

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4151-01
Bill No.: SB 1054
Subject: Sewers and Sewer Districts
Type: Original
Date: February 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Treasurer's Office** assume no fiscal impact.

Officials of the **Department of Natural Resources** stated this proposal changes the requirements for the establishment of a common sewer district, and would have no fiscal impact.

Officials of the **Department of Economic Development- Public Service Commission** stated that this proposal could result in the Commission being asked to approve sewer service territorial agreements and amendments to such agreements. Officials do not anticipate that many such situations would arise and it is assumed that the Commission could handle such situations with existing resources. Officials assume no fiscal impact.

Officials of the **Office of State Courts Administrator** assume this proposal would have no fiscal impact on the State's Courts.

The following lists of Political Subdivisions did not respond. The Cities of : St. Louis, Kansas City, Rolla, Houston, Linn, Fulton, Warrenton, Springfield, Columbia, St. Joseph, Joplin, Branson, and Hannibal, and the Counties of: St. Louis, Jackson, Clay, Cass, Phelps, Texas, Osage, Callaway, Warren, and Jefferson; the Little Blue Valley Sewer District, and the St. Louis Metropolitan Sewer District

Oversight assumes this proposal changes the requirements for incorporating sewer districts, and does not mandate that sewer districts be established. It provides a procedure which allows cities to annex areas which are served by existing sewer districts. This proposal does not mandate cities to annex property which is served by existing sewer districts. Oversight assumes no fiscal impact to state or local government. Should a sewer district be established then there would be costs associated with incorporation.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act revises the law regarding common sewer districts and sanitary sewer improvement subdistricts.

COMMON SEWER DISTRICTS - This act revises the procedures for the creation of common sewer districts. A petition must be filed with the circuit court having jurisdiction and a public hearing must be held. If the circuit court approves the formation of a district, then the matter is submitted for approval from voters in the proposed district.

Once formed, any contract for work to be done in an amount greater than \$25,000 must be given to the lowest responsible bidder. The act also revises the procedure for the district to enforce any liens on property for delinquent charges.

Any water supply district shall disconnect a customer's water service for nonpayment of a sewer bill, subject to certain conditions.

The act also provides territorial protection for common sewer districts and procedures for when a city encroaches upon established boundaries of sewer district by annexation. Various sewer districts and entities may enter into territorial agreements.

SANITARY SEWER IMPROVEMENT SUBDISTRICTS - The act creates the "Sanitary Sewer Improvement Subdistrict Act". Procedures are established for a sewer district to create a subdistrict. The sewer district is authorized to make improvements within the subdistrict to be paid for by the issuance of general or special revenue bonds and assessments on the property benefitted by the improvement.

Before any assessments or improvements are made, a public hearing must be held. Any appeal of a final assessment must be made within 90 days of the mailing of notice of assessment to the property owner.

DESCRIPTION (continued)

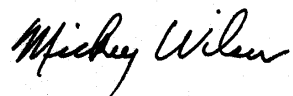
The assessment shall be considered a lien on the property until paid in full. The act establishes procedures of the enforcement of the lien if it becomes delinquent. A separate fund must be created by the sewer district for each improvement project in a subdistrict.

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

Office of the State Treasurer
Department of Natural Resources
Office of State Courts Administrator
Department of Economic Development- Public Service Commission



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