

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 741
90TH GENERAL ASSEMBLY

Reported from the Committee on Fiscal Review, April 26, 2000, with recommendation that the House Committee Substitute for Senate Bill No. 741 Do Pass.

ANNE C. WALKER, Chief Clerk

3132L.06C

AN ACT

To repeal sections 247.050 and 249.255, RSMo 1994, and sections 247.030, 249.422, 393.705 and 393.715, RSMo Supp. 1999, relating to water pollution control, by adding thereto nine new sections relating to the same subject.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 247.050 and 249.255, RSMo 1994, and sections 247.030, 249.422, 393.705 and 393.715, RSMo Supp. 1999, are repealed and nine new sections enacted in lieu thereof, to be known as sections 247.030, 247.050, 249.255, 249.422, 393.705, 393.715, 644.572, 644.574 and 644.576, to read as follows:

247.030. 1. Territory that may be included in a district sought to be incorporated or enlarged may be wholly within one or in more than one county, may take in school districts or parts thereof, and cities that do not have a waterworks system or cities whose governing body has by a majority vote requested that the city or part thereof be included within the boundaries of a public water supply district. For the purpose of this section, "city" means any city, town or village. The territory, however, shall be contiguous, and proceedings to incorporate shall be in the circuit court of the county in which the largest acreage is located. No two districts shall overlap.

2. Any two or more contiguous districts or any city and a contiguous district may, if there are no outstanding general obligation bonds relating to drinking water supply projects in either entity, by a majority vote of the governing body of each entity, provide for territory located in one entity to be annexed and served by the entity contiguous to the annexed territory. Notice of the proposed annexation shall be filed with the circuit court that originally issued the decree of incorporation for a district which is detaching territory through the proposed annexation or with the circuit court that originally issued the decree of incorporation for a district which is including a city or part thereof through the proposed annexation. The court shall set a date for a hearing on the proposed annexation and shall cause notice to be published in the same manner as for the filing of the original petition for incorporation; except that publication of notice shall not be required if a majority of the landowners in the territory proposed to be annexed consent in writing, and if notice of the hearing is posted in three public places within the territory proposed to be annexed at least seven days before the date of the hearing. If publication of the notice is not

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

required pursuant to this section, the court shall only approve the proposed annexation if there is sworn testimony by at least five landowners in the area of the proposed annexation, or a majority of the landowners, if there are fewer than ten landowners in the area. If the court, after the hearing, finds that the proposed annexation would not be in the public interest, it shall order that the annexation not be allowed. If the court finds the proposed annexation to be in the public interest, it shall approve the annexation and the territory shall be detached from the one entity and annexed to the other. After the annexation is approved, the circuit court in which each district involved in the proceedings was incorporated shall amend the decree of incorporation for each district to reflect the change in the boundaries as a result of the annexation and to redivide each district into five subdistricts, fixing their boundary lines so that each of the five subdistricts have approximately the same area. A certified copy of the amended decree showing the boundary change and the new subdistricts shall be filed in the office of the recorder of deeds and in the office of the county clerk in each county having territory in the district and in the office of the secretary of state of the state of Missouri.

3. The boundaries of any district may be extended or enlarged from time to time upon the filing, with the clerk of the circuit court having jurisdiction, of a petition by either:

(1) The board of directors of the district and five or more voters within the territory proposed to be annexed by the district; or

(2) A majority of the landowners within the territory proposed to be annexed to the district.

If the petition is filed by a majority of the landowners within the territory proposed to be annexed, the publication of notice shall not be required, provided notice is posted in three public places within the territory proposed to be annexed at least seven days before the date of the hearing and provided that there is sworn testimony by at least five landowners in the territory proposed to be annexed, or a majority of the landowners if the total landowners in the area are fewer than ten. Upon the entry of a final order declaring the court's decree of annexation to be final and conclusive, the court shall modify or rearrange the boundary lines of the subdistricts as may be necessary or advisable. The costs incurred in the enlargement or extension of the district shall be taxed to the district, if the district be enlarged or extended, otherwise against the petitioners; provided, however, that no costs shall be taxed to the directors of the district.

4. Should any voter who owns real estate that abuts upon a district once formed desire to have such real estate incorporated in the district, the voter shall first petition the board of directors thereof for its approval. If such approval be granted, the clerk of the board shall endorse a certificate of the fact of approval by the board upon the petition. The petition so endorsed shall be filed with the clerk of the circuit court in which the district is incorporated. It shall then be the duty of the court to amend the boundaries of such district by a decree incorporating the real estate in the same. A certified copy of this decree including the real estate in the district shall then be filed in the office of the recorder and in the office of the county clerk of the county in which the real estate is located, and in the office of the secretary of state. The costs of this proceeding shall be borne by the petitioning property owner.

5. In the event that the district becomes the successor, upon dissolution, to any joint municipal utility commission established by the district and any of the contracting entities described in subdivision (4) of section 393.705, RSMo, then, upon the petition of the board of directors to the circuit court, the court shall amend the boundaries of such district to

incorporate any area previously served by the dissolved joint municipal utility commission that the district intends to continue to serve with water or sewer service. The court shall also modify or rearrange the boundary lines of the subdistricts as may be necessary or advisable.

247.050. The following powers are hereby conferred upon public water supply districts organized under the provisions of sections 247.010 to 247.220:

- (1) To sue and be sued;
- (2) To purchase or otherwise acquire water for the necessities of the district;
- (3) To accept by gift any funds or property for the uses and purposes of the district;
- (4) To dispose of property belonging to the district, under the conditions expressed in sections 247.010 to 247.220;
- (5) To build, acquire by purchase or otherwise, enlarge, improve, extend and maintain a system of waterworks, including fire hydrants;
- (6) To contract and be contracted with;
- (7) To condemn private property within or without the district, needed for the uses and purposes in sections 247.010 to 247.220 provided for;
- (8) To lease, acquire and own any and all property, equipment and supplies needed within or without the district in the successful operation of a waterworks system;
- (9) To contract indebtedness and issue general or special obligation bonds, or both, of the district therefor, as herein provided;
- (10) To acquire by purchase or otherwise, a system of waterworks, and to build, enlarge, improve, extend and equip such system for the uses and purposes of the district;
- (11) To certify to the county commission or county commissions of the county or counties within which such district is situate, the amount or amounts to be provided by the levy of a tax upon all taxable property within the district to create an interest and sinking fund for the payment of general obligation bonds of the district and the interest thereon; and also
- (12) To create an incidental fund to take care of all costs and expenses incurred in incorporating the district, and all obligations contracted prior thereto and connected therewith; and
- (13) To purchase equipment and supplies needed in the operation of the water system of the district; provided, however, that the power to create an incidental fund by the levy of a general property tax shall cease after two annual levies therefor shall have been made, and such levy shall not exceed fifteen cents per annum on each one hundred dollars assessed valuation of taxable property within the district;
- (14) To provide for the collection of taxes and rates or charges for water and water service;
- (15) To sell and distribute water to the inhabitants of the district and to consumers outside the district, delivered within or at the boundaries of the district; **provided that, upon dissolution of any joint municipal utility commission established by the district and any of the contracting entities described in subdivision (4) of section 393.705, RSMo, the district may continue to serve those locations and areas previously receiving service from the commission, regardless of whether or not such location receives such service outside the boundaries of such district;**
- (16) To fix rates for the sale of water; and
- (17) To make general rules and regulations in relation to the management of the affairs

of the district.

249.255. 1. Should a public sewer district created and organized pursuant to constitutional or statutory authority place a lien upon a customer's property for unpaid sewer charges, the lien shall have priority as and be enforced in the same manner as taxes levied for state and county purposes.

2. Should the sewer charges of a public sewer district created and organized pursuant to constitutional or statutory authority remain unpaid for a period in excess of [one year] **three months**, the district, after notice to the customer by certified mail, shall have the authority at its discretion to disconnect the customer's sewer line from the district's line or request any private water company, public water supply district, or any municipality supplying water to the premises to discontinue service to the customer until such time as the sewer charges and all related costs of this section are paid.

249.422. 1. If approved by a majority of the voters voting on the proposal, any city, town, village or county on behalf of the unincorporated area, located **either** within the boundaries of a sewer district established pursuant to article VI, section 30(a) of the Missouri Constitution **or within any county of the first classification having a charter form of government with a population of more than two hundred ten thousand inhabitants but less than three hundred thousand inhabitants**, may by city, town, village or county ordinance levy and impose annually for the repair of lateral sewer service lines on residential property having six or less dwelling units a fee not to exceed twenty-eight dollars per year.

2. The question shall be submitted in substantially the following form:

Shall a maximum charge of seven dollars be assessed quarterly on all residential property having six or less dwelling units to provide funds to pay the cost of certain repairs of defective lateral sewer service lines of those dwelling units?

G YES

G NO

3. If a majority of the voters voting thereon approve the proposal provided for in subsection 2 of this section, the governing body of the city, town, village or county may enact an ordinance for the collection and administration of such fee in order to protect the public health, welfare, peace and safety. The funds collected pursuant to such ordinance shall be deposited in a special account to be used solely for the purpose of paying for all or a portion of the costs reasonably associated with and necessary to administer and carry out the defective lateral sewer service line repairs. All interest generated on deposited funds shall be accrued to the special account established for the repair of lateral sewer service lines.

393.705. As used in sections 393.700 to 393.770 and sections 386.025, RSMo, and 393.295, the following terms shall, unless the context clearly indicates otherwise, have the following meanings:

(1) "Bond" or "bonds", any bonds, interim certificates, notes, debentures or other obligations of a commission issued pursuant to sections 393.700 to 393.770 and sections 386.025, RSMo, and 393.295;

(2) "Commission", any joint municipal utility commission established by a joint contract under sections 393.700 to 393.770 and sections 386.025, RSMo, and 393.295;

(3) "Contracting municipality", each municipality which is a party to a joint contract establishing a commission under sections 393.700 to 393.770 and sections 386.025, RSMo, and 393.295, a water supply district formed under the provisions of chapter 247, RSMo, or a sewer district formed pursuant to the provisions of chapter 204, RSMo, or chapter 249, RSMo;

(4) "Joint contract", the contract entered into among or by and between two or more [contracting municipalities, between municipalities and public water supply districts, or between municipalities and sewer districts] **of the following contracting entities** for the purpose of establishing a commission:

- (a) **Municipalities;**
- (b) **Public water supply districts;**
- (c) **Sewer districts;**
- (d) **Nonprofit water companies; or**
- (e) **Nonprofit sewer companies;**

(5) "Person", a natural person, cooperative or private corporation, association, firm, partnership, or business trust of any nature whatsoever, organized and existing under the laws of any state or of the United States and any municipality or other municipal corporation, governmental unit, or public corporation created under the laws of this state or the United States, and any person, board, or other body declared by the laws of any state or the United States to be a department, agency or instrumentality thereof;

(6) "Project", the purchasing, construction, extending or improving of any revenue-producing water, sewage, gas or electric light works, heating or power plants, including all real and personal property of any nature whatsoever to be used in connection therewith, together with all parts thereof and appurtenances thereto, used or useful in the generation, production, transmission, distribution excluding retail sales, purchase, sale, exchange, transport and treatment of sewage or interchange of water, sewage, electric power and energy, or any interest therein or right to capacity thereof and the acquisition of fuel of any kind for any such purposes.

393.715. 1. The general powers of a commission to the extent provided in section 393.710 herein and subject to the provisions of section 393.765 herein shall include the power to:

(1) Plan, develop, acquire, construct, reconstruct, operate, manage, dispose of, participate in, maintain, repair, extend or improve one or more projects, either exclusively or jointly or by participation with electric cooperative associations, municipally owned or public utilities or acquire any interest in or any rights to capacity of a project, within or outside the state, and act as an agent, or designate one or more other persons participating in a project to act as its agent, in connection with the planning, acquisition, construction, operation, maintenance, repair, extension or improvement of such project;

(2) Acquire, sell, distribute and process fuels necessary to the production of electric power and energy; provided, however, the commission shall not have the power or authority to erect, own, use or maintain a transmission line which is parallel or generally parallel to another transmission line in place within a distance of two miles, which serves the same general area sought to be served by the commission unless the public service commission finds that it is not feasible to utilize the transmission line which is in place;

(3) Acquire by purchase or lease, construct, install, and operate reservoirs, pipelines, wells, check dams, pumping stations, water purification plants, and other facilities for the production, wholesale distribution, and utilization of water and to own and hold such real and personal property as may be necessary to carry out the purposes of its organization; provided, however, that a commission shall not sell or distribute water, at retail or wholesale, within the certificated area of a water corporation which is subject to the jurisdiction of the public service

commission unless the sale or distribution of water is within the boundaries of a public water supply district or municipality which is a contracting municipality in the commission and the commission has obtained the approval of the public service commission prior to commencing such said sale or distribution of water;

(4) Acquire by purchase or lease, construct, install, and operate lagoons, pipelines, wells, pumping stations, sewage treatment plants and other facilities for the treatment and transportation of sewage and to own and hold such real and personal property as may be necessary to carry out the purposes of its organization;

(5) Enter into operating, franchises, exchange, interchange, pooling, wheeling, transmission and other similar agreements with any person;

(6) Make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the commission;

(7) Employ agents and employees;

(8) Contract with any person, within or outside the state, for the construction of any project or for any interest therein or any right to capacity thereof, without advertising for bids, preparing final plans and specifications in advance of construction, or securing performance and payment of bonds, except to the extent and on such terms as its board of directors shall determine. Any contract entered into pursuant to this subdivision shall contain a provision that the requirements of sections 290.210 to 290.340, RSMo, shall apply;

(9) Purchase, sell, exchange, transmit, treat, dispose or distribute water, sewage, gas, heat or electric power and energy, or any by-product resulting therefrom, within and outside the state, in such amounts as it shall determine to be necessary and appropriate to make the most effective use of its powers and to meet its responsibilities, and to enter into agreements with any person with respect to such purchase, sale, exchange, treatment, disposal or transmission, on such terms and for such period of time as its board of directors shall determine. A commission may not sell or distribute water, gas, heat or power and energy, or sell sewage service at retail to ultimate customers outside the boundary limits of its contracting municipalities except pursuant to subsection 2 or 3 of this section;

(10) Acquire, own, hold, use, lease, as lessor or lessee, sell or otherwise dispose of, mortgage, pledge, or grant a security interest in any real or personal property, commodity or service or interest therein;

(11) Exercise the powers of eminent domain for public use as provided in chapter 523, RSMo, except that the power of eminent domain shall not be exercised against any electric cooperative association, municipally owned or public utility;

(12) Incur debts, liabilities or obligations including the issuance of bonds pursuant to the authority granted in section 27 of article VI of the Missouri Constitution;

(13) Sue and be sued in its own name;

(14) Have and use a corporate seal;

(15) Fix, maintain and revise fees, rates, rents and charges for functions, services, facilities or commodities provided by the commission;

(16) Make, and from time to time, amend and repeal, bylaws, rules and regulations not inconsistent with this section to carry into effect the powers and purposes of the commission;

(17) Notwithstanding the provisions of any other law, invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, including the proceeds from the sale of any bonds, in such obligations, securities and other investments as the

commission deems proper;

(18) Join organizations, membership in which is deemed by the board of directors to be beneficial to accomplishment of the commission's purposes;

(19) Exercise any other powers which are deemed necessary and convenient by the commission to effectuate the purposes of the commission; and

(20) Do and perform any acts and things authorized by this section under, through or by means of an agent or by contracts with any person.

2. When a municipality purchases a privately owned water utility and a commission is created pursuant to sections 393.700 to 393.770, the commission may continue to serve those locations previously receiving water from the private utility even though the location receives such service outside the geographical area of the municipalities forming the commission. New water service may be provided in such areas if the site to receive such service is located within one-fourth of a mile from a site serviced by the privately owned water utility.

3. When a commission created by any of the contracting entities listed in subdivision (4) of section 393.705 becomes a successor to any nonprofit water corporation, nonprofit sewer corporation or other nonprofit agency or entity organized to provide water or sewer service, the commission may continue to serve those locations and areas previously receiving water or sewer service from such nonprofit entity, regardless of whether or not such location receives such service outside the geographical service area of the contracting entities forming such commission. New water or sewer service may be provided by the commission in all areas previously serviced by the nonprofit entity.

644.572. In addition to those sums authorized prior to August 28, 2000, the board of fund commissioners of the state of Missouri, as authorized by section 37(e) of article III of the Constitution of the state of Missouri, may borrow on the credit of this state the sum of ten million dollars in the manner described, and for the purposes set out, in chapter 640, RSMo, and this chapter.

644.574. In addition to those sums authorized prior to August 28, 2000, the board of fund commissioners of the state of Missouri, as authorized by section 37(g) of article III of the Constitution of the state of Missouri, may borrow on the credit of this state the sum of twenty million dollars in the manner described, and for the purposes set out, in chapter 640, RSMo, and in this chapter.

644.576. In addition to those sums authorized prior to August 28, 2000, the board of fund commissioners of the state of Missouri, as authorized by section 37(h) of article III of the Constitution of the state of Missouri, may borrow on the credit of this state the sum of forty million dollars in the manner described, and for the purposes set out, in chapter 640, RSMo, and in this chapter.