

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 2144-02
Bill No.: Perfected SCS for SB 591
Subject: Sewer Districts: Board Composition
Type: Original
Date: March 29, 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 bond 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 modifies the make-up of the Jackson County sewer district board of trustees. Under current law, the board consisted of 7 members: the county executive, 3 members of the advisory board of the district and 3 members of the county legislature; with the possibility of an 8th member in the event the district extended its borders. This act requires the board to consist of 8 members as follows: the county executive, mayors of the 4 largest-use cities, 2 mayors of the other member cities, and 1 member of the county legislature; with the possibility of a 9th member in the event the district extends its borders.

This act also reduces the percentage of the vote required to issue sewer bonds from a super-majority (4/7ths) to a simple majority; or such bonds may be issued on the written assent of three-quarters of the sewer district customers.

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

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Department of Natural Resources
City of Independence

NOT RESPONDING

Little Blue Sewer District
Jackson County Executive



Jeanne Jarrett, CPA
Director
March 29, 2001