

SECOND REGULAR SESSION

HOUSE JOINT RESOLUTION NO. 188

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DAVIDSON.

5969H.011

DANA RADEMAN MILLER, Chief Clerk

JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment repealing Section 36 of Article III of the Constitution of Missouri, and adopting two new sections in lieu thereof relating to use of state revenues.

Be it resolved by the House of Representatives, the Senate concurring therein:

That at the next general election to be held in the state of Missouri, on Tuesday next
2 following the first Monday in November, 2024, or at a special election to be called by the
3 governor for that purpose, there is hereby submitted to the qualified voters of this state, for
4 adoption or rejection, the following amendment to Article III of the Constitution of the state
5 of Missouri:

Section A. Section 36, Article III, Constitution of Missouri, is repealed and two new
2 sections adopted in lieu thereof, to be known as Sections 36 and 36(a), to read as follows:

Section 36. **1.** All revenue collected and money received by the state shall go into the
2 treasury and the general assembly shall have no power to divert the same or to permit the
3 withdrawal of money from the treasury, except in pursuance of appropriations made by law.
4 All appropriations of money by successive general assemblies shall be made in the following
5 order:

6 First: For payment of sinking fund and interest on outstanding obligations of the state.

7 Second: For the purpose of public education.

8 Third: For the payment of the cost of assessing and collecting the revenue.

9 Fourth: For the payment of the civil lists.

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 Fifth: For the support of eleemosynary and other state institutions.

11 Sixth: For public health and public welfare.

12 Seventh: For all other state purposes.

13 Eighth: For the expense of the general assembly.

14 **2. The appropriation authority of the general assembly shall be limited as**
15 **follows:**

16 **(1) If the population of the state increased in the most recent full calendar year**
17 **by more than two and one-half percent from the calendar year immediately preceding**
18 **such calendar year, the general assembly shall have a spending limit equal to the**
19 **percentage of the state population increase, which shall be applied as the percent of the**
20 **total moneys available for appropriation; or**

21 **(2) If the population of the state increased in the most recent full calendar year**
22 **by two and one-half percent or less from the calendar year immediately preceding such**
23 **calendar year, the general assembly shall have a spending limit equal to two and one-**
24 **half percent of the total moneys available for appropriation.**

Section 36(a). 1. (1) There is hereby established within the state treasury a fund
2 **to be known as the "Tax Reform Fund", which shall consist of moneys collected under**
3 **subsection 2 of this section and which may be appropriated by the general assembly if**
4 **the conditions under subsection 3 of this section are met and to be used and expended to**
5 **supplement a budgetary shortfall as described under subsection 3 of this section.**

6 **(2) The state treasurer shall invest moneys in the fund in the same manner as**
7 **other funds are invested. Any interest and moneys earned on such investments shall be**
8 **credited to the fund.**

9 **(3) Subject to the provisions of subsection 3 of this section, the unexpended**
10 **balance in the tax reform fund at the close of any fiscal year shall remain in the fund.**

11 **2. (1) For all fiscal years beginning on or after July 1, 2025, if the amount of net**
12 **general revenue collected, as defined under section 27(a) of this article, exceeds the**
13 **anticipated general fund revenue expenditures for a fiscal year by twenty million dollars**
14 **or more, each fiscal year that such surplus is realized, such surplus in excess of twenty**
15 **million dollars shall be deposited into the tax reform fund, not to exceed five hundred**
16 **million dollars. The tax reform fund balance shall be capped at five hundred million**
17 **dollars.**

18 **(2) If the tax reform fund reaches and maintains a balance of two hundred fifty**
19 **million dollars in a subsequent year where a surplus of twenty million dollars or more is**
20 **realized, the general assembly shall authorize by general law a personal income tax**
21 **decrease trigger of one-fourth of one percent or greater, with not less than one reduction**
22 **under this section to occur per calendar year. There shall be no cap on the number of**

23 reductions triggered under this subdivision and such decrease triggers shall remain in
24 effect until the personal income tax is reduced to zero.

25 (3) Upon the reduction and elimination of the personal income tax, the general
26 assembly shall utilize the tax reform fund to gradually reduce and eliminate personal
27 property taxes.

28 (4) After both personal income taxes and personal property taxes have been
29 reduced to zero, the tax reform fund shall continue to collect revenue and shall only be
30 used to supplement budget shortfalls following fiscal years where the general assembly
31 enacted a tax reduction.

32 (5) After personal income tax is reduced to zero, it shall remain at zero.

33 (6) After personal property tax is reduced to zero, it shall remain at zero.

34 (7) The general assembly may appropriate funds to the credit of the tax reform
35 fund to reach the balance described under this section in order to trigger the tax
36 reductions under subdivision (2) of this subsection earlier.

37 3. In any fiscal year that the state experiences a budgetary shortfall following an
38 implementation of the personal income tax decrease trigger under subdivision (2) of
39 subsection 2 of this section, the tax reform fund may be used to supplement areas of
40 necessary funding in the order of the general assembly's authorized appropriations
41 priority.

42 4. (1) Subject to the general assembly enacting a personal income tax decrease
43 trigger by general law as provided under subdivision (2) of subsection 2 of this section, if
44 the twenty-million-dollar surplus trigger under subdivision (2) of subsection 2 of this
45 section was realized in the previous fiscal year, the personal income tax decrease shall be
46 implemented by the department of revenue to take effect on January first of the
47 calendar year immediately following the close of the fiscal year in which the twenty-
48 million-dollar surplus amount was realized.

49 (2) The department of revenue shall implement an annual process to review and
50 report future reduction conditions at the same time and in the same manner as under
51 chapter 143.

52 5. The general assembly shall enact such laws as may be necessary to carry out
53 the provisions of this section.

Section B. Pursuant to chapter 116, and other applicable constitutional provisions and
2 laws of this state allowing the general assembly to adopt ballot language for the submission of
3 this joint resolution to the voters of this state, the official summary statement of this
4 resolution shall be as follows:

5 "Shall the Missouri Constitution be amended to:

- 6 • Create a "Tax Reform Fund," which would use excess revenue to reduce and
7 gradually eliminate personal income and personal property tax; and
8 • Impose a spending limit on the Missouri General Assembly?".

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