

SECOND REGULAR SESSION

# SENATE JOINT RESOLUTION NO. 43

92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATOR KLINDT.

Read 1st time January 21, 2004, and ordered printed.

TERRY L. SPIELER, Secretary.

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## JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing section 27(a) of article IV of the Constitution of Missouri, and adopting one new section in lieu thereof relating to the budget reserve fund.

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*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, 2004, 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 the state of Missouri:

Section A. Section 27(a), article IV, Constitution of Missouri, is repealed and one new section adopted in lieu thereof, to be known as section 27(a), to read as follows:

Section 27(a). 1. There is hereby established within the state treasury a fund to be known as the "Budget Reserve Fund". The balances in the cash operating reserve fund and the budget stabilization fund shall be transferred to the budget reserve fund.

2. The commissioner of administration may, throughout any fiscal year, transfer amounts from the budget reserve fund to the general revenue fund or any other state fund without other legislative action if he determines that such amounts are necessary for the cash requirements of this state. Such transfers shall be deemed "cash operating transfers".

3. The commissioner of administration shall transfer from the general revenue fund or other recipient fund to the budget reserve fund an amount equal to the cash operating transfer received by such fund pursuant to subsection 2 of this section, together with the interest that would have been earned on such amount, prior to May sixteenth of the fiscal year in which the transfer was made. No cash operating transfers out of the budget reserve fund may be made after May fifteenth of any fiscal year.

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

4. Funds in the budget reserve fund shall be invested by the treasurer in the same manner as other state funds are invested. Interest earned on such investments shall be credited to the budget reserve fund. Subject to the provisions of subsection 7 of this section, the unexpended balance in the budget reserve fund at the close of any fiscal year shall remain in the fund.

5. In any fiscal year in which the governor reduces the expenditures of the state or any of its agencies below their appropriations in accordance with section 27 of this article, or in which there is a budget need due to a disaster, as proclaimed by the governor to be an emergency, the general assembly, upon a request by the governor for an emergency appropriation and by a two-thirds vote of the members elected to each house, may appropriate funds from the budget reserve fund to fulfill the expenditures authorized by any of the existing appropriations which were affected by the governor's decision to reduce expenditures pursuant to section 27 of this article or to meet budget needs due to the disaster. Such expenditures shall be deemed to be for "budget stabilization purposes". The maximum amount which may be appropriated at any one time for such budget stabilization purposes shall be one-half of the sum of the balance in the fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes but not yet appropriated for repayment to the fund.

6. [One-third] **After the next two full fiscal years are complete, one-fourth** of the amount transferred or expended from the budget reserve fund for budget stabilization purposes during any fiscal year **pursuant to subsection 5 of this section**, together with interest that would otherwise have been earned on such amount, shall stand appropriated to the budget reserve fund during each of the [next three] **following four** fiscal years, and such amount, and any additional amounts which may be appropriated for that purpose, shall be transferred from the fund which received such transfer to the budget reserve fund by the fifteenth day of the fiscal year for each of the next three fiscal years or until the full amount, plus interest, has been returned to the budget reserve fund. The maximum amount which may be outstanding at any one time and subject to repayment to the budget reserve fund for budget stabilization purposes shall be one-half of the sum of the balance in the fund and all outstanding amounts appropriated or otherwise owed to the fund.

7. If the balance in the budget reserve fund at the close of any fiscal year exceeds seven and one-half percent of the net general revenue collections for the previous fiscal year, the commissioner of administration shall transfer that excess amount to the general revenue fund unless such excess balance is as a result of direct appropriations made by the general assembly for the purpose of increasing the balance of the fund; provided, however, that if the balance in the fund at the close of any fiscal year exceeds ten percent of the net general revenue collections for the previous fiscal year, the commissioner of administration shall transfer the excess amount to the general revenue fund notwithstanding any specific

appropriations made to the fund. For purposes of this section, "net general revenue collections" means all revenue deposited into the general revenue fund less refunds and revenues originally deposited into the general revenue fund but designated by law for a specific distribution or transfer to another state fund.

8. If the sum of the ending balance of the budget reserve fund in any fiscal year and any amounts owed to the fund pursuant to subsection 6 of this section, **not including funds arising due to subsections 9 and 12 of this section**, is less than seven and one-half percent of the net general revenue collections for the same year, the difference shall stand appropriated and shall be transferred from the general revenue fund to the budget reserve fund by the fifteenth day of the succeeding fiscal year.

9. **At the end of any fiscal year in which general revenue collections in such fiscal year exceeded general revenue expenditures for that fiscal year, an amount not less than thirty percent of such surplus shall be transferred to the budget reserve fund. The provisions of this subsection shall be limited by and subject to the provisions of article 10, section 18, of this constitution.**

10. In any fiscal year in which the governor reduces the expenditures of the state or any of its agencies below their appropriations in accordance with section 27 of this article, or in which there is a budget need due to a disaster, as proclaimed by the governor to be an emergency, the general assembly, by a majority vote of the members elected to each house, may appropriate one-half of the funds in the budget reserve fund that arose due to the provisions of subsections 9 or 12 of this section to fulfill the expenditures authorized by any of the existing appropriations that were affected by the governor's decision to reduce expenditures pursuant to section 27 of this article or to meet budget needs due to the disaster.

11. The remaining one-half of the funds in the budget reserve fund that arose due to the provisions of subsections 9 or 12 of this section may be appropriated by the general assembly, subject to the same conditions as provided in subsection 10 of this section, except that the motion to approve such appropriation shall require a two-thirds vote of the members elected to each house.

12. In any fiscal year in which the provisions of article 10, section 18, of this constitution cause a pro rata refund to occur, if in such fiscal year general revenue collections exceeded general revenue expenditures even after making the mandatory pro rata refund, an amount equal to fifty percent of such final surplus shall be transferred to the budget reserve fund.

Unofficial

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