

## HB 1586 -- Reorganized Common Sewer Districts

Sponsor: Cooper (120)

This bill establishes notice and procedural requirements for the new formation of a reorganized common sewer district and the conversion of a current sewer district into a reorganized common sewer district.

For new districts, incorporation must be approved by two-thirds of the voters in the district unless the petitioners 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 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. The board may petition the circuit court for an amended decree of incorporation to allow the district to engage in the construction, maintenance, and operation of water supply and distribution facilities which serve 10 or more separate properties in the district, if the properties meet certain criteria.

To convert an existing common sewer district into a reorganized common sewer district, a petition must be filed with the circuit court after the governing body of the district has made 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.

The board of any reorganized sewer district cannot levy taxes or issue general obligation bonds unless authorized by the voters. The total amount of general obligation bonds cannot exceed 10% of the assessed valuation of all taxable tangible property located in the district. Districts may create sanitary sewer improvement areas and impose assessments and user fees on the property benefitted by the improvement project.

Anyone who knowingly makes false statements in any filing with a district or tampers with a monitoring device is subject to a fine of \$1,000 per violation per day for the first violation and \$3,000 per violation per day for the second violation. Third and subsequent violations are class D felonies.