

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2338H.01I
Bill No.: HB 1374
Subject: Utilities; Sewers and Sewer Districts
Type: Original
Date: April 15, 2021

Bill Summary: This proposal changes provisions related to fees for repair of sewer service lines.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator**, the **State Tax Commission** and the **Metropolitan St. Louis Sewer District** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight will assume this proposal could have an impact on sewer districts in Jefferson County, St. Louis City and St. Louis County.

Oversight assumes because this proposal requires a notification in writing to the property owner for each change of assessment, there could be cost associated with this requirement. Oversight also assumes because this proposal exempts fee payments under §139.031, RSMo, and there could be possible class action challenges under Article X, Sections 22 and 23 of the Missouri Constitution from this proposal, this could result in an unknown savings from this proposal. Therefore, Oversight will reflect a \$0 or positive to negative unknown for this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
SEWER DISTRICTS IN JEFFERSON COUNTY AND ST. LOUIS COUNTY			
<u>Costs</u> – Notification Costs	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Savings</u> – Payment under protest exempt for payment of these fees	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT TO SEWER DISTRICTS IN JEFFERSON COUNTY AND ST. LOUIS COUNTY	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires that a sewer district must notify a condominium owner that it is responsible for and served by its own lateral sewer line each time a notification of change of assessment is sent to the property owner. This bill also exempts specific lateral sewer service fees from the tax limitations of Section 139.031, RSMo, but allows class action challenges under Article X, Sections 22 and 23 of the Missouri Constitution, commonly known as the Hancock Amendment. Currently, this bill applies only to Jefferson County, St. Louis County, and St. Louis City.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

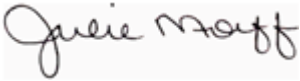
Office of the State Courts Administrator
State Tax Commission
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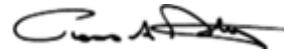
April 15, 2021

A handwritten signature in cursive script, appearing to read "Julie Morff", written in black ink on a light-colored background.

Julie Morff

Director

April 15, 2021

A handwritten signature in cursive script, appearing to read "Ross Strobe", written in black ink on a light-colored background.

Ross Strobe

Assistant Director

April 15, 2021