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NEW YEAR, SAME DANGEROUS REVENUE LIMITS

House passes legislation for revenue growth lid that would handicap state services

St. Louis, MO – Today, the Missouri House of Representatives approved legislation to put a Constitutional Amendment on the ballot that would create a revenue growth lid for the state. The proposed legislation, HCS HJR 70, needs Senate approval before it could be placed on a statewide ballot.

“This proposal would create a fiscal crisis in Missouri, as it did in Colorado when it was passed there. It will decrease revenue to the point where the state will not be able to meet the needs of Missouri residents,” said Amy Blouin, Executive Director of the Missouri Budget Project. “It is not fiscally responsible for lawmakers to consider further limits on Missouri’s revenue when critical state services, such as education and health care, are in dire need of funding,” Blouin said.

A similar revenue growth lid proposal was considered in 2006, but was not placed on the ballot. Missouri already has a limit on the amount of tax revenue the state can collect under the Hancock Amendment, which was passed by voters in 1980.

“This legislation would put additional permanent restrictions on Missouri’s ability to fund basic services, particularly during difficult economic times, such as the one we are now facing,” Blouin said. “The result will leave vital human services constantly competing against each other as funds continue to shrink.”

The State of Colorado, which enacted a similar government revenue lid in 1992, has since passed a Constitutional Amendment to repeal it for five years. When this proposal was last considered in Missouri, the former chairman of the Colorado House Budget Committee, Republican Brad Young, said, “The revenue growth lid was bad for Colorado and it would be very bad for Missouri. The problems compound year after year, especially during tough times. Since states’ budgets are already in tough shape, in my view, this is the wrong policy.”

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The Mission of the Missouri Budget Project is: To advance public policies that improve economic opportunities for all Missourians – particularly low and middle-income families – by providing reliable and objective research, public education and advocacy. More information is available at www.mobudget.org.