

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 4253-01
Bill No.: SB 1152
Subject: Common Sewer Districts: Reorganization
Type: Original
Date: February 20, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of the **Office of Secretary of State** assume they would have some costs associated with publishing incorporation papers in the Missouri Register and Code of State Regulation. Costs is unknown.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials of **Cole** and **Jefferson Counties** assume no fiscal impact.

Oversight assumes this proposal is discretionary. Oversight assumes this proposal is an alternative way for common sewer districts currently organized and existing to reorganize. **Oversight** assumes no fiscal impact unless the Board of Trustees of a sewer district would undertake the procedures contained herein.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

SECTION 204.600 - This act allows any sewer organized and existing under current law to convert to a reorganized common sewer district.

1. SECTION 204.602 - This act details the procedural guidelines for the formation of a new reorganized common sewer district and directs that any such petition be accompanied by a deposit as well as at least fifty signatures from voters and/or property owners living within the proposed district. Public notice of such a petition shall be given in some newspaper of general circulation in the county which the proceedings are being held and the date of those proceedings. The notice shall then signed by the clerk of the circuit court and published in three successive issues of a weekly newspaper once a week for three consecutive weeks.

Exceptions to the proposed district can be made by any voter or property owner living within the proposed district, provided those exceptions are filed no less than five days prior to the petition's hearing date. Procedural guidelines for exceptions are also laid out in the act.

The court has authority to find in favor of the formation or against, if the decision is positive, the court shall then appoint five voters from the district to constitute the first board of trustees for the district. The decree of incorporation shall not become final until it has been submitted to the voters living within the proposed district, decided by a majority of those voters, and ultimately declared incorporated by the court.

DESCRIPTION continued

Once a reorganized sewer district has been incorporated, the boundaries of such district can be extended from time to time provided the initiative to do so has come from the board of trustees and/or the voters living within the district. Procedural guidelines are laid out in this act for such an extension.

The board of trustees may petition the court to allow the district to engage in the construction, maintenance and operation of water supply and distribution facilities.

SECTION 204.604 - This act details the procedural guidelines for the conversion of an existing sewer district into a new reorganized common sewer district, as well as public notice requirements and exceptions to the proposed conversion.

SECTION 204.606 - This act clarifies that any conversion shall not affect the bonded indebtedness or security interest of any creditor of any existing common sewer district, and that all covenants and obligations shall remain in full force and effect.

SECTION 204.608 - This act states that after a decree of incorporation has been issued, the reorganized common sewer district is considered in law and equity to be a body corporate subject to all the advantages and disadvantages included therein. A reorganized common sewer district, under this act, shall have exclusive jurisdiction and authority to provide wastewater collection and treatment services within the boundaries of the district.

SECTION 204.610 - This act details the powers, compensation, terms, and membership of the board of trustees.

SECTION 204.612 - The board shall have no power to levy or collect taxes in order to pay general obligation bonds.

SECTION 204.614 - This act details the issuance of general obligation bonds from the reorganized common sewer district.

SECTION 204.616 - The board of trustees shall have the power to pass all necessary rules for the reorganized common sewer district. Such rules and regulations shall be enforceable by civil or administrative actions.

SECTION 204.618 - The power of the board to contract and/or enter into agreements is detailed in the act. Under this act, the board has the authority to declare the violation of its rules to be a misdemeanor punishable by fines or other civil remedies available in law. Other powers of the board are laid out here - creating procedural remedies for persons affected by the permitting process, provide for the operation of the district's treatment facilities and pretreatment programs.

DESCRIPTION continued

SECTION 204.620 - The powers of the board with regard to purchasing, leasing or renting property as well as the power to enter private land for surveying purposes are detailed here.

SECTION 204.622 - The board shall have the authority to enter into contracts for the districts, for both construction projects as well as professional services.

SECTION 204.624 - This act lays out the sources of payments for obligations entered into by the board with regard to acquiring, constructing, improving, or extending a sewer system.

SECTION 204.626 - This act details the issuance of revenue bonds for the reorganized common sewer district.

SECTION 204.628 - This act details the collection of fees and charges by the reorganized common sewer districts.

SECTION 204.630 - It shall be the mandatory duty of any reorganized common sewer district to collect sufficient revenues in order to maintain the operation of the district. The rates of the district shall be revised from time to time to meet the requirements set forth in the act.

SECTION 204.632 - Net revenue for the reorganized common sewer district is detailed here.

SECTION 204.634 - The board has authority to establish various accounts by resolution.

SECTION 204.636 - The board has the authority to refund bonds.

SECTION 204.638 - The board may apply for and accept grants, funds, materials or labor from the state and/or federal government for the construction of a sewerage system.

SECTION 204.640 - The responsibility to render all services necessary to carry out the provisions of the act lies with local government officials.

SECTION 204.652 - Any reorganized common sewer district or metropolitan sewer district organized pursuant to Chapter 204 or 249 RSMo, may make improvements which confer benefits upon property within a sanitary sewer improvement area. The boards of such districts may incur indebtedness and issue temporary notes to pay for a portion or the entirety of such improvement projects.

SECTION 204.654 - Procedural guidelines for establishing a sanitary sewer improvement area are detailed in this act.

DESCRIPTION continued

SECTION 204.656 - The apportionment of assessments is dealt with in this act.

SECTION 204.658 - The assessment process is detailed.

SECTION 204.660 - The hearings needed before such improvement projects are entered into are dealt with as well as the process which bears the final assessments for said projects.

SECTION 204.662 - There is a limitation on suits made to set aside assessments.

SECTION 204.664 - The process for correcting assessments is dealt with in this act.

SECTION 204.666 - Assessments authorized pursuant to this act shall constitute a lien against such property until paid in full.

SECTION 204.668 - Temporary notes and bonds may be issued by the trustees of the district to pay the costs of such improvement.

SECTION 204.670 - Separate funds or accounts shall be created by the district for each improvement project.

SECTION 207.672 - Any sewer district may enter into a cooperative agreement with a city or county for the purposes of constructing sanitary sewer system improvements.

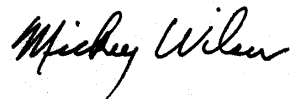
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Secretary of State
Department of Natural Resources
Cole County Commission
Jefferson County Commission

NOT RESPONDING

Little Blue Valley Sewer District
St. Louis Metropolitan Sewer District
Boone County Commission
Clay County Commission
Greene County Commission
Franklin County Commission
Warren County Commission
Marion County Commission
St. Charles County Executive
St. Louis County Executive



Mickey Wilson, CPA
Director
February 20, 2004