

HCS HB 1207 -- LEVEE DISTRICTS

SPONSOR: Dempsey (Icet)

COMMITTEE ACTION: Voted "do pass" by the Committee on Job Creation and Economic Development by a vote of 17 to 3.

This substitute allows the formation of a levee district in one or more counties or in any city. Under current law, levee districts can be formed in one or more counties, in a third or fourth class city, and in certain other cities.

The substitute allows certain levee districts in St. Louis County to construct and maintain waterlines, in addition to their current authority to construct and maintain sewers, levees, dikes, dams, and other similar projects.

Under current law, levee districts located within St. Louis County are allowed an alternative procedure with respect to the apportionment of installment taxes. The substitute extends this procedure to all levee districts.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that the bill clarifies the law so that cities can form levee districts. Levee districts finance their debt with long-term bonds; and this debt is distributed on a pro rata basis to each property in the district, based on the property's assessed benefit. Current law allows districts in St. Louis County to reallocate the debt. The bill will allow any district in the state to reallocate the debt, which is only fair. The ability to reallocate debt will give more levee districts a better credit rating.

Testifying for the bill were Representative Icet; Stifel, Nicolaus and Company; Monarch-Chesterfield Levee District; Earth City Levee District; Riverport Levee District; Missouri Bottoms Levee District; Des-Moines and Mississippi Levee District; Tri-County Levee District; Gregory Drainage District; and Ste. Genevieve Levee District #3.

OPPOSERS: Those who oppose the bill say that the proliferation of development in the flood plain is a dangerous thing, and the bill sets the stage for continued development. Since the 1993 flood, much of the Chesterfield Valley has been developed. Opponents worry that if a flood of that magnitude occurs again, the loss of that investment would devastate the Missouri economy. We are putting our developments in harm's way. The 100-year flood elevations are very difficult to determine precisely; and

therefore, the state should not allow flood plain development. The risk is too high, and the cost is too great.

Testifying against the bill was Great Rivers Habitat Alliance.

OTHERS: Others testifying on the bill said that the purpose of a levee district is to protect members within the district. Allowing districts to construct and maintain waterlines is problematic because it might open the door to allowing a district to act as a developer. This could be dangerous because levee districts have a lot of power, including the power to condemn structures.

Others testifying on the bill was Bill Spencer.

Alice Hurley, Legislative Analyst