

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4087H.02I
Bill No.: HB 1773
Subject: Political Subdivisions; Sewers and Sewer Districts; St. Louis County; Counties
Type: Original
Date: January 2, 2026

Bill Summary: This proposal modifies provisions governing mailed notice to sewer district customers with unpaid charges.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	Could exceed \$304,750	Could exceed \$365,700	Could exceed \$365,700

FISCAL ANALYSIS

ASSUMPTION

§§249.255 and 249.645 – Notice of Unpaid Sewer Charges

Officials from the **Metropolitan St. Louis Sewer District (MSD)** state the proposed legislation will impact MSD to the extent it would reduce the postage expense relating to notices required to be sent to customers subject to potential shut-off of water services due to delinquent sewer bills.

The MSD has approximately 69,000 delinquent accounts that are eligible to receive notices. With a savings of \$5.30 per notice that amounts to \$365,700 in savings. It is unknown how many of these notices will be sent out annually, since the shut-off program will just be starting in 2026.

Oversight assumes this proposal is reducing the postage fee paid by sewer districts when sending out delinquency notices to customers by certified mail (\$6.08) to first-class mail (\$.78). This would result in a savings to the sewer districts of \$5.30 per notice. Oversight notes there is no aggregate, statewide data or central repository available for the total number of delinquent notices sent out by all sewer districts in Missouri nor are the various districts required to report the total number of notices issued to a state-level entity. Oversight will reflect a potential savings that could exceed the estimate provided by the MSD.

Officials from the **Department of Commerce and Insurance, Department of Health and Senior Services, Department of Natural Resources, State Tax Commission, City of Kansas City, Little Blue Valley Sewer District and Wayne County PWSD #2** 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 only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties, county recorders, water districts and sewer districts were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> – Sewer Districts (§§249.255 and 249.645) Reduction in postage expense p.3	Could exceed <u>\$304,750</u>	Could exceed <u>\$365,700</u>	Could exceed <u>\$365,700</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Could exceed <u>\$304,750</u>	Could exceed <u>\$365,700</u>	Could exceed <u>\$365,700</u>

FISCAL IMPACT – Small Business

Small businesses, also known as investor-owned businesses, that operate water or sewer systems may be impacted by this proposal. Missouri’s Public Service Commission define these businesses as utilities serving 8,000 or fewer customer connections.

FISCAL DESCRIPTION

Currently, if a customer of a public sewer district has three months of unpaid charges, the district must notify the customer by certified mail prior to disconnecting service. This bill allows for notification by first-class mail.

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

Metropolitan St. Louis Sewer District
Department of Commerce and Insurance
Department of Health and Senior Services
Department of Natural Resources
State Tax Commission

L.R. No. 4087H.02I

Bill No. HB 1773

Page 5 of 5

January 2, 2026

City of Kansas City
Little Blue Valley Sewer District
Wayne County PWSD #2



Julie Morff
Director
January 2, 2026



Jessica Harris
Assistant Director
January 2, 2026