

FIRST REGULAR SESSION

# HOUSE BILL NO. 766

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE YATES.

Read 1st time February 6, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1788L.01I

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### AN ACT

To repeal section 247.160, RSMo, and to enact in lieu thereof one new section relating to conveyances of water supply equipment.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 247.160, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 247.160, to read as follows:

247.160. 1. Whenever all or any part of the territory of any public water supply district organized under sections 247.010 to 247.220 is or has been included by annexation within the corporate limits of a municipality, the board of directors of any such district shall have the power to contract with such municipality for operating the waterworks system within such annexed area, or the board of directors, may, subject to the provisions of sections 247.160 and 247.170, lease, contract to sell, sell or convey, any or all of its water mains, plant or equipment located within such annexed area to such municipality and such contract shall also provide for the detachment and exclusion from such public water supply district of that part thereof located within the corporate limits of such city; provided, that in case of sale or conveyance, all bonds of the district, whether general obligation bonds constituting a lien on the property located within the district, or special obligation or revenue bonds constituting a lien on the income and revenues arising from the operation of the water system:

(1) Are paid in full, or

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 (2) A sum sufficient to pay all of such bonds together with interest accrued or to accrue  
15 thereon, together with other items of expense provided in such bonds, is deposited with the fiscal  
16 agent named in the bonds for the purpose of full payment, or

17 (3) Such city has entered into a firm commitment to pay in lump sum or installments not  
18 less than that proportion of the sum of all existing liquidated obligations and of all unpaid  
19 revenue bonds, with interest thereon to date, of such public water supply district, as the assessed  
20 valuation of the real and tangible personal property within the area annexed bears to the assessed  
21 valuation of all the real and tangible personal property within the entire area of such district,  
22 according to the official county assessment of such property as to December thirty-first of the  
23 calendar year next preceding, or

24 (4) Consent in writing is obtained from the holders of all such bonds.

25 2. In any such case in which the board of directors by agreement, leases, contracts to sell,  
26 sells or conveys the property of the district within the annexed area to such a municipality, an  
27 application shall be made by one of the contracting parties to the circuit court originally  
28 incorporating such district, which application shall set forth a description of the annexed area,  
29 that part thereof sought to be detached and excluded, a copy of the agreement entered into by the  
30 parties, the facts concerning bondholders and their rights, and requesting an order of the court  
31 approving or disapproving such contract.

32 3. Upon the filing of such application, the court shall set a time for the hearing thereof  
33 and shall order a public notice setting forth the nature of the application, the annexed area  
34 affected and sought to be detached and excluded, a description of the property within the  
35 annexed area leased, contracted to be sold, sold or conveyed, and the time and place of such  
36 hearing, to be published for three weeks consecutively, in a newspaper published in the county  
37 in which the application is pending, the last publication to be not more than five days before the  
38 date set for hearing.

39 4. If the court finds that the agreement protects the bondholders' rights and provides for  
40 the rendering of necessary water service in the territory embracing the district, then such  
41 agreement shall be fully effective upon approval by the court. Such decree shall also thereupon  
42 vest in said city the absolute title, free and clear of all liens or encumbrances of every kind and  
43 character, to all tangible real and personal property of such public water supply district located  
44 within the part of such district situated within the corporate limits of such city, with full power  
45 in such city to use and dispose of such tangible real and personal property as it deems best in the  
46 public interest. **In the event that territory is detached and excluded from the district, the**  
47 **court shall include in its decree a description of the district after such detachment. If a**  
48 **detachment of territory is made, the court shall also make any changes in subdistrict**  
49 **boundary lines the court deems necessary to meet the requirements of sections 247.010 to**

50 **247.227. No subdistrict changes shall become effective until the next annual election of the**  
51 **board of directors.**

52 **5. In the event that territory is detached and excluded from the district, a certified**  
53 **copy of the court's order shall be filed by the circuit clerk in the office of the recorder of**  
54 **deeds, in the office of the county clerk in each county in which any of the territory of the**  
55 **district before the detachment is located, and in the office of the secretary of state. Costs**  
56 **of the proceeding shall be borne by the petitioner or petitioners.**

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