

HCS SCS SB 468 -- REORGANIZED COMMON SEWER DISTRICTS

SPONSOR: Griesheimer (Icet)

COMMITTEE ACTION: Voted "do pass" by the Committee on Local Government by a vote of 16 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 also may create sanitary sewer improvement areas and impose assessments and user fees on the property benefitted by the improvement project.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill will make it easier to establish sewer districts in out-state Missouri.

Testifying for the bill were Senator Griesheimer; Missouri Association of Sewer Districts; and Boone County Regional Sewer District.

OPPOSERS: Those who oppose the bill say that it reduces the county commission's authority to regulate sewer districts when they reorganize because the petition is made directly to the circuit court.

Testifying against the bill was Boone County Commission.

Julie Jinkens McNitt, Legislative Analyst