

**DEFEATED AMENDMENTS TO THE
CONSTITUTION OF MISSOURI
AUGUST 5, 2014**

HJR 48 [HJR 48]

Proposes a constitutional amendment requiring the State Lottery Commission to develop and sell a Veterans Lottery Ticket with proceeds to go to the Veterans Commission Capital Improvement Trust Fund

CONSTITUTIONAL AMENDMENT NO. 8. — (Proposed by the 97th General Assembly, Second Regular Session, HJR 48)

Official Ballot Title:

Shall the Missouri Constitution be amended to create a "Veterans Lottery Ticket" and to use the revenue from the sale of these tickets for projects and services related to veterans?

The annual cost or savings to state and local governmental entities is unknown, but likely minimal. If sales of a veterans lottery ticket game decrease existing lottery ticket sales, the profits of which fund education, there could be a small annual shift in funding from education to veterans' programs.

Fair Ballot Language:

A "yes" vote will amend the Missouri Constitution to create a "Veterans Lottery Ticket." This amendment further provides that the revenue from the sale of these tickets will be used for projects and services related to veterans.

A "no" vote will not amend the Missouri Constitution to create a "Veterans Lottery Ticket."

If passed, this measure will have no impact on taxes

JOINT RESOLUTION Submitting to the qualified voters of Missouri an amendment repealing section 39(b) of article III of the Constitution of Missouri, and adopting one new section in lieu thereof relating to the state lottery.

SECTION

A. Enacting clause.

39(b). State lottery, authority to establish — lottery proceeds fund established, purpose.

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 following the first Monday in November, 2014, 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 III of the Constitution of the state of Missouri:

SECTION A. ENACTING CLAUSE. — Section 39(b), article III, Constitution of Missouri, is repealed and one new section adopted in lieu thereof, to be known as section 39(b), to read as follows:

SECTION 39(b). STATE LOTTERY, AUTHORITY TO ESTABLISH — LOTTERY PROCEEDS FUND ESTABLISHED, PURPOSE. — 1. The general assembly shall have authority to authorize a Missouri state lottery by law. If such legislation is adopted, there shall be created a "State Lottery Commission" consisting of five members who shall be appointed by the governor with the advice and consent of the senate and who may be removed, for cause by the governor and who shall be chosen from the state at large and represent a broad geographic spectrum with no more than one member chosen from each federal congressional district. Each member at the time of his or her appointment and qualification shall have been a resident of this state for a period of at least five years next preceding his or her appointment and qualification and shall also be a qualified elector therein and be not less than thirty years of age. No more than three members of the commission shall be members of the same political party. Members of the commission shall have three-year terms as provided by law. Members of the commission shall receive no salary but shall receive their actual expenses incurred in the performance of their responsibilities. The commission shall employ such persons as provided by law. The commission shall have the authority to join other states and jurisdictions for the purpose of conducting joint lottery games.

2. The money received by the Missouri State lottery commission from the sale of Missouri lottery tickets, and from all other sources, shall be deposited in the "State Lottery Fund", which is hereby created in the state treasury. No later than July 1, 2015, the state lottery commission shall develop and begin selling a "Veterans Lottery Ticket", and all net proceeds received from the sales of such tickets shall be deposited solely in the veterans commission capital improvement trust fund, as provided by law.

3. [The] Except as provided in subsection 2 of this section, the monies received from the Missouri state lottery shall be governed by appropriation of the general assembly. Beginning July 1, 1993, monies representing net proceeds after payment of prizes and administrative expenses shall be transferred by appropriation to the "Lottery Proceeds Fund" which is hereby created within the state treasury and such monies in the lottery proceeds fund shall be appropriated solely for public institutions of elementary, secondary and higher education.

4. A minimum of forty-five percent of the money received from the sale of Missouri state lottery tickets shall be awarded as prizes.

5. The commission shall have the authority to purchase and hold title to any securities of the United States government or its agencies and instrumentalities thereof for prizes, as provided by law.

6. Until July 1, 1993, any person possessing a department of revenue retail sales license as provided by law or any chartered civic, fraternal, charitable or political organization or labor organization shall be eligible to obtain a license to act as a lottery ticket sales agent except a license to act as an agent to sell lottery tickets shall not be issued to any person primarily engaged in business as a lottery ticket sales agent. Until July 1, 1993, the general assembly may impose additional qualifications on such persons to obtain a lottery ticket sales agent license as it deems appropriate. Until July 1, 1993, the commission is also authorized to sell lottery tickets at its office and at special events as provided by law. Beginning July 1, 1993, the general assembly shall enact laws governing lottery ticket sales.

7. Revenues produced from the conduct of a state lottery shall not be part of "total state revenues" as defined in sections 17 and 18 of article X of this constitution and the expenditure of such revenue shall not be an "expense of state government" under section 20 of article X of this constitution.

For — 441,520; Against — 539,519

HJR 68 [SS HJR 68]

Proposes a constitutional amendment imposing a .75% increase in the state sales and use tax for 10 years to be used for transportation purposes

CONSTITUTIONAL AMENDMENT 7.—(Proposed by the 97th General Assembly, Second Regular Session, HJR 68)

Official Ballot Title:

Should the Missouri Constitution be changed to enact a temporary sales tax of three-quarters of one percent to be used solely to fund state and local highways, roads, bridges and transportation projects for ten years, with priority given to repairing unsafe roads and bridges?

This change is expected to produce \$480 million annually to the state's Transportation Safety and Job Creation Fund and \$54 million for local governments. Increases in the gas tax will be prohibited. This revenue shall only be used for transportation purposes and cannot be diverted for other uses.

Fair Ballot Language:

A "yes" vote will amend the Missouri Constitution to increase funding for state, county, and municipal street, road, bridge, highway, and public transportation initiatives by increasing the state sales/use tax by three-quarters of one percent for 10 years. This amendment further prohibits a change in gasoline taxes and prohibits toll roads or bridges. This amendment also requires these measures to be re-approved by voters every 10 years.

A "no" vote will not amend the Missouri Constitution to increase funding for state, county, and municipal street, road, bridge, highway, and public transportation initiatives.

If passed, this measure will increase the state sales/use tax.

JOINT RESOLUTION Submitting to the qualified voters of Missouri, an amendment repealing section 30(d) of article IV of the Constitution of Missouri, and adopting two new sections in lieu thereof relating to a temporary tax to improve the state highway system, city streets, county roads, and the state transportation system.

SECTION

- A. Enacting clause.
- 30(d). Prohibition against diverting revenue for non-highway purposes — severability of provisions — effective date.
- 30(e). Transportation sales and use taxes for state highway system — proceeds, apportionment — toll highways and bridges prohibited, when — annual report — resubmission to voters, when.
- B. Ballot title.
- C. Fiscal note summary.

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 following the first Monday in November, 2014, 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 IV of the Constitution of Missouri:

SECTION A. ENACTING CLAUSE. — Section 30(d), article IV, Constitution of Missouri, is repealed and two new sections adopted in lieu thereof, to be known as sections 30(d) and 30(e), to read as follows:

SECTION 30(d). PROHIBITION AGAINST DIVERTING REVENUE FOR NON-HIGHWAY PURPOSES — SEVERABILITY OF PROVISIONS — EFFECTIVE DATE. — 1. No state revenues derived from highway users which are [to be allocated] **imposed, collected, apportioned,** distributed, or deposited in the state road fund pursuant to either section 30(a) or section 30(b) shall be diverted from the highway purposes and uses specified in subsection 1 of section 30(b). No state revenues derived from highway users which are [to be allocated] **imposed, collected, apportioned,** distributed, or deposited in the state road bond fund pursuant to subdivision (3) of subsection 2 of section 30(b) shall be diverted from the highway purposes and uses specified in said subdivision (3). **No state revenues which are imposed, collected, apportioned, distributed, or deposited into the state road fund or transportation safety and job creation fund pursuant to section 30(e) of this article shall be used for administrative purposes or diverted from the state highway system purposes and uses and the state transportation system purposes and uses specified in section 30(e) of this article. The oversight division of the committee on legislative research shall conduct a program evaluation of the department of transportation to ensure the additional funds under section 30(e) are used as required under this article and provide a report to the general assembly by January 1, 2020.**

2. All of the provisions of sections 29, 30(a), 30(b), 30(c) [and] , 30(d), **and 30(e)** shall be self executing. All of the provisions of sections 29, 30(a), 30(b), 30(c) [and] , 30(d), **and 30(e)** are severable. If any provision of sections 29, 30(a), 30(b), 30(c) [and] , 30(d), **and 30(e)** is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of these sections shall be and remain valid.

3. The provisions of [sections 29, 30(a), 30(b), 30(c) and 30(d)] **this section and section 30(e)** shall become effective on [July 1, 2005] **January 1, 2015.**

SECTION 30(e). TRANSPORTATION SALES AND USE TAXES FOR STATE HIGHWAY SYSTEM — PROCEEDS, APPORTIONMENT — TOLL HIGHWAYS AND BRIDGES PROHIBITED, WHEN — ANNUAL REPORT — RESUBMISSION TO VOTERS, WHEN. — 1. **To provide additional moneys for state highway system purposes and uses, city streets, county roads and state transportation system purposes and uses: First, an additional state sales tax of three-quarters of one percent is hereby levied and imposed upon all transactions on which the Missouri state sales tax is imposed, subject to the provisions of and to be collected as provided in the Sales Tax Law and the rules adopted in connection therewith; and Second, an additional state use tax of three-quarters of one percent is hereby levied and imposed upon all transactions on which the Missouri state use tax is imposed, subject to the provisions of and to be collected as provided in the Compensating Use Tax Law and the rules adopted in connection therewith. No tax levied or imposed under this section shall apply to the retail sale of food as defined in the Sales Tax Law.**

2. **The proceeds from the additional state sales and use taxes imposed under this section shall be collected, apportioned, distributed, and deposited by the department of revenue as provided in this section. The term "proceeds from the additional state sales and use taxes" used in this subsection shall mean and include all proceeds collected by the department of revenue reduced only by refunds for overpayments and erroneous payments of such taxes as permitted by law and the department's actual costs to collect these proceeds, which shall not exceed one percent of the total amount of the tax collected. The department's actual costs to collect these proceeds shall be limited to actual costs incurred by the department of revenue, including any other entity or person designated by law or by the department to collect or to provide goods or services used to collect the additional state sales and use taxes.**

3. The proceeds from the additional state sales and use taxes imposed under this section shall be apportioned, distributed, and deposited by the director of revenue as follows:

(1) Five percent of the proceeds shall be deposited into a special trust fund known as the "County Aid Transportation Fund". Moneys in the county aid transportation fund shall be apportioned and distributed to the various counties of the state based on the county road mileage and assessed rural land valuation calculations in subdivision (1) of subsection 1 of section 30(a) of this article, except that five percent of these moneys shall be apportioned and distributed solely to cities not within any county in this state. Moneys in this fund shall be expended at the sole discretion of the various counties for any of the county road and bridge purposes and uses provided in subdivision (1) of subsection 1 of section 30(a) of this article, any state highway system purposes and uses authorized under section 30(b) of this article, or for any county transportation system purposes and uses as set forth in subdivision (4) of this subsection;

(2) Five percent of the proceeds shall be deposited into a special trust fund known as the "Municipal Aid Transportation Fund". Moneys in the municipal aid transportation fund shall be apportioned and distributed to the various incorporated cities, towns, and villages in the state based on the population ratio calculations in subdivision (2) of subsection 1 of section 30(a) of this article. Moneys in this fund shall be expended at the sole discretion of the various incorporated cities, towns, and villages for any of the city road, street and bridge purposes and uses provided in subdivision (2) of subsection 1 of section 30(a) of this article, any state highway system purposes and uses authorized under section 30(b) of this article, or for any city transportation system purposes and uses as set forth in subdivision (4) of this subsection;

(3) Ninety percent of the proceeds shall be deposited into a special trust fund known as the "Transportation Safety and Job Creation Fund", which is created within the state treasury. Moneys in the transportation safety and job creation fund shall stand appropriated without legislative action to be used and expended at the sole discretion of the highways and transportation commission for the following purposes and uses, and no other:

(a) For deposit into the state road fund for state highway system purposes and uses authorized under section 30(b) of this article; or

(b) For state transportation system purposes and uses as set forth in subdivision (4) of this subsection;

(4) The term "transportation system purposes and uses" shall include authority for the commission, any county or any city to plan, locate, relocate, establish, acquire, construct, maintain, control, operate, develop, and fund public transportation facilities such as, but not limited to, aviation, mass transportation, transportation for elderly and handicapped persons, railroads, ports, waterborne commerce, intermodal connections, bicycle, and pedestrian improvements;

(5) All interest earned on moneys deposited into the county aid transportation fund, the municipal aid transportation fund or the transportation safety and job creation fund shall be credited to and deposited into such fund. The unexpended balance remaining in the county aid transportation fund, the municipal aid transportation fund, and the transportation safety and job creation fund at the end of the biennium and after all warrants on same have been discharged and the appropriation, if applicable, has lapsed, shall not be transferred and placed to the credit of the general revenue fund of the state or any other fund;

(6) The moneys apportioned or distributed under this section to the transportation safety and job creation fund, county aid transportation fund, and municipal aid transportation fund shall not be included within "total state revenues" under section 17 of article X of the Constitution of Missouri, nor be considered an "expense of state

government” under section 20 of article X of the Constitution of Missouri, nor be considered “state revenue” under section 3(b) of article IX of the Constitution of Missouri.

4. (1) The general assembly, counties, and municipalities are prohibited from increasing or decreasing the tax upon, or measured by, motor fuel used to propel highway motor vehicles from the rate of the tax authorized by law on January 1, 2014, while this section is in effect.

(2) The state highways and transportation commission shall not authorize, own, or operate a toll highway or toll bridge on a state highway or bridge while the sales and use tax authorized by this section is in effect. A county or municipality shall not authorize, own or operate a toll highway or toll bridge on any highway or bridge under its jurisdiction while the sales and use tax authorized by this section is in effect.

(3) Prior to the effective date of this section and prior to any subsequent election in which this section shall be submitted to voters for approval, the commission shall approve its list of projects, programs, and facilities, with a priority given to safety, on the state highway system and state transportation system that shall be funded from the proceeds from the additional sales and use taxes deposited into the transportation safety and job creation fund under this section. Starting in the second calendar year following the effective date of this section, the commission shall annually submit a report to the governor, general assembly, and joint committee on transportation oversight that shall include the status of the approved list of projects, programs, and facilities on the state highway system and state transportation system. During the ten-year period the temporary tax is in effect, the commission shall include the approved projects, programs, and facilities in one or more of the five-year statewide transportation improvement programs approved by the commission. A taxpayer of the state shall have standing to bring suit to compel the commission’s inclusion of approved projects in a five-year statewide transportation improvement program. All such suits shall be brought in the circuit court of Cole County.

(4) Upon voter approval of the temporary three-quarters of one percent state sales and use tax in this section at the general election held in 2014, or at a special election to be called by the governor for that purpose, this section shall be effective January 1, 2015, and shall continue for ten years. This section shall be resubmitted to the voters for approval at the general election held in 2024. The secretary of state shall submit the ballot measure for such ten-year resubmission. If approved by a simple majority of votes cast, this section shall continue to be effective for an additional temporary ten-year period. Every ten years thereafter, the secretary of state shall submit to the voters for approval the issue of whether the sales and use tax authorized by this section shall be imposed for another ten-year period. If at any subsequent general election a simple majority of votes cast do not approve such issue, then this section shall terminate on December thirty-first of the calendar year when the last election was held.

SECTION B. BALLOT TITLE.— Pursuant to section 116.155, RSMo, and other applicable constitutional provisions and laws of this state authorizing the general assembly to adopt ballot language for the submission of a joint resolution to the voters of this state, the official ballot title of the amendment proposed in section A shall be as follows:

“Should the Missouri Constitution be changed to enact a temporary sales tax of three-quarters of one percent to be used solely to fund state and local highways, roads, bridges and transportation projects for ten years, with priority given to repairing unsafe roads and bridges?”.

SECTION C. FISCAL NOTE SUMMARY.— Pursuant to section 116.155, RSMo, and other applicable constitutional provisions and the laws of this state authorizing the general assembly

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to adopt a fiscal note summary for the submission of a joint resolution to the voters of this state, the official fiscal note summary of the amendment proposed by section A shall be as follows:

"This change is expected to produce \$480 million annually to the state's Transportation Safety and Job Creation Fund and \$54 million for local governments. Increases in the gas tax will be prohibited. This revenue shall only be used for transportation purposes and cannot be diverted for other uses."

For — 408,288; Against — 591,932

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