

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1692**  
97TH GENERAL ASSEMBLY

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Reported from the Committee on Jobs, Economic Development and Local Government, May 12, 2014, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

5446S.02C

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**AN ACT**

To repeal sections 247.060 and 247.080, RSMo, and to enact in lieu thereof three new sections relating to public utility districts.

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

Section A. Sections 247.060 and 247.080, RSMo, are repealed and three  
2 new sections enacted in lieu thereof, to be known as sections 247.060, 247.080,  
3 and 249.424, to read as follows:

247.060. 1. The management of the business and affairs of the district is  
2 hereby vested in a board of directors, who shall have all the powers conferred  
3 upon the district except as herein otherwise provided. It shall be composed of five  
4 members, each of whom shall be a voter of the district and shall have resided in  
5 said district one whole year immediately prior to his **or her** election[, or if not  
6 a voter or resident of said district, shall have received service from the district  
7 at his or her primary place of residence one whole year immediately prior to his  
8 or her election]. A member shall be at least twenty-five years of age and shall  
9 not be delinquent in the payment of taxes at the time of his election. Except as  
10 provided in subsection 2 of this section, the term of office of a member of the  
11 board shall be three years. The remaining members of the board shall appoint  
12 a qualified person to fill any vacancy on the board. If no qualified person who  
13 lives in the subdistrict for which there is a vacancy is willing to serve on the  
14 board, the board may appoint an otherwise qualified person who lives in the  
15 district but not in the subdistrict in which the vacancy exists to fill such vacancy.

16 2. After notification by certified mail that he or she has two consecutive  
17 unexcused absences, any member of the board failing to attend the meetings of  
18 the board for three consecutive regular meetings, unless excused by the board for

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 reasons satisfactory to the board, shall be deemed to have vacated the seat, and  
20 the secretary of the board shall certify that fact to the board. The vacancy shall  
21 be filled as other vacancies occurring in the board.

22         3. The initial members of the board shall be appointed by the circuit court  
23 and one shall serve until the immediately following first Tuesday after the first  
24 Monday in April, two shall serve until the first Tuesday after the first Monday  
25 in April on the second year following their appointment and the remaining  
26 appointees shall serve until the first Tuesday after the first Monday in April on  
27 the third year following their appointment. On the expiration of such terms and  
28 on the expiration of any subsequent term, elections shall be held as otherwise  
29 provided by law, and such elections shall be held in April pursuant to section  
30 247.180.

31         4. In 2008, 2009, and 2010, directors elected in such years shall serve  
32 from the first Tuesday after the first Monday in June until the first Tuesday in  
33 April of the third year following the year of their election. All directors elected  
34 thereafter shall serve from the first Tuesday in April until the first Tuesday in  
35 April of the third year following the year of their election.

36         5. Each member of the board may receive an attendance fee not to exceed  
37 one hundred dollars for attending each regularly called board meeting, or special  
38 meeting, but shall not be paid for attending more than two meetings in any  
39 calendar month, except that in a county of the first classification, a member shall  
40 not be paid for attending more than four meetings in any calendar  
41 month. However, no board member shall be paid more than one attendance fee  
42 if such member attends more than one board meeting in a calendar week. In  
43 addition, the president of the board of directors may receive fifty dollars for  
44 attending each regularly or specially called board meeting, but shall not be paid  
45 the additional fee for attending more than two meetings in any calendar  
46 month. Each member of the board shall be reimbursed for his or her actual  
47 expenditures in the performance of his or her duties on behalf of the district.

48         6. In no event, however, shall a board member receive any attendance fees  
49 or additional compensation authorized in subsection 5 of this section until after  
50 such board member has completed a minimum of six hours training regarding the  
51 responsibilities of the board and its members concerning the basics of water  
52 treatment and distribution, budgeting and rates, water utility planning, the  
53 funding of capital improvements, the understanding of water utility financial  
54 statements, the Missouri sunshine law, and this chapter.

55           7. The circuit court of the county having jurisdiction over the district shall  
56 have jurisdiction over the members of the board of directors to suspend any  
57 member from exercising his or her office, whensoever it appears that he or she  
58 has abused his or her trust or become disqualified; to remove any member upon  
59 proof or conviction of gross misconduct or disqualification for his or her office; or  
60 to restrain and prevent any alienation of property of the district by members, in  
61 cases where it is threatened, or there is good reason to apprehend that it is  
62 intended to be made in fraud of the rights and interests of the district.

63           8. The jurisdiction conferred by this section shall be exercised as in  
64 ordinary cases upon petition, filed by or at the instance of any member of the  
65 board, or at the instance of any ten voters residing in the district who join in the  
66 petition, verified by the affidavit of at least one of them. The petition shall be  
67 heard in a summary manner after ten days' notice in writing to the member or  
68 officer complained of. An appeal shall lie from the judgment of the circuit court  
69 as in other causes, and shall be speedily determined; but an appeal does not  
70 operate under any condition as a supersedeas of a judgment of suspension or  
71 removal from office.

          247.080. 1. The exercise of the powers conferred upon the district by  
2 sections 247.010 to 247.220 shall be by its board of directors, acting as a board.

3           2. The board shall have power and it shall be its duty to employ necessary  
4 help and to contract for such professional service as the demands of the district  
5 require in creating and operating a waterworks system contemplated in this law,  
6 and shall pay out of the funds of the district available for such purposes  
7 reasonable compensation for the service rendered. It shall have made by a  
8 competent accountant an annual audit of the receipts and expenditures of the  
9 district. All persons employed shall serve for an indefinite term and at the will  
10 of the board, and party politics shall not enter into the selection of employees.

11           3. The board shall have regular monthly meetings and the president  
12 thereof may call special meetings as occasion requires. It shall establish an office  
13 for its meeting place and for the transaction of business.

14           4. All persons charged with handling of funds shall be required to give  
15 bond to be fixed and approved by the board, but at the expense of the district.

16           5. All contracts made by the district shall conform to **[law] section**  
17 **432.070** governing contracts **[of other municipal corporations]**. It shall have  
18 power to authorize and enter into all contracts in behalf of the district, and shall  
19 provide an official seal for district, and all official documents shall be attested by

20 the seal.

249.424. 1. If approved by a majority of the voters voting on the  
2 proposal, and upon the adoption of a resolution by a majority of the  
3 sewer district's board of trustees, any sewer district established and  
4 organized under this chapter, may levy and impose annually a fee not  
5 to exceed fifty dollars per year within its boundaries for the repair of  
6 lateral sewer service lines on or connecting residential property having  
7 six or fewer dwelling units, except that the fee shall not be imposed on  
8 property in the sewer district that is located within any city, town,  
9 village, or unincorporated area of a county that already imposes a fee  
10 under section 249.422. Any sewer district that establishes or increases  
11 the fee used to repair any portion of the lateral sewer service line shall  
12 include all defective portions of the lateral sewer service line from the  
13 residential structure to its connection with the public sewer system  
14 line. Notwithstanding any provision of chapter 448, the fee imposed  
15 pursuant to this chapter shall be imposed upon condominiums that  
16 have six or fewer condominium units per building and each  
17 condominium unit shall be responsible for its proportionate share of  
18 any fee charged pursuant to this chapter, and in addition, any  
19 condominium unit shall, if determined to be responsible for and served  
20 by its own individual lateral sewer line, be treated as an individual  
21 residence regardless of the number of units in the development. It  
22 shall be the responsibility of the condominium owner or condominium  
23 association to notify the sewer district that they are not properly  
24 classified as provided in this section.

25 2. The question shall be submitted to the registered voters who  
26 reside within the boundaries of the sewer district, excluding any voters  
27 who live within the boundaries of any city, town, village, or  
28 unincorporated area of a county that already imposes a fee under  
29 section 249.422. The question shall be submitted in substantially the  
30 following form:

31 Shall a maximum charge not to exceed fifty dollars be assessed  
32 annually on residential property for each lateral sewer service line  
33 serving six or fewer dwelling units on that property and condominiums  
34 that have six or fewer condominium units per building and any  
35 condominium responsible for its own individual lateral sewer line to  
36 provide funds to pay the cost of certain repairs of those lateral sewer

37 service lines which may be billed quarterly or annually?

38 ☐ YES

☐ NO

39 3. If a majority of the voters voting thereon approve the proposal  
40 provided for in subsection 2 of this section, any sewer district  
41 established and organized under this chapter may, upon the adoption  
42 of a resolution by a majority of the sewer district's board of trustees,  
43 collect and administer such fee in order to protect the public health,  
44 welfare, peace, and safety. The funds collected shall be deposited in a  
45 special account to be used solely for the purpose of paying for all or a  
46 portion of the costs reasonably associated with and necessary to  
47 administer and carry out the defective lateral sewer service line  
48 repairs. All interest generated on deposited funds shall be accrued to  
49 the special account established for the repair of lateral sewer service  
50 lines.

51 4. The collector in any county containing a sewer district that  
52 adopts a resolution under this section to collect a fee for the repair of  
53 lateral sewer service lines may add such fee to the general tax levy bills  
54 of property owners within the boundaries of the sewer district,  
55 excluding property located in any city, town, village, or unincorporated  
56 area of the county that already imposes a fee under section 249.422. All  
57 revenues received on such combined bill for the purpose of providing  
58 for the repair of lateral sewer service lines shall be separated from all  
59 other revenues so collected and credited to the special account  
60 established by the sewer district under subsection 3 of this section.

61 5. If a city, town, village, or county, which is within the sewer  
62 district and imposed a fee under section 249.422, later rescinds such fee  
63 after voters authorized the fee provided under this section, the sewer  
64 district may submit the question provided under subsection 2 of this  
65 section to the registered voters of such city, town, village, or county  
66 that have property within the boundaries of the sewer district. If a  
67 majority of voters voting on the proposal approve, the sewer district  
68 may levy and impose the fee as provided under this section on property  
69 within such city, town, village, or county.

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