

HCS HJR 56 -- STATE APPROPRIATIONS

SPONSOR: Burlison

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 8 to 4. Voted "Do Pass with HCS" by the Select Committee on Financial Institutions and Taxation by a vote of 6 to 4.

Upon voter approval, this proposed constitutional amendment prohibits appropriations in any fiscal year from exceeding the total state general revenue appropriations from the previous year by more than the appropriations growth limit.

In any fiscal year when the net general revenue collections are more than 1% of the total state general revenue appropriations allowed, the excess moneys must be transferred to the Budget Reserve Fund and the newly created Cash Operating Reserve Fund.

Total state general revenue appropriations for any fiscal year may exceed the appropriations limit only if the Governor declares an emergency and the General Assembly, by a two-thirds majority, enacts and the Governor approves an appropriation bill to meet the emergency.

New or increased tax revenues or fees receiving voter approval will be exempt from the calculation of the appropriations growth limit for the year in which they are passed.

If the balance in the Budget Reserve Fund at the end of a fiscal year exceeds 7% of the net general revenue collections for the previous fiscal year, the commissioner must transfer the excess funds to the General Revenue Fund. The full amount of any funds appropriated and expended from the Budget Reserve Fund for specified emergency appropriations must be paid back within five years from the date of the original transfer.

This bill is similar to SCS HCS HJR 34 (2015).

PROPOSERS: Supporters say that the proposed constitutional amendment will limit the growth of government spending, provide long-term fiscal planning and rainy day funds, help balance the economic highs and lows, protect programs and funding, reduce income tax rates, and create a better business environment.

Testifying for the bill were Representative Burlison; Americans For Prosperity; and the Missouri Alliance For Freedom.

OPPOSERS: Those who oppose the bill say that there are too many

uncertainties in the bill and it is a feast or famine approach. Missouri already has the Hancock limit, and the bill is inflexible to the budget in relation to rising health care and mental health care costs and the need for education funding. Missouri is a low tax state and a low spending state. Missouri already has a tax cut bill.

Testifying against the bill were The Civic Council Of Greater Kansas City; Missouri Budget Project; AARP Missouri; Missouri Realtors; Missouri National Education Association; Empower Missouri; Nancy Copenhaver, League Of Women Voters of Missouri; AFT St. Louis Local 420; and United For Missouri.