shall be
50 measured by calculating the aggregate actual new annual
51 revenues produced in the first fiscal year that each
52 individual tax or fee change is fully effective.

53 5. Any taxpayer or statewide elected official may
54 bring an action under the provisions of section 23 of this
55 article to enforce compliance with the provisions of this
56 section. The Missouri supreme court shall have original
57 jurisdiction to hear any challenge brought by any statewide
58 elected official to enforce this section. In such
59 enforcement actions, the court shall invalidate the taxes
60 and fees which should have received a public vote as defined
61 in subsection 1 of this section. The court shall order
62 remedies of the amount of revenue collected in excess of the
63 limit in this subsection as the court finds appropriate in
64 order to allow such excess amounts to be refunded or to
65 reduce taxes and/or fees in the future to offset the excess
66 monies collected.

✓