

# DEPARTMENT OF REVENUE

## FINANCIAL SUMMARY

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	FY 2013 REQUEST	GOVERNOR RECOMMENDS FY 2013
Administration Division	\$ 10,677,228	\$ 13,518,040	\$ 13,655,339	\$ 13,807,882
Taxation Division	21,771,642	27,829,622	33,829,622	38,440,768
Motor Vehicle and Driver Licensing Division	2,080,645	2,973,050	2,203,192	2,178,107
Legal Services Division	2,009,351	2,307,727	2,307,727	2,364,887
Highway Collections	21,057,751	22,105,054	22,896,687	22,951,515
State Tax Commission	2,499,332	2,742,109	2,742,109	2,756,766
Distributions	218,763,745	215,976,936	215,976,936	218,976,936
State Lottery Commission	168,987,525	146,119,339	145,927,339	145,944,007
<b>DEPARTMENTAL TOTAL</b>	<b>\$ 447,847,219</b>	<b>\$ 433,571,877 *</b>	<b>\$ 439,538,951</b>	<b>\$ 447,420,868</b>
General Revenue Fund	76,064,817	75,481,322	82,355,813	90,149,786
Federal Funds	3,610,956	6,865,545	6,865,545	6,869,632
Child Support Enforcement Fund	1,811,004	2,624,213	2,624,213	2,614,437
Health Initiatives Fund	56,349	59,087	59,087	59,320
Elderly Home-Delivered Meals Trust Fund	11,788	12,582	12,582	12,697
Petroleum Storage Tank Insurance Fund	25,613	27,654	27,654	27,842
Motor Vehicle Commission Fund	691,316	1,155,065	1,155,065	1,144,792
Conservation Commission Fund	499,860	557,159	557,159	554,037
Department of Revenue Information Fund	681,480	808,873	39,015	39,020
State Highways and Transportation Department Fund	11,489,209	11,820,335	11,874,776	11,920,212
Lottery Enterprise Fund	168,987,525	146,119,339	145,927,339	145,944,007
Petroleum Inspection Fund	30,098	35,497	35,497	35,647
Motor Fuel Tax Fund	183,887,204	188,000,000	188,000,000	188,000,000
Department of Revenue Specialty Plate Fund	0	5,206	5,206	5,076
Tobacco Control Special Fund	0	0	0	44,363
<b>Total Full-time Equivalent Employees</b>	<b>1,374.84</b>	<b>1,443.35</b>	<b>1,426.35</b>	<b>1,411.55</b>
General Revenue Fund	938.56	992.06	992.06	977.26
Federal Funds	3.94	11.74	11.74	11.74
Other Funds	432.34	439.55	422.55	422.55

\* Does not include \$3,421,883 recommended in the Fiscal Year 2012 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Revenue supplemental appropriations.

## DEPARTMENT SUMMARY

The Fiscal Year 2013 budget provides \$447.4 million for the Department of Revenue. The department serves as the primary revenue collection agency for the State of Missouri. It strives to ensure all taxes and fees owed to the state are paid; its duties and services are performed according to statutory and regulatory standards; and revenues are collected at minimal administrative expense. The core functions provided by the Department of Revenue include:

- Processing tax returns.
- Collecting tax and issuing refunds.
- Titling and registering motor vehicles, boats, and trailers.
- Licensing drivers.
- Investigating suspected violations of the tax, vehicle, and driver licensing laws.

**DEPARTMENT OF REVENUE  
ADMINISTRATION DIVISION**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Administration Division	\$ 6,613,139	\$ 10,156,222	\$ 10,211,410
Postage	4,064,089	3,361,818	3,596,472
<b>TOTAL</b>	<b>\$ 10,677,228</b>	<b>\$ 13,518,040</b>	<b>\$ 13,807,882</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	1,209,937	1,247,362	1,258,799
Federal Funds	25,626	50,758	51,223
Other Funds	17,316	24,372	24,596
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	4,168,348	3,255,912	3,862,672
Federal Funds	3,092,595	5,970,006	5,970,006
Other Funds	2,163,406	2,969,630	2,640,586
<b>TOTAL</b>			
General Revenue Fund	5,378,285	4,503,274	5,121,471
Federal Funds	3,118,221	6,020,764	6,021,229
Other Funds	2,180,722	2,994,002	2,665,182
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	34.58	39.66	39.66
Federal Funds	33.28	37.04	37.04
Other Funds	0.78	1.74	1.74
	0.52	0.88	0.88

The Administration Division supports the Department's revenue collection and motor vehicle and driver license programs by performing the following functions: accounting, cash management, procurement, mail operations, central supply inventory, receiving, warehousing, archival, delivery, motor pool, facility services, personnel, form development, and training. The Internal Compliance Bureau reviews and evaluates the department's accounting controls and appraises the effectiveness and efficiency of the use of department resources.

**Fiscal Year 2013 Governor's Recommendations**

- \$234,674 for postage.
- \$58,240 to update tax filing software licenses.
- \$12,126 for pay plan, including \$11,437 general revenue.
- \$319,044 reallocated from the Motor Vehicle and Driver Licensing Division.
- (\$334,242) core reduction from the Fiscal Year 2012 appropriation level, including (\$5,198) general revenue.

**DEPARTMENT OF REVENUE  
TAXATION DIVISION**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Taxation Division	\$ 21,771,642	\$ 26,829,622	\$ 26,440,768
Integrated Tax System	0	1,000,000	12,000,000
<b>TOTAL</b>	<b>\$ 21,771,642</b>	<b>\$ 27,829,622</b>	<b>\$ 38,440,768</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	18,781,095	20,541,275	20,224,988
Other Funds	593,066	660,444	666,498
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	2,373,555	6,603,084	17,532,953
Other Funds	23,926	24,819	16,329
<b>TOTAL</b>			
General Revenue Fund	21,154,650	27,144,359	37,757,941
Other Funds	616,992	685,263	682,827
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	622.35	635.60	620.80
Other Funds	599.31	610.68	595.88
Other Funds	23.04	24.92	24.92

The Taxation Division administers and enforces tax laws. The division deposits all tax revenue, issues refunds, and collects and distributes local taxes. The division's collection activities include account management, lien filing, delinquent tax collections (including identification of non-compliant businesses and individuals), tax clearances, and debt offsets. The division has seven in-state field offices (St. Louis, Kansas City, Springfield, Jefferson City, Joplin, St. Joseph, and Cape Girardeau) that audit businesses required to pay taxes to the State of Missouri and handle taxpayer assistance inquiries. The division's auditors are also stationed in four out-of-state offices (Chicago, Dallas, Atlanta, and New York) to foster compliance with Missouri tax laws.

**Fiscal Year 2013 Governor's Recommendations**

- \$11,000,000 for an integrated tax system to facilitate the collection of taxes owed; the cost will be more than offset by increased collections.
- \$189,767 for pay plan, including \$183,713 general revenue.
- (\$578,621) and (14.8) staff core reduction from the Fiscal Year 2012 appropriation level, including (\$570,131) general revenue.

**DEPARTMENT OF REVENUE  
MOTOR VEHICLE AND DRIVER LICENSING DIVISION**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Motor Vehicle and Driver Licensing Division TOTAL	\$ 2,080,645	\$ 2,973,050	\$ 2,178,107
<b>PERSONAL SERVICE</b>			
General Revenue Fund	123,251	518,777	523,533
Federal Funds	43,396	199,141	200,967
Other Funds	518,358	566,495	279,621
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	988,249	761,303	424,390
Federal Funds	287,493	379,816	379,816
Other Funds	119,898	547,518	369,780
<b>TOTAL</b>			
General Revenue Fund	1,111,500	1,280,080	947,923
Federal Funds	330,889	578,957	580,783
Other Funds	638,256	1,114,013	649,401
<b>Total Full-time Equivalent Employees</b>	<b>26.23</b>	<b>48.05</b>	<b>37.05</b>
General Revenue Fund	5.01	22.05	22.05
Federal Funds	0.97	5.00	5.00
Other Funds	20.25	21.00	10.00

The Motor Vehicle and Driver Licensing Division administers Missouri laws relating to the licensing of drivers and the titling and registration of motor vehicles, all-terrain vehicles, trailers, manufactured homes, and marine-craft. The division also directs the operations of the contract license offices throughout the state and awards the offices through a competitive bid process.

**Fiscal Year 2013 Governor's Recommendations**

- \$9,123 for pay plan, including \$4,756 general revenue.
- (\$485,022) and (11) staff core reduction from the Fiscal Year 2012 appropriation level, including (\$17,869) general revenue.
- (\$319,044) reallocated to the Administration Division.

**DEPARTMENT OF REVENUE  
LEGAL SERVICES DIVISION**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Legal Services Division TOTAL	\$ 2,009,351	\$ 2,307,727	\$ 2,364,887
<b>PERSONAL SERVICE</b>			
General Revenue Fund	1,340,953	1,411,010	1,423,947
Federal Funds	81,826	195,824	197,620
Other Funds	346,874	455,981	501,200
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	135,014	138,835	133,499
Federal Funds	80,020	70,000	70,000
Other Funds	24,664	36,077	38,621
<b>TOTAL</b>			
General Revenue Fund	1,475,967	1,549,845	1,557,446
Federal Funds	161,846	265,824	267,620
Other Funds	371,538	492,058	539,821
<b>Total Full-time Equivalent Employees</b>	<b>45.98</b>	<b>52.15</b>	<b>52.15</b>
General Revenue Fund	34.85	36.15	36.15
Federal Funds	2.19	5.00	5.00
Other Funds	8.94	11.00	11.00

The Legal Services Division supports the Department's administration of the revenue laws, and provides legal counsel and representation to the Director of Revenue and divisions. The Criminal Investigation Bureau investigates suspected violations of the tax, motor vehicle, and driver license laws, and prepares cases for prosecution.

**Fiscal Year 2013 Governor's Recommendations**

- \$44,363 Tobacco Control Special Fund to enforce the provisions of the Tobacco Master Settlement Agreement.
- \$18,912 for pay plan, including \$12,937 general revenue.
- (\$6,115) core reduction from the Fiscal Year 2012 appropriation level, including (\$5,336) general revenue.

**DEPARTMENT OF REVENUE  
HIGHWAY COLLECTIONS**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Highway Collections - Taxation Division	\$ 1,313,796	\$ 1,826,265	\$ 1,837,811
Highway Collections - Motor Vehicle and Driver Licensing Division	12,448,992	12,694,507	13,045,951
Highway Collections - Legal Services Division	2,067,412	2,094,174	2,109,138
Highway Collections - Attorney Fees	0	5,000	5,000
Highway Collections - Postage	2,455,033	2,899,699	3,357,542
Highway Collections - Administration Division	<u>2,772,518</u>	<u>2,585,409</u>	<u>2,596,073</u>
<b>TOTAL</b>	<b>\$ 21,057,751</b>	<b>\$ 22,105,054</b>	<b>\$ 22,951,515</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	6,977,793	7,357,298	7,424,741
Other Funds	6,281,253	6,773,445	6,835,533
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	2,590,749	2,927,421	3,606,562
Other Funds	5,207,956	5,046,890	5,084,679
<b>TOTAL</b>			
General Revenue Fund	9,568,542	10,284,719	11,031,303
Other Funds	11,489,209	11,820,335	11,920,212
<b>Total Full-time Equivalent Employees</b>	<b>431.00</b>	<b>454.39</b>	<b>454.39</b>
General Revenue Fund	215.96	232.14	232.14
Other Funds	215.04	222.25	222.25

The Missouri Constitution, Article IV, Sections 30(a), 30(b), and 30(c) requires all state revenues from the existing motor vehicle fuel tax, vehicle taxes and fees paid by highway users (less collection costs of three percent of the amount collected and State Highway Patrol enforcement costs) be used for state and local highways, roads, and bridges, and for constructing and maintaining the state highway system. The Department of Revenue collects and remits these revenues to the State Highways and Transportation Department Fund. Highway Collections functions are distributed between the Taxation, Motor Vehicle and Driver Licensing, Administration, and Legal Services Divisions.

**Fiscal Year 2013 Governor's Recommendations**

- \$457,863 for postage costs, including \$289,037 general revenue.
- \$400,000 for increased license plate costs.
- \$48,155 for National Motor Vehicle Title Information System fees.
- \$129,531 for pay plan, including \$67,443 general revenue.
- (\$189,088) core reduction from the Fiscal Year 2012 appropriation level, including (\$58,051) general revenue.

**DEPARTMENT OF REVENUE  
STATE TAX COMMISSION**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
State Tax Commission TOTAL	\$ 2,499,332	\$ 2,742,109	\$ 2,756,766
PERSONAL SERVICE EXPENSE AND EQUIPMENT TOTAL	2,289,659 209,673	2,525,527 216,582	2,548,677 208,089
General Revenue Fund	2,499,332	2,742,109	2,756,766
Total Full-time Equivalent Employees	50.15	54.00	54.00
General Revenue Fund	50.15	54.00	54.00

The State Tax Commission is a quasi-judicial administrative agency created by the Missouri Constitution to perform six basic functions. These functions are: equalize inter- and intra-county assessments; conduct de novo judicial hearings regarding valuation and classification appeals from local boards of equalization; formulate and implement statewide assessment policy and procedures to comport with statutory and constitutional mandates; supervise local assessing officials and local assessment programs to ensure compliance with statewide requirements; conduct ratio studies to determine the assessment level in each county and to measure the quality of the assessments; and assess the distributable property of railroads and public utilities.

**Fiscal Year 2013 Governor's Recommendations**

- \$23,150 for pay plan.
- (\$8,493) core reduction from the Fiscal Year 2012 appropriation level.

**DEPARTMENT OF REVENUE  
DISTRIBUTIONS**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Prosecuting Attorneys and Collection Agencies Fees	\$ 2,342,807	\$ 2,009,425	\$ 2,009,425
County Filing Fees	375,965	465,000	465,000
State Share of Assessment Maintenance Costs	12,401,496	11,132,480	11,132,480
Motor Fuel Tax Distribution to Cities and Counties	183,887,204	188,000,000	188,000,000
Emblem Use Fee Distribution	175	1,000	1,000
County Stock Insurance Tax	1,134,834	500,000	500,000
Homestead Preservation Tax Credit	774,188	0	0
Debt Offset For Tax Credits Transfer	159,943	200,000	200,000
Debt Offset Transfer	11,461,220	11,292,384	11,292,384
Circuit Courts Escrow Transfer	1,455,411	505,500	505,500
Income Tax Check-Off Refund Designations	313,611	396,000	396,000
General Revenue Reimbursement to State			
Highways and Transportation Fund	3,435,755	0	0
Downtown Revitalization Preservation Transfer	176,910	234,697	234,697
State Supplemental Downtown Development Transfer	844,226	1,240,450	1,240,450
Missouri Science and Innovation Reinvestment Transfer	0	0	3,000,000
<b>TOTAL</b>	<b>\$ 218,763,745</b>	<b>\$ 215,976,936</b>	<b>\$ 218,976,936</b>
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	487,928	500,000	500,000
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	34,388,613	27,476,936	30,476,936
Other Funds	183,887,204	188,000,000	188,000,000
<b>TOTAL</b>			
General Revenue Fund	34,876,541	27,976,936	30,976,936
Other Funds	183,887,204	188,000,000	188,000,000
<b>Total Full-time Equivalent Employees</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**PROSECUTING ATTORNEYS AND COLLECTION AGENCIES FEES**

Section 136.150, RSMo, provides for payment of a collection fee of 20 percent of delinquent taxes, licenses, or fees recovered on behalf of the state by circuit or prosecuting attorneys. The collection fee is deposited in the county treasury with one-half of the fee for use by the attorney's office and one-half to be expended as the county determines.

Section 140.850, RSMo, authorizes the Department of Revenue to use private attorneys or professional collection agencies to collect delinquent taxes owed by resident and non-resident taxpayers (individuals and businesses). The statute permits a collection fee not to exceed 25 percent of the amount collected.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**COUNTY FILING FEES**

The Department of Revenue is authorized to file certificates of lien with the circuit courts for income, withholding, sales, and use tax delinquencies under Sections 144.380 and 143.902, RSMo. Under Section 144.380.4, RSMo, county recorders may charge the department a fee of \$3.00 per tax lien for filing and \$1.50 per release of a filed tax lien. The department collects these fees from the delinquent taxpayers.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**DEPARTMENT OF REVENUE  
DISTRIBUTIONS**

**STATE SHARE OF ASSESSMENT MAINTENANCE COSTS**

The state reimburses a portion of the costs and expenses for maintaining assessments by the county assessors and the St. Louis City assessor.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**MOTOR FUEL TAX DISTRIBUTION TO CITIES AND COUNTIES**

Missouri Constitution Article IV, Section 30(a)(2) requires 15 percent of the net proceeds from the Motor Fuel Tax collections be allocated to the incorporated cities, towns, and villages of the state to assist in the maintenance of streets and highways.

Missouri Constitution Article IV, Section 30(a)(1) requires that 10 percent of the net proceeds from Motor Fuel Tax collections be distributed to the counties to assist in the maintenance of county roads, highways, and bridges. In addition, Missouri Constitution Article IV, Section 30(a)(2) requires that 15 percent of the net proceeds resulting from any increase in the Motor Fuel Tax rate over the rate in effect on March 31, 1992, be distributed to the counties to assist in the maintenance of county roads, highways, and bridges.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**EMBLEM USE FEE DISTRIBUTION**

Under Section 301.3141, RSMo, contributions to the "Veterans of Foreign Wars Department of Missouri" may be used to apply for a specialty license plate. The contributions can be made to the Department of Revenue, which then remits them to the Veterans of Foreign Wars Department of Missouri.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**COUNTY STOCK INSURANCE TAX**

The Department of Revenue uses this appropriation to meet the apportionment requirements for the County Stock Insurance Tax required by Section 148.330, RSMo, while holding school districts and counties harmless to reductions from premium tax credits provided to insurance companies.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**HOMESTEAD PRESERVATION TAX CREDIT**

Section 137.106, RSMo, the Homestead Preservation Act, enables qualified senior citizens and disabled persons to obtain a credit against their property taxes for an increase to their taxes that exceeds statutory thresholds. This appropriation provided funds to be distributed to county governments to offset property taxes of qualified applicants. The Homestead Preservation Tax Credit expired August 28, 2010.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**DEPARTMENT OF REVENUE  
DISTRIBUTIONS**

**DEBT OFFSET FOR TAX CREDITS TRANSFER**

Section 135.815, RSMo, requires that tax credit applicants must first use any award to pay off any delinquent income, sales, use, or insurance taxes. After applying all credits toward any delinquencies, the applicant can be issued any remaining credits. The Department of Revenue uses this appropriation to satisfy delinquencies.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**DEBT OFFSET TRANSFER**

Chapter 143, RSMo, provides a mechanism to offset debts owed to the state against tax refunds payable to the debtor. The Department of Revenue transfers to the Office of State Treasurer the amount of the debt certified to be owed to a state agency in an amount not exceeding the tax refund claimed. Any amount in excess of the debt is forwarded to the taxpayer. Upon settlement of the claim through the established administrative hearings process, the escrow funds are returned to the state agency or the payee.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**CIRCUIT COURTS ESCROW TRANSFER**

Section 143.784, RSMo, provides a mechanism to offset debts owed to the state against tax refunds payable to the debtor. The Department of Revenue transfers to the Office of State Courts Administrator (OSCA) any amounts certified to be owed to the courts, in an amount not exceeding the tax refund claimed. Upon settlement of the claim, the escrow funds are returned to OSCA.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**INCOME TAX CHECK-OFF REFUND DESIGNATIONS**

State statutes permit individuals and corporations to contribute a portion of any income tax refund that they are owed to numerous separate state trust funds and separate charitable trust funds. The amounts designated by taxpayers for distribution to the various trust funds are transferred from the General Revenue Fund.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**DOWNTOWN REVITALIZATION PRESERVATION TRANSFER**

Section 99.1092, RSMo, requires the department to annually transfer the first \$15,000,000 of other net new revenues generated by redevelopment projects to the Downtown Revitalization Preservation Fund.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**STATE SUPPLEMENTAL DOWNTOWN DEVELOPMENT TRANSFER**

Section 99.963, RSMo, requires the department to annually transfer the first \$150,000,000 of other net new revenues generated by development projects to the State Supplemental Downtown Development Fund.

**Fiscal Year 2013 Governor's Recommendations**

Continue funding at the current level.

**DEPARTMENT OF REVENUE  
DISTRIBUTIONS**

**MISSOURI SCIENCE AND INNOVATION REINVESTMENT TRANSFER**

The Missouri Science and Innovation Reinvestment Act (MOSIRA) is intended to spark growth in research and technology enterprises. The Missouri Technology Corporation administers MOSIRA funds to generate further economic growth in the science and innovation industry sectors, with emphasis on biotechnology and life sciences. Funding is invested in a wide range of programs designed to create jobs, nurture start-ups, and bring science and technology companies to the state.

**Fiscal Year 2013 Governor's Recommendations**

- \$3,000,000 transferred to the Missouri Science and Innovation Reinvestment Fund.

**DEPARTMENT OF REVENUE  
STATE LOTTERY COMMISSION**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Lottery Commission - Operating	\$ 45,790,575	\$ 44,119,339	\$ 43,944,007
Lottery Commission - Prizes	123,196,950	102,000,000	102,000,000
<b>TOTAL</b>	<b>\$ 168,987,525</b>	<b>\$ 146,119,339</b>	<b>\$ 145,944,007</b>
PERSONAL SERVICE	6,775,404	6,865,837	6,735,015
EXPENSE AND EQUIPMENT	162,207,756	139,243,502	139,198,992
PROGRAM SPECIFIC DISTRIBUTION	4,365	10,000	10,000
<b>TOTAL</b>			
Lottery Enterprise Fund	168,987,525	146,119,339	145,944,007
Total Full-time Equivalent Employees	164.55	159.50	153.50
Other Funds	164.55	159.50	153.50

The Missouri Constitution, Article III, Section 39(b), as approved by the voters of Missouri, established the Missouri State Lottery. The enabling statutes are contained in Sections 313.200 through 313.353, RSMo. The Missouri State Lottery is charged with carrying out the functions of a lottery and transferring all profits to the Lottery Proceeds Fund to be appropriated solely for public institutions of elementary, secondary, and higher education. Lottery functions include: recruiting and licensing Lottery retailers; creating, marketing, and distributing Lottery products; collecting revenue from Lottery retailers; paying out Lottery prizes and retailer commissions; ensuring the security and integrity of the Lottery operations and games; and transferring profits to the Lottery Proceeds Fund.

**Fiscal Year 2013 Governor's Recommendations**

- \$61,178 other funds for pay plan.
- (\$236,510) other funds and (six) staff core reduction from the Fiscal Year 2012 appropriation level.

**LOTTERY ENTERPRISE FUND TRANSFER**

**FINANCIAL SUMMARY**

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Lottery Enterprise Fund	\$ 259,424,365	\$ 267,172,000	\$ 274,000,000

Section 39(b) of Article III of the Missouri Constitution provides for the transfer of net proceeds to the Lottery Proceeds Fund to fund public institutions of elementary, secondary, and higher education.

**Fiscal Year 2013 Governor's Recommendations**

- \$6,828,000 Lottery Enterprise Fund transferred to the Lottery Proceeds Fund.