

# DEPARTMENT OF REVENUE

## FINANCIAL SUMMARY

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	FY 2014 REQUEST	GOVERNOR RECOMMENDS FY 2014
Administration Division	\$ 9,409,167	\$ 13,714,178	\$ 13,788,292	\$ 13,916,324
Taxation Division	21,397,701	38,564,456	67,349,185	55,538,594
Motor Vehicle and Driver Licensing Division	1,361,896	3,535,291	3,656,119	3,546,309
Legal Services Division	1,996,648	2,530,790	2,812,555	2,592,279
Highway Collections	21,242,894	22,516,684	24,096,887	24,316,032
State Tax Commission	2,466,208	2,500,379	2,633,426	2,523,221
Distributions	214,852,030	214,403,730	214,564,430	214,564,430
State Lottery Commission	186,927,757	150,645,198	153,650,083	155,072,336
<b>DEPARTMENTAL TOTAL</b>	<b>\$ 459,654,301</b>	<b>\$ 448,410,706 *</b>	<b>\$ 482,550,977</b>	<b>\$ 472,069,525</b>
General Revenue Fund	74,739,236	84,888,008	114,460,208	102,425,504
Federal Funds	3,520,559	8,350,708	8,351,081	8,356,101
Child Support Enforcement Fund	1,811,990	2,614,680	2,614,700	2,614,927
Health Initiatives Fund	51,833	59,813	59,853	60,315
Elderly Home-Delivered Meals Trust Fund	11,790	12,823	12,833	12,951
Petroleum Storage Tank Insurance Fund	22,352	28,106	28,128	28,376
Motor Vehicle Commission Fund	369,918	1,152,094	1,152,701	1,159,531
Conservation Commission Fund	530,849	559,432	559,881	564,925
Department of Revenue Information Fund	0	39,025	39,025	39,030
State Highways and Transportation Department Fund	11,508,304	11,955,591	13,517,228	13,629,501
Lottery Enterprise Fund	186,927,757	150,645,198	153,650,083	155,072,336
Petroleum Inspection Fund	27,123	35,973	35,999	36,303
Motor Fuel Tax Fund	180,130,385	188,000,000	188,000,000	188,000,000
Department of Revenue Specialty Plate Fund	2,205	24,892	24,894	24,986
Tobacco Control Special Fund	0	44,363	44,363	44,739
<b>Total Full-time Equivalent Employees</b>	<b>1,359.58</b>	<b>1,402.55</b>	<b>1,396.55</b>	<b>1,384.55</b>
General Revenue Fund	936.83	969.26	958.26	951.26
Federal Funds	4.65	11.74	11.74	11.74
Other Funds	418.10	421.55	426.55	421.55

\* Does not include \$9,339,746 recommended in the Fiscal Year 2013 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Revenue supplemental appropriations.

## DEPARTMENT SUMMARY

The Fiscal Year 2014 budget provides \$472.1 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 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Administration Division	\$ 6,291,151	\$ 10,117,706	\$ 10,100,689
Postage	3,118,016	3,596,472	3,815,635
<b>TOTAL</b>	<b>\$ 9,409,167</b>	<b>\$ 13,714,178</b>	<b>\$ 13,916,324</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	1,209,908	1,264,344	1,247,397
Federal Funds	31,845	51,731	52,249
Other Funds	24,233	24,839	25,086
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	3,251,528	3,762,672	3,981,000
Federal Funds	3,097,341	5,970,006	5,970,006
Other Funds	1,794,312	2,640,586	2,640,586
<b>TOTAL</b>			
General Revenue Fund	4,461,436	5,027,016	5,228,397
Federal Funds	3,129,186	6,021,737	6,022,255
Other Funds	1,818,545	2,665,425	2,665,672
<b>Total Full-time Equivalent Employees</b>	<b>35.10</b>	<b>39.66</b>	<b>38.66</b>
General Revenue Fund	33.30	37.04	36.04
Federal Funds	1.02	1.74	1.74
Other Funds	0.78	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, training, and child support oversight.

**Fiscal Year 2014 Governor's Recommendations**

- \$174,663 for postage.
- \$44,500 for certified mail.
- \$12,032 for pay plan, including \$11,330 general revenue.
- \$957 for the final pay period of the Fiscal Year 2013 approved pay plan, including \$894 general revenue.
- (\$30,006) and (one) staff reallocated to Legal Services.

**DEPARTMENT OF REVENUE  
TAXATION DIVISION**

**FINANCIAL SUMMARY**

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Taxation Division	\$ 21,397,701	\$ 26,564,456	\$ 23,338,594
Integrated Tax System	0	12,000,000	32,200,000
<b>TOTAL</b>	<b>\$ 21,397,701</b>	<b>\$ 38,564,456</b>	<b>\$ 55,538,594</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	18,766,463	20,342,072	20,172,037
Other Funds	634,212	673,102	679,825
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	1,993,846	17,532,953	34,670,403
Other Funds	3,180	16,329	16,329
<b>TOTAL</b>	<b>20,760,309</b>	<b>37,875,025</b>	<b>54,842,440</b>
General Revenue Fund	20,760,309	37,875,025	54,842,440
Other Funds	637,392	689,431	696,154
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	624.02	618.80	604.80
Other Funds	598.77	593.88	579.88
	25.25	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 five out-of-state offices (Chicago, Dallas, Atlanta, San Francisco, and New York) to foster compliance with Missouri tax laws.

**Fiscal Year 2014 Governor's Recommendations**

- \$20,200,000 for an integrated tax system to facilitate the collection of taxes owed; the cost will be more than offset by increased collections.
- \$148,000 for an enterprise document management system.
- \$189,409 for pay plan, including \$183,233 general revenue.
- \$16,429 for the final pay period of the Fiscal Year 2013 approved pay plan, including \$15,882 general revenue.
- (\$3,579,700) and (14) staff core reduction from the Fiscal Year 2013 appropriation level.

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

**FINANCIAL SUMMARY**

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Motor Vehicle and Driver Licensing Division TOTAL	\$ 1,361,896	\$ 3,535,291	\$ 3,546,309
<b>PERSONAL SERVICE</b>			
General Revenue Fund	356,752	528,720	534,003
Federal Funds	56,470	291,767	294,609
Other Funds	94,490	290,184	293,077
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	735,660	424,390	424,390
Federal Funds	115,959	1,618,450	1,618,450
Other Funds	2,565	381,780	381,780
<b>TOTAL</b>			
General Revenue Fund	1,092,412	953,110	958,393
Federal Funds	172,429	1,910,217	1,913,059
Other Funds	97,055	671,964	674,857
<b>Total Full-time Equivalent Employees</b>	<b>18.27</b>	<b>37.05</b>	<b>37.05</b>
General Revenue Fund	13.21	22.05	22.05
Federal Funds	1.50	5.00	5.00
Other Funds	3.56	10.00	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.

**Fiscal Year 2014 Governor's Recommendations**

- \$10,190 for pay plan, including \$4,851 general revenue.
- \$828 for the final pay period of the Fiscal Year 2013 approved pay plan, including \$432 general revenue.

**DEPARTMENT OF REVENUE  
LEGAL SERVICES DIVISION**

**FINANCIAL SUMMARY**

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Legal Services Division TOTAL	\$ 1,996,648	\$ 2,530,790	\$ 2,592,279
<b>PERSONAL SERVICE</b>			
General Revenue Fund	1,368,653	1,434,156	1,477,758
Federal Funds	80,071	203,754	205,787
Other Funds	274,052	505,760	510,779
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	133,983	133,499	144,334
Federal Funds	138,873	215,000	215,000
Other Funds	1,016	38,621	38,621
<b>TOTAL</b>			
General Revenue Fund	1,502,636	1,567,655	1,622,092
Federal Funds	218,944	418,754	420,787
Other Funds	275,068	544,381	549,400
<b>Total Full-time Equivalent Employees</b>	<b>42.69</b>	<b>52.15</b>	<b>53.15</b>
General Revenue Fund	33.70	36.15	37.15
Federal Funds	2.13	5.00	5.00
Other Funds	6.86	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 division includes the Criminal Tax Investigation and the Compliance and Investigation Bureaus, which investigate suspected law violations, prepare cases for prosecution, and perform audits of internal department functions and the license offices throughout the state.

**Fiscal Year 2014 Governor's Recommendations**

- \$10,000 to implement HB 1504 (2012).
- \$19,932 for pay plan, including \$13,423 general revenue.
- \$1,551 for the final pay period of the Fiscal Year 2013 approved pay plan, including \$1,008 general revenue.
- \$30,006 and one staff reallocated from the Administration Division.

**DEPARTMENT OF REVENUE  
HIGHWAY COLLECTIONS**

**FINANCIAL SUMMARY**

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Highway Collections - Taxation Division	\$ 1,681,203	\$ 1,854,326	\$ 1,871,143
Highway Collections - Motor Vehicle and Driver Licensing Division	12,542,195	12,588,021	14,180,701
Highway Collections - Legal Services Division	2,029,712	2,119,813	2,355,548
Highway Collections - Attorney Fees	0	5,000	5,000
Highway Collections - Postage	2,600,874	2,677,542	2,809,305
Highway Collections - Administration Division	2,388,910	2,591,982	2,399,375
Highway Collections - Postage - Driver License	0	680,000	694,960
<b>TOTAL</b>	<b>\$ 21,242,894</b>	<b>\$ 22,516,684</b>	<b>\$ 24,316,032</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	6,797,278	7,402,686	7,476,393
Other Funds	6,375,510	6,870,912	7,004,811
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	2,937,312	3,158,407	3,210,138
Other Funds	5,132,794	5,084,679	6,624,690
<b>TOTAL</b>			
General Revenue Fund	9,734,590	10,561,093	10,686,531
Other Funds	11,508,304	11,955,591	13,629,501
<b>Total Full-time Equivalent Employees</b>	<b>433.42</b>	<b>449.39</b>	<b>449.39</b>
General Revenue Fund	208.26	228.14	228.14
Other Funds	225.16	221.25	221.25

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 up to 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 department's Taxation, Motor Vehicle and Driver Licensing, Administration, and Legal Services Divisions.

**Fiscal Year 2014 Governor's Recommendations**

- \$630,000 State Highways and Transportation Department Fund for increased license plate costs.
- \$255,286 State Highways and Transportation Department Fund to implement HB 1402 and SB 480 (2012).
- \$252,000 State Highways and Transportation Department Fund for an enterprise document management system.
- \$204,750 State Highways and Transportation Department Fund for enhanced security tabs.
- \$146,723 for postage, including \$51,731 general revenue.
- \$120,000 State Highways and Transportation Department Fund for a motor vehicle dealer system assessment.
- \$48,655 State Highways and Transportation Department Fund for National Motor Vehicle Title Information System fees.
- \$130,945 for pay plan, including \$67,912 general revenue.
- \$10,989 for the final pay period of the Fiscal Year 2013 approved pay plan, including \$5,795 general revenue.

**DEPARTMENT OF REVENUE  
STATE TAX COMMISSION**

**FINANCIAL SUMMARY**

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
State Tax Commission TOTAL	\$ 2,466,208	\$ 2,500,379	\$ 2,523,221
PERSONAL SERVICE	2,256,124	2,299,858	2,322,700
EXPENSE AND EQUIPMENT	210,084	200,521	200,521
TOTAL			
General Revenue Fund	2,466,208	2,500,379	2,523,221
Total Full-time Equivalent Employees	49.59	52.00	48.00
General Revenue Fund	49.59	52.00	48.00

The State Tax Commission is a quasi-judicial administrative agency created by the Missouri Constitution to perform six basic functions: 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 policies 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 other public utilities.

**Fiscal Year 2014 Governor's Recommendations**

- \$21,099 for pay plan.
- \$1,743 for the final pay period of the Fiscal Year 2013 approved pay plan.
- (Four) staff core reduction from the Fiscal Year 2013 appropriation level.

**DEPARTMENT OF REVENUE  
DISTRIBUTIONS**

**FINANCIAL SUMMARY**

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Prosecuting Attorneys and Collection Agencies Fees	\$ 2,692,942	\$ 2,009,425	\$ 2,009,425
County Filing Fees	427,520	465,000	465,000
State Share of Assessment Maintenance Costs	11,121,903	9,793,971	9,793,971
Motor Fuel Tax Distribution to Cities and Counties	180,130,385	188,000,000	188,000,000
Emblem Use Fee Distribution	525	1,000	1,000
County Stock Insurance Tax	644,598	500,000	660,700
Debt Offset For Tax Credits Transfer	424,562	200,000	200,000
Debt Offset Transfer	14,402,931	11,292,384	11,292,384
Circuit Courts Escrow Transfer	1,407,261	505,500	505,500
Income Tax Check-Off Refund Designations	288,038	396,000	396,000
General Revenue Reimbursement to State			
Highways and Transportation Department Fund	2,410,792	0	0
Downtown Revitalization Preservation Transfer	6,912	200,000	200,000
State Supplemental Downtown Development Transfer	893,661	1,040,450	1,040,450
<b>TOTAL</b>	<b>\$ 214,852,030</b>	<b>\$ 214,403,730</b>	<b>\$ 214,564,430</b>
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	555,203	500,000	500,000
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	34,166,442	25,903,730	26,064,430
Other Funds	180,130,385	188,000,000	188,000,000
<b>TOTAL</b>			
General Revenue Fund	34,721,645	26,403,730	26,564,430
Other Funds	180,130,385	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 2014 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 2014 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 2014 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 2014 Governor's Recommendations**

Continue funding at the current level.

**EMBLEM USE FEE DISTRIBUTION**

Individuals requesting a specialty license plate make a contribution of an emblem use fee to the organization sponsoring the specialty plate. If statute allows the individual to remit the emblem use authorization fee to the Department of Revenue, the department must remit these fees to the applicable organization. The department may collect the emblem use fees for the Some Gave All and Lewis and Clark specialty plates pursuant to Sections 301.3141 and 301.3133, RSMo.

**Fiscal Year 2014 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 2014 Governor's Recommendations**

- \$160,700 for the County Stock Insurance Tax anticipated spending level.

**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 2014 Governor's Recommendations**

Continue funding at the current level.

## **DEPARTMENT OF REVENUE DISTRIBUTIONS**

### **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 2014 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 2014 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 2014 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 2014 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 2014 Governor's Recommendations**

Continue funding at the current level.

**DEPARTMENT OF REVENUE  
STATE LOTTERY COMMISSION**

**FINANCIAL SUMMARY**

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Lottery Commission - Operating	\$ 45,806,898	\$ 48,645,198	\$ 53,072,336
Lottery Commission - Prizes	<u>141,120,859</u>	<u>102,000,000</u>	<u>102,000,000</u>
<b>TOTAL</b>	<b>\$ 186,927,757</b>	<b>\$ 150,645,198</b>	<b>\$ 155,072,336</b>
PERSONAL SERVICE	6,513,251	6,786,206	6,853,344
EXPENSE AND EQUIPMENT	180,408,955	143,848,992	148,208,992
PROGRAM SPECIFIC DISTRIBUTION	5,551	10,000	10,000
<b>TOTAL</b>			
Lottery Enterprise Fund	186,927,757	150,645,198	155,072,336
Total Full-time Equivalent Employees	156.49	153.50	153.50
Other Funds	156.49	153.50	153.50

The Missouri Constitution, Article III, Section 39(b), as approved by the voters of Missouri, established the Missouri State Lottery. The Missouri State Lottery transfers 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 2014 Governor's Recommendations**

- \$3,000,000 Lottery Enterprise Fund for anticipated spending associated with ticket sales.
- \$1,360,000 Lottery Enterprise Fund for two new Lottery initiatives to increase ticket sales.
- \$62,253 Lottery Enterprise Fund for pay plan.
- \$4,885 Lottery Enterprise Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

**LOTTERY ENTERPRISE FUND TRANSFER**

**FINANCIAL SUMMARY**

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Lottery Enterprise Fund	\$ 280,042,095	\$ 288,563,213	\$ 290,563,213

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 2014 Governor's Recommendations**

- \$2,000,000 Lottery Enterprise Fund transfer to the Lottery Proceeds Fund.