

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 2144-01
Bill No.: SB 591
Subject: Sewer Districts: Board Composition
Type: Original
Date: March 12, 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	(Unknown) to \$250,000	(Unknown) to \$250,000	(Unknown) to \$250,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Natural Resources** stated this proposal would have no fiscal impact on their department.

In response to almost identical legislation, fiscal note number 2202-01, **City of Independence** officials stated that by changing the procedure for issuing bonds by allowing three-quarters of the customers to give their written assent to the sewer district board rather than requiring an election of the residents of the district would save the district election cost. Officials stated that the savings would be dependent upon the number of other ballot issues being voted on. Officials estimated savings would range from a low of \$90,000 to \$250,000. Oversight will show savings on election cost in each fiscal year because it is not known when a sewer district board would seek approval to issue bonds. Savings will be shown as \$0 to \$250,000.

Oversight assumes that by adding additional members to the Board of Trustees of the Sewer District there would be some additional cost of providing reimbursement of all expenses incurred in the performance of their duties. Oversight assumes cost would not be significant and will show cost as Unknown.

<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

COMMON SEWER DISTRICTS

<u>Savings</u> to Certain Sewer District from election costs	\$0 to \$250,000	\$0 to \$250,000	\$0 to \$250,000
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Cost to Certain Sewer Districts

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
from performance of duty compensation*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Estimated Net Effect to Local Governments **	<u>(Unknown) to</u> <u>\$250,000</u>	<u>(Unknown) to</u> <u>\$250,000</u>	<u>(Unknown) to</u> <u>\$250,000</u>

***Cost are expected to be insignificant.**

**** Savings would only be realized whenever bonds are issued by obtaining the written assent of three-fourths of the “customers” of the sewer district. Cost of reimbursing board members would occur annually.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act allows Jackson County to increase the membership of the common sewer district board of trustees from seven to eight and alters the membership of the board. (Section 204.300)

Current law requires one member to be the county executive. Two mayors from a city which is not one of the four largest users and is a member of the advisory board of the district. Current law requires three members of the advisory board of the district established pursuant to 204.310 to serve on the board of trustees. Four members will be the mayors of the four cities constituting the largest users by flow during the previous fiscal year. Current law does not have these members.

One member of the county legislature. Current law requires three members of the county legislature to serve on the board.

This act clarifies that the membership of the board of trustees will increase to nine if the district extends into any county bordering the county in which the greater portion of the district lies and the presiding commissioner or county executive of the adjoining county will be an additional member. Current law already allows the presiding commissioner or county executive of the adjoining county to be an additional member of the board.

DESCRIPTION (continued)

BOND APPROVAL This act changes the approval required for issuing bonds by all common sewer district from four-sevenths to a majority of the voters of the sewer district who vote on the question.

This act provides another option that allows the common sewer district to issue bonds if approved by the written assent of three-quarters of the customers of the sewer district. (Section 204.370)

The act defines the term "customer" as a political subdivision within the district which has a service or user agreement with the district; or a duly created subdistrict.

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 Independence

NOT RESPONDING

Little Blue Sewer District
Jackson County Executive



Jeanne Jarrett, CPA
Director
March 12, 2001