

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1455-06
Bill No.: SB 625
Subject: Political Subdivisions: Sewers, Sewer Districts
Type: Original
Date: March 23, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Natural Resources** assumes no fiscal impact to their department.

Officials of the **Office of the Director of Administration of St. Louis County** stated that this proposal is enabling legislation and would have no fiscal impact to St. Louis County. Officials stated that this proposal would not work in St. Louis County or City where the Metropolitan Sewer District already exists in multiple County jurisdictions because the bill only addresses a single county authorizing a vote that must include all property owners in the sewer district. Officials assume that St. Louis County could not authorize an election that included MSD property owners outside the County's jurisdiction.

Officials of the **City of Kirkwood** assume no fiscal impact.

Oversight assumes this proposal is enabling legislation and would have no local impact unless the local governments affected by this proposal would elect to, and would receive voter approval to consolidate sewer districts, or systems . This proposal does not mandate that sewer districts consolidate, therefore, fiscal impact will be shown as zero.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

Except for the St. Louis Metropolitan Sewer District, any sewer district created under Chapter 204, RSMo, or Chapter 249, RSMo, may consolidate into one sewer district. The governing bodies of two or more contiguous sewer districts must determine that a consolidated sewer district would better serve the area within its boundaries and provide a proposal to the governing body of the county or counties where each district is located.

The governing body of the county or counties will hold a public hearing about the proposal to consolidate the sewer districts. Following the hearing, the governing body of the county or counties will submit the issue for voter approval. The question must be approved by a separate majority of the total votes cast in each existing sewer district seeking to combine into one consolidated sewer district.

If the consolidated sewer district becomes effective, all property of the original districts and any taxes to pay bonds will be levied on the original district issuing bonds prior to consolidation.

The consolidated sewer district will have a board of directors. Each former sewer district will appoint two members and the former sewer district having the greatest number of customers will appoint three members to the board. Each subsequent appointment will be made by the county where the majority of customers of the district are located the first year; the next year the county where the next largest number of customers of the district are located and so on each year until the county where the least number of customers are located fill vacancies. The process will then begin again with the county where the majority of customers of the district are located will fill vacancies. If the consolidated sewer district is located in one county then the governing body of the county will make appointments to the board. The consolidated sewer district will retain all powers and privileges and duties it had as an individual sewer district organized under Chapter 204, RSMo, or Chapter 249, RSMo.

Dissolution of the sewer district will be pursuant to section 67.950 to 67.955, RSMo, which pertains to the dissolution of special districts created by statute. The dissolution procedure requires the filing of a petition containing the signatures of eight percent or more of the voters of the district with the governing body of the district or upon the motion of the majority of the members of the governing body to submit the question to the voters. If the question for dissolution receives the majority of the votes cast in the district, it shall be dissolved except the payment of outstanding bonded indebtedness.

The governing body of the district will dispose of all assets of the district and apply all proceeds to the payment of all indebtedness of the district and if any funds are left they will be paid to the taxpayers of the district.

DESCRIPTION (continued)

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

Department of Natural Resources
City of Kirkwood
Director of Administration of St. Louis County

NOT RESPONDING

The City of St. Louis, and the Cities of : University City, Bridgeton, Florissant, Hazelwood, and Berkeley



Jeanne Jarrett, CPA
Director
March 23, 2001