

HCS SCS SB 646 -- SEWER DISTRICTS

SPONSOR: Griesheimer (Schlottach)

COMMITTEE ACTION: Voted "do pass" by the Committee on Local Government by a vote of 15 to 0.

This substitute establishes notice and procedural requirements for the formation of a new reorganized common sewer district and the conversion of an existing common sewer district into a reorganized common sewer district. Once established, a reorganized common sewer district will have all the powers and authority of a common sewer district established pursuant to Chapter 204 or Chapter 249, RSMo.

For new districts, incorporation must be approved by two-thirds of the voters in the district unless the petitioners seeking formation specify that the organization is without the authority to issue general obligation bonds. In that case, incorporation must only be approved by a simple majority of the voters in the district. Property owners with land contiguous or reasonably close to a reorganized district may petition the board to become part of the reorganized district.

To convert an existing common sewer district into a reorganized common sewer district, a petition must first be filed with the governing body of the district for a determination that the reorganization is in the best interest of the district. The bonded indebtedness and security interests of creditors of any common sewer district which converts to a reorganized common sewer district cannot be affected by the conversion. Reorganized sewer districts cannot levy taxes or issue general obligation bonds unless authorized by voters. Reorganized sewer districts may also establish sanitary sewer improvement areas and impose assessments and user fees on the property benefitted by the improvement project.

In addition to the amounts authorized prior to August 28, 2007, the Board of Fund Commissioners is authorized to issue bonds for grants and loans under Article III of the Missouri Constitution. The additional amounts authorized are \$10 million for water pollution control, improvement of drinking water systems, and storm water control; \$10 million for rural water and sewer; and \$20 million for storm water control in first classification counties and St. Louis City.

The substitute contains an emergency clause.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the bill brings the formation and reformation of sewer districts into the twenty-first century; puts more of the preliminary formation or reformation work on the people who are requesting it, rather than the county commission; and makes it easier to establish sewer districts in out-state Missouri.

Testifying for the bill were Senator Griesheimer; and Missouri Association of Sewer Districts.

OPPONENTS: There was no opposition voiced to the committee.

Julie Jinkens McNitt, Legislative Analyst