

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0042-03
Bill No.: SJR 6
Subject: Constitutional Amendments; Appropriations.
Type: Original
Date: January 24, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$0	(\$38,670)	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	(\$38,670)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri House of Representatives, Missouri Senate, Office of the State Treasurer** each assume the proposal would not fiscally impact their respective offices.

Officials from the **Office of the Attorney General** assume that any potential costs arising from the proposal could be absorbed with existing resources.

Officials from the **Office of Administration (COA)** assume the proposal would have no fiscal impact on their agency if the amendment is submitted to the voters at the next general election. However, if a special election were called, there would be cost paid by the COA. In 1999, a statewide special election was held for Proposition B, at a cost of \$1,120,340. Assuming the same level of public interest, and inflation of 12% since 1999 (as determined from the U.S. Department of Labor, Bureau of Labor Statistics CPI website), a special election on this constitutional amendment could cost the state \$1,254,780.

Officials from the **Office of Secretary of State (SOS)** assume statewide newspaper publication of state statutes cost approximately \$1,289 per column inch based on an estimate provided by the Missouri Press Service x 3 for multiple printing as required by the constitution and state statute,

ASSUMPTION (continued)

resulting in \$3,867 per column inch. SOS estimates the total number of inches for this amendment to be ten, which includes title header and certification paragraph. Therefore, SOS estimates the total cost of publication to be \$38,670 (\$3,867 x 10 inches) to be incurred in FY 2007.

Oversight assumes the referendum called for in this proposal would be held in November 2006 and not in a special election. Oversight also assumes the fiscal note reflects the cost to the state for the effect of this resolution (election costs). If the constitutional amendment is passed by voters in November, 2006 (FY 2007) there would be additional appropriations made out of the General Revenue Fund into the newly created Missouri Savings Account Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Cost</u> - Publication costs for the Office of the Secretary of State	<u>\$0</u>	<u>(\$38,670)</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$38,670)</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

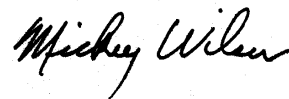
This resolution amends the Constitution by creating a Missouri Savings Account. The account shall be comprised of funds deposited annually at a rate of 2% of the general revenue appropriations for that year. If general revenue collections do not increase by 3% or more by the end of a fiscal year, the monies deposited in the fund that year shall lapse and be used for the next year's expenditures.

In any year in which there is a budget shortfall or when the consensus revenue estimate forecasts a decrease in revenue for the upcoming year, the general assembly may utilize 1/3 of the monies in the fund for budgetary purposes. If the balance in the account reaches 1/3 of general revenue collections for any fiscal year, the excess shall lapse to general revenue.

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

Office of Administration
Office of the Secretary of State
Office of the Attorney General
Office of the State Treasurer
Missouri Senate
Missouri House of Representatives



Mickey Wilson, CPA
Director
January 24, 2005