

HCS SS SB 360 -- RURAL COMMUNITY DEVELOPMENT

SPONSOR: Lager (Wyatt)

COMMITTEE ACTION: Voted "do pass" by the Committee on Rural Community Development by a vote of 10 to 0.

This substitute changes the laws regarding rural community development.

COUNTY DRINKING WATER SUPPLY LAKE AUTHORITY (Sections 67.4500 - 67.4520, RSMo)

The substitute:

- (1) Establishes a county drinking water supply lake authority in Sullivan County and in Christian County;
- (2) Allows each authority to acquire, own, construct, lease, or maintain recreational or water quality projects; acquire, own, lease, or sell property to fulfill the purposes of the authority; enter into contracts; sue and be sued; accept gifts, grants, loans, or contributions; employ staff or contract with independent contractors for needed services; disperse funds and set salaries of its employees; fix rates, fees, and charges for the use of any projects and property owned, leased, or managed by the authority; adopt, alter, or repeal its own governing bylaws and rules; sell and supply water; issue revenue bonds; and adopt tax increment financing within its boundaries;
- (3) Specifies that each authority must consist of between six and 30 members appointed by the members of the water commission owning the reservoir. The members will serve six-year terms with the initial members being appointed to staggered terms. A member of the authority must be over 25 years of age and have been registered to vote in Missouri and lived in the county for more than five years;
- (4) Requires the water commission, by resolution, to establish a date and time for the initial meeting of each authority. At the initial meeting, and annually thereafter, the authority must elect from its members a chairman and vice-chairman and appoint a secretary and a treasurer. The authority may appoint an executive director who must not be a member of the authority and who will serve at the authority's pleasure;
- (5) Requires each member of an authority to execute a surety bond in the amount of \$50,000 or the authority chairman must execute a blanket bond covering each member and the employees or other officers of the authority;

(6) Prohibits an authority member from participating in any decisions or deliberations concerning issues where the authority member has a direct financial interest;

(7) Allows the state or any political subdivision or municipal corporation to transfer possession or control of any property to an authority;

(8) Allows the state or any political subdivision to appropriate, allocate, and expend funds for the benefit of an authority; and

(9) Authorizes each authority to exercise all zoning and planning powers that are granted to cities, towns, and villages except that an authority cannot exercise the powers within the limits of any city, town, or village that has adopted a city plan before August 28, 2011.

RENEWABLE ENERGY (Sections 135.950, 135.953, 135.963, and 137.010)

The substitute changes the laws regarding renewable energy in enhanced enterprise zones and the taxation of hydroelectric power generating equipment. The substitute:

(1) Allows a renewable energy generation zone to be designated as an enhanced enterprise zone if the zone is found to be blighted and contains land, improvements, or a lock and dam site which is not being used or is being underutilized for the production of electrical energy from a renewable energy resource;

(2) Specifies that improvements made to real property which are locally assessed and in a renewable energy generation zone designated as an enhanced enterprise zone may, upon approval of the governing authority, be exempt from assessment and payment of ad valorem taxes of one or more affected political subdivisions; and

(3) Revises the definition of "real property" as it relates to property taxation to include hydroelectric power generating equipment.

TAX CLASSIFICATION OF SAWMILLS (Section 137.016)

The substitute classifies a sawmill or planing mill defined in the United States Department of Labor's Standard Industrial Classification (SIC) Manual with a SIC number 2421 as agricultural and horticultural property instead of commercial property for property taxation purposes. No property tax classification change resulting from this provision will have the

effect of eliminating employer obligations under workers' compensation laws.

HIGHWAY INFRASTRUCTURE IMPROVEMENTS (Section 226.224)

The Highways and Transportation Commission within the Department of Transportation is authorized to enter into a binding highway infrastructure agreement to reimburse or repay any funds advanced by or for the benefit of a county, political subdivision, or private entity to expedite state road construction or improvement. The agreement may provide for the assignment of the commission's reimbursement or repayment obligations.

The commission may condition the reimbursement or repayment upon projected highway revenues and may delay repayment if highway revenues fall below the projected levels or if repayment would jeopardize the receipt of federal highway funds.

CLEANSFIELD RENEWABLE ENERGY DEMONSTRATION PROJECT (Section 620.2300)

An owner of a park seeking to establish a cleansfields renewable energy demonstration project must submit an application to the Department of Economic Development for certification of the project. If the department, in conjunction with the Department of Natural Resources, approves a project application, the Department of Economic Development will forward the application and approval to the Missouri Public Service Commission. Upon receipt of the application and approval, the commission must assign double credit to any electric power, renewable energy, renewable energy credits, or any successor credit generated from certain renewable energy resources or certain electric power generated off-site by utilizing biomass fuel or renewable energy resources.

The substitute contains an emergency clause for the provisions regarding the cleansfield renewable energy demonstration project.

FISCAL NOTE: No impact on General Revenue Fund in FY 2012, FY 2013, and FY 2014. Estimated Net Effect on Other State Funds of an income of \$0 in FY 2012, an income of \$0 to a cost of \$20,143 in FY 2013, and an income of \$0 to a cost of \$20,143 in FY 2014.

PROPOSERS: Supporters say that the bill will help resolve a ground water shortage by establishing a lake authority to develop and monitor surface water in Sullivan County and other surrounding counties.

Testifying for the bill was Senator Lager.

OPPONENTS: There was no opposition voiced to the committee.