

SENATE SUBSTITUTE
FOR
HOUSE BILL NO. 2397
AN ACT

To repeal sections 67.319, 247.220, 640.144, 640.220, 643.350, 644.021, and 644.057, RSMo, and to enact in lieu thereof nine new sections relating to programs overseen by the department of natural resources.

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

Section A. Sections 67.319, 247.220, 640.144, 640.220, 2 643.350, 644.021, and 644.057, RSMo, are repealed and nine new 3 sections enacted in lieu thereof, to be known as sections 4 67.319, 247.220, 247.229, 640.144, 640.220, 643.350, 644.021, 5 644.057, and 644.083, to read as follows:

67.319. 1. If approved by a majority of the voters 2 voting on the proposal, any city, town, village, sewer 3 district, or water supply district located within this state 4 may, by ordinance, levy and impose annually upon water 5 service lines providing water service to residential 6 property having four or fewer dwelling units within the 7 jurisdiction of such city, town, village, sewer district, or 8 water supply district a fee not to exceed [one dollar] two 9 dollars per month or [twelve] twenty-four dollars annually. 10 2. The ballot of submission shall be in substantially 11 the following form:

12 For the purpose of repair or replacement of water 13 lines extending from the water main to a 14 residential dwelling due to failure of the line, 15 shall _____ (city, town, village, sewer district, 16 or water supply district) be authorized to impose 17 a fee not to exceed [one dollar] two dollars per 18 month or [twelve] twenty-four dollars annually on 19 residential property for each water service line

20 providing water service within the (city, town,
21 village, sewer district, or water supply district)
22 to residential property having four or fewer
23 dwelling units for the purpose of paying for the
24 costs of necessary water service line repairs or
25 replacements?

26 YES NO

27 3. For the purpose of this section, a water service
28 line may be defined by local ordinance, but may not include
29 the water meter or exceed that portion of water piping and
30 related valves and connectors which extends from the water
31 mains owned by the utility or municipality distributing
32 public water supply to the first opportunity for a
33 connection or joint beyond the point of entry into the
34 premises receiving water service, and may not include
35 facilities owned by the utility or municipality distributing
36 public water supply. For purposes of this section, repair
37 may be defined and limited by local ordinance, and may
38 include replacement or repairs.

39 4. If a majority of the voters voting thereon approve
40 the proposal authorized in subsection 1 of this section, the
41 governing body of the city, town, village, sewer district,
42 or water supply district may enact an ordinance for the
43 collection of such fee. The funds collected under such
44 ordinance shall be deposited in a special account to be used
45 solely for the purpose of paying for the reasonable costs
46 associated with and necessary to administer and carry out
47 the water service line repairs as defined in the ordinance
48 and to reimburse the necessary costs of water service line
49 repair or replacement. All interest generated on deposited
50 funds shall be accrued to the special account established
51 for the repair of water service lines.

52 5. The city, town, village, sewer district, or water
53 supply district may establish, as provided in the ordinance,
54 regulations necessary for the administration of collections,
55 claims, repairs, replacements and all other activities
56 necessary and convenient for the implementation of any
57 ordinance adopted and approved under this section. The
58 city, town, village, sewer district, or water supply
59 district may administer the program or may contract with one
60 or more persons, through a competitive process, to provide
61 for administration of any portion of implementation
62 activities of any ordinance adopted and approved under this
63 section, and reasonable costs of administering the program
64 may be paid from the special account established under this
65 section.

66 6. Notwithstanding any other provision of law to the
67 contrary, the collector in any city, town, village, sewer
68 district, or water supply district or county that adopts an
69 ordinance under this section, who now or hereafter collects
70 any fee to provide for, ensure or guarantee the repair of
71 water service lines, may add such fee to the general tax
72 levy bills of property owners within the city, town,
73 village, sewer district, or water supply district or
74 unincorporated area of the county. All revenues received on
75 such combined bill which are for the purpose of providing
76 for, ensuring or guaranteeing the repair of water service
77 lines shall be separated from all other revenues so
78 collected and credited to the appropriate fund or account of
79 the city, town, village, sewer district, or water supply
80 district or county. The collector of the city, town,
81 village, sewer district, or water supply district or county
82 may collect such fee in the same manner and to the same
83 extent as the collector now or hereafter may collect
84 delinquent real estate taxes and tax bills.

247.220. 1. Proceedings for the dissolution of a
2 public water supply district shall be substantially the same
3 as proceedings for the formation of such a district, as
4 follows: A petition describing the boundaries of the
5 district sought to be dissolved shall be filed with the
6 clerk of the circuit court of the county wherein the subject
7 district is situate, or with the clerk of the circuit court
8 of the county having the largest acreage within the
9 boundaries of the subject district, in the event that the
10 subject district embraces lands in more than one county.
11 Such petition, in addition to such boundary description,
12 shall allege that further operation of the subject district
13 is inimicable to the best interests of the inhabitants of
14 the district, that the district should, in the interest of
15 the public welfare and safety, be dissolved, that an
16 alternative water supplier is available and better able to
17 supply water to the inhabitants of the district, that an
18 agreement for sale of the district's assets has been entered
19 into by the board of directors contingent upon approval of
20 the circuit court and voters, and such other information as
21 may be useful to the court in determining whether the
22 petition should be granted and a decree of dissolution
23 entered. Such petition shall also include a detailed plan
24 for payment of all debt and obligations of the district at
25 the time of dissolution. Such petition shall be accompanied
26 by a cash deposit of fifty dollars as an advancement of the
27 costs of the proceeding and the petition shall be signed by
28 not less than one-fifth of the registered voters from each
29 subdistrict, or fifty registered voters from each
30 subdistrict, whichever is less, within the subject
31 district. The petition shall be verified by at least one of
32 the signers thereof and shall be served upon the board of
33 directors of the district as provided by law. The district

34 shall be a party, and if the board of directors in its
35 discretion determines that such dissolution is not in the
36 public interest, the district shall oppose such petition and
37 pay all cost and expense thereof.

38 2. Upon the filing of the petition, the same shall be
39 presented to the circuit court, and such court shall fix a
40 date for a hearing on such petition, as provided in this
41 section. Thereupon, the clerk of the court shall give
42 notice of the filing of the petition in some newspaper of
43 general circulation in the county in which the proceedings
44 are pending, and if the district extends into any other
45 county or counties, such notice shall also be published in
46 some newspaper of general circulation in such other county
47 or counties. The notice shall contain a description of the
48 subject boundary lines of the district and the general
49 purposes of the petition, and shall set forth the date fixed
50 for the hearing on the petition, which shall not be less
51 than seven nor more than twenty-one days after the date of
52 the last publication of the notice and shall be on some
53 regular judicial day of the court wherein the petition is
54 pending. Such notice shall be signed by the clerk of the
55 circuit court and shall be published in three successive
56 issues of a weekly newspaper or in twenty successive issues
57 of a daily newspaper.

58 3. The court, for good cause shown, may continue the
59 case or the hearing thereon from time to time until final
60 disposition thereof.

61 4. Exceptions to the dissolution of a district may be
62 made by any voter or landowner of the district, and by the
63 district as herein provided; such exceptions shall be filed
64 not less than five days prior to the date set for the
65 hearing on the petition. Such exceptions shall specify the
66 grounds upon which the exceptions are filed and the court

67 shall take them into consideration in passing upon the
68 petition and shall also consider the evidence in support of
69 the petition and in support of the exceptions made. Unless
70 petitioners prove that there is an agreement for sale of the
71 district's assets entered into by the board of directors
72 that would permit all debts and financial obligations of the
73 district can be paid in full upon dissolution and provide
74 for the continuation of water supply to the inhabitants of
75 the district, the petition shall be dismissed at the cost of
76 the petitioners.

77 5. Should the court find that it would not be to the
78 public interest to dissolve a district, the petition shall
79 be dismissed at the costs of the petitioners. If, however,
80 the court should find in favor of the petitioners, the court
81 shall enter its interlocutory decree of dissolution which
82 decree shall provide for the submission of the question to
83 the voters of the district in substantially the following
84 form with up to one hundred words, and notwithstanding the
85 provisions of sections 116.115 and 116.160 to the contrary:

86 Shall _____ Public Water Supply District be dissolved
87 and its assets sold to _____ which shall thereafter be the
88 water supplier?

89 6. (1) Except as provided in subdivision (2) of this
90 subsection, the decree of dissolution shall not become final
91 and conclusive until it shall have been submitted to the
92 voters residing within the boundaries described in such
93 decree and until it shall have been assented to by a
94 majority of two-thirds of the voters of the district voting
95 on the proposition.

96 (2) At their discretion, the board of directors of
97 the district, except those districts that lie within a
98 county with more than eleven thousand but fewer than twelve
99 thousand five hundred inhabitants and with a county seat

100 with more than four thousand but fewer than five thousand
101 inhabitants, or a county with more than seven thousand but
102 fewer than eight thousand inhabitants and with a county seat
103 with more than one thousand but fewer than two thousand
104 inhabitants, may approve a change in the vote threshold to a
105 majority of three-fifths of the voters of the district
106 voting on the proposition, if:

107 (a) Four-fifths of the directors voting on the
108 question shall vote in favor;

109 (b) The circuit court has approved the three-fifths
110 threshold; and

111 (c) The district has received from the department of
112 natural resources a formal enforcement action resulting in
113 an administrative order on consent pursuant to the
114 provisions of chapter 640 or the Federal Safe Drinking Water
115 Act that has not rectified as specified in the
116 administrative order of consent, immediately prior to such
117 action by the board.

118 (3) The decree shall provide for the submission of the
119 question and shall fix the date thereof. The returns shall
120 be certified by the election authority to the circuit court
121 having jurisdiction in the case and the court shall
122 thereupon enter its order canvassing the returns and
123 declaring the result of such election.

124 7. If, upon canvass and declaration, it is found and
125 determined that the question shall have been assented to by
126 [a majority of two-thirds of the voters of the district
127 voting on such proposition] the number of voters required
128 under subsection 6 of this section then the court shall, in
129 such order declaring the result of the election, enter a
130 further order declaring the decree of dissolution to be
131 final and conclusive. In the event, however, that the court
132 should find that the question had not been assented to by

133 the majority required, the court shall enter a further order
134 declaring such decree of dissolution to be void and of no
135 effect. No appeal shall lie from any of the aforesaid
136 orders. In the event that the court declares the decree of
137 dissolution to be final, as provided in this section, the
138 clerk of the circuit court shall file certified copies of
139 such decree of dissolution and of such final order with the
140 secretary of state of the state of Missouri, and with the
141 recorder of deeds of the county or counties in which the
142 district is situate and with the clerk of the county
143 commission of the county or counties in which the district
144 is situate.

145 8. Notwithstanding anything in this section to the
146 contrary, no district shall be dissolved until after all of
147 its debts shall have been paid, and the court, in its decree
148 of dissolution, shall provide for the disposition of the
149 property of the district, which may direct that any excess
150 funds be paid over to the treasurers of the various school
151 districts on a pro rata basis equivalent to the ratio of
152 customers of the public water supply district in the various
153 school districts.

247.229. The board of directors of a public water
2 supply district may contribute to the cost of a plan
3 including a plan underwritten by insurance for furnishing
4 all or part of hospitalization or medical expenses, life
5 insurance or similar benefits for the district's employees.
6 No contract shall be entered into by the board of directors
7 to purchase any insurance policy or policies pursuant to the
8 terms of this section unless the contract is submitted to
9 competitive bidding at least every three years and the
10 contract is awarded to the lowest and best bidder.

640.144. 1. All community water systems shall be
2 required to create a valve inspection program that includes:

3 (1) Inspection of all valves every ten years;
4 (2) Scheduled repair or replacement of broken valves;
5 and

6 (3) Within five years of August 28, 2020,
7 identification of each shut-off valve location using a
8 geographic information system or an alternative physical
9 mapping system that accurately identifies the location of
10 each valve.

11 2. All community water systems shall be required to
12 create a hydrant inspection program that includes:

13 (1) Scheduled testing of every hydrant in the
14 community water system;
15 (2) Scheduled repair or replacement of broken hydrants;
16 (3) A plan to flush every hydrant and dead-end main;
17 (4) Maintenance of records of inspections, tests, and
18 flushings for six years; and

19 (5) Within five years of August 28, 2020,
20 identification of each hydrant location using a geographic
21 information system or an alternative physical mapping system
22 that accurately identifies the location of each hydrant.

23 3. The provisions of this section shall not apply to
24 any state parks, cities with a population of more than
25 thirty thousand inhabitants, [a] any county with a charter
26 form of government and with more than six hundred thousand
27 but fewer than seven hundred thousand inhabitants, [a] any
28 county with a charter form of government and with more than
29 nine hundred fifty thousand inhabitants, or [a] any public
30 service commission regulated utility with more than thirty
31 thousand customers.

640.220. 1. For the purpose of protecting the air,
2 water and land resources of the state, there is hereby
3 created in the state treasury a fund to be known as the
4 "Natural Resources Protection Fund". All funds received

5 from air pollution permit fees, gifts, bequests, donations,
6 or any other moneys so designated shall be paid to the
7 director of the department of natural resources, transmitted
8 to the director of revenue and deposited in the state
9 treasury to the credit of an appropriate subaccount of the
10 natural resources protection fund and shall be used for the
11 purposes specified by law. The air pollution permit fee
12 revenues shall be deposited in an appropriate subaccount of
13 the natural resources protection fund and, subject to
14 appropriation by the general assembly, shall be used by the
15 department to carry out the general administration of
16 section 643.075. The water pollution permit fee revenues
17 generated through sections 644.052, 644.053, 644.054 and
18 644.061 shall be paid to the director of the department of
19 natural resources, transmitted to the director of the
20 department of revenue and deposited to the credit of the
21 water pollution permit fee subaccount of the natural
22 resources protection fund and, subject to appropriation by
23 the general assembly, shall be used by the department to
24 carry out the administration of sections 644.006 to 644.141.

25 2. Effective July 1, 1991, and before June 30, 2027,
26 the provisions of section 33.080 to the contrary
27 notwithstanding, any unexpended balance in the subaccounts
28 of the natural resources protection fund that exceeds the
29 preceding biennium's collections shall revert to the general
30 revenue fund of the state at the end of each biennium.
31 Beginning July 1, 2027, any unexpended balance in the
32 subaccounts of the natural resources protection fund that
33 exceeds the preceding biennium's collections shall not
34 revert to the general revenue fund of the state at the end
35 of each biennium. All interest earned on the natural
36 resources protection funds shall accrue to appropriate
37 subaccounts.

38 3. Beginning July 1, 2027, and annually on July first
39 of each succeeding year, the commissioner of administration
40 shall use taxable sales reports to estimate the amount of
41 state general revenue sales and use tax derived from
42 electric power distribution (NAICS code 221122, or its
43 successor) in the immediately preceding calendar year and
44 shall report such amount to the state treasurer. The state
45 treasurer shall transfer five percent of such general
46 revenue sales and use taxes to the air pollution permit fees
47 subaccount of the natural resources protection fund and such
48 funds, subject to appropriation by the general assembly,
49 shall be used by the department solely for the purpose of
50 funding the air pollution control program. Any provision of
51 law to the contrary notwithstanding, amounts transferred in
52 accordance with this subsection shall not revert to the
53 general revenue fund of the state at the end of each
54 biennium and shall be used solely for the purpose of funding
55 the air pollution control program.

643.350. 1. A fee, not to exceed twenty-four dollars,
2 may be charged for an emissions inspection conducted under
3 the emissions inspection program established pursuant to
4 sections 643.300 to 643.355.

5 2. The fee shall be conspicuously posted on the
6 premises of each emissions inspection station.

7 3. The commission shall establish, by rule, the
8 portion of the fee amount to be remitted by the emission
9 inspection station to the director of revenue and the number
10 of days allowed for remitting fees.

11 4. The official emission inspection station shall
12 remit the portion of fees collected, as established by the
13 commission pursuant to this section, to the state treasurer
14 within the time period established by the commission. The
15 state treasurer shall deposit the fees received in the state

16 treasury to the credit of the "Missouri Air Emission
17 Reduction Fund", which is hereby created. Moneys in the
18 fund shall, subject to appropriation, be expended for the
19 administration and enforcement of sections 643.300 to
20 643.355 by the department of natural resources, the Missouri
21 highway patrol, and other appropriate agencies. Any balance
22 in the fund at the end of the biennium shall remain in the
23 fund and shall not be subject to the provisions of section
24 33.080. All interest earned by moneys in the fund shall
25 accrue to the fund. [If in the immediate previous fiscal
26 year, the state's net general revenue did not increase by
27 two percent or more, the state treasurer may deposit moneys,
28 except for gifts, donations, or bequests, received under
29 this section beginning January first of the current fiscal
30 year into the state general revenue fund. Otherwise, the
31 state treasurer shall deposit such moneys in accordance with
32 the provisions of this section.]

33 5. In addition to funds from the Missouri air emission
34 reduction fund, costs of capital or operations may be
35 supplemented, upon appropriation, from the general revenue
36 fund, the state highway department fund, federal funds or
37 other funds available for that purpose.

644.021. 1. There is hereby created a water
2 contaminant control agency to be known as the "Clean Water
3 Commission of the State of Missouri", whose domicile for the
4 purposes of sections 644.006 to 644.141 shall be deemed to
5 be that of the department of natural resources. The
6 commission shall consist of seven members appointed by the
7 governor with the advice and consent of the senate. No more
8 than four of the members shall belong to the same political
9 party. All members shall be representative of the general
10 interest of the public and shall have an interest in and
11 knowledge of conservation and the effects and control of

12 water contaminants. At least two members shall be
13 knowledgeable concerning the needs of agriculture, industry
14 or mining and interested in protecting these needs in a
15 manner consistent with the purposes of sections 644.006 to
16 644.141. At least one member shall be knowledgeable
17 concerning the needs of publicly owned wastewater treatment
18 works. No more than four members shall represent the
19 public. [No member shall receive, or have received during
20 the previous two years, a significant portion of his or her
21 income directly or indirectly from permit holders or
22 applicants for a permit pursuant to any federal water
23 pollution control act as amended and as applicable to this
24 state.] The commission shall establish rules of procedure
25 that specify when members shall exempt themselves from
26 participating in discussions and from voting on issues
27 before the commission due to a potential conflict of
28 interest as prohibited under section 105.452. A member
29 shall exempt him or herself from participating in
30 discussions and from voting on any issue before the
31 commission including, but not limited to, permitting and
32 enforcement actions that directly involve an entity from
33 which the commissioner receives or has received within the
34 previous two years a significant portion of his or her
35 income. All members appointed on or after August 28, 2002,
36 shall have demonstrated an interest and knowledge about
37 water quality. All members appointed on or after August 28,
38 2002, shall be qualified by interest, education, training or
39 experience to provide, assess and evaluate scientific and
40 technical information concerning water quality, financial
41 requirements and the effects of the promulgation of
42 standards, rules and regulations. At the first meeting of
43 the commission and at yearly intervals thereafter, the

44 members shall select from among themselves a chairman and a
45 vice chairman.

46 2. The members' terms of office shall be four years
47 and until their successors are selected and qualified.
48 Provided, however, that the first three members appointed
49 shall serve a term of two years, the next three members
50 appointed shall serve a term of four years, thereafter all
51 members appointed shall serve a term of four years. There
52 is no limitation on the number of terms any appointed member
53 may serve. If a vacancy occurs the governor may appoint a
54 member for the remaining portion of the unexpired term
55 created by the vacancy. The governor may remove any
56 appointed member for cause. The members of the commission
57 shall be reimbursed for travel and other expenses actually
58 and necessarily incurred in the performance of their duties.

59 3. The commission shall hold at least four regular
60 meetings each year and such additional meetings as the
61 chairman deems desirable at a place and time to be fixed by
62 the chairman. Special meetings may be called by three
63 members of the commission upon delivery of written notice to
64 each member of the commission. Reasonable written notice of
65 all meetings shall be given by the director to all members
66 of the commission. Four members of the commission shall
67 constitute a quorum. All powers and duties conferred
68 specifically upon members of the commission shall be
69 exercised personally by the members and not by alternates or
70 representatives. All actions of the commission shall be
71 taken at meetings open to the public. Any member absent
72 from six consecutive regular commission meetings for any
73 cause whatsoever shall be deemed to have resigned and the
74 vacancy shall be filled immediately in accordance with
75 subsection **[1]** 2 of this section.

644.057. Notwithstanding any statutory fee amounts or
2 maximums to the contrary, the director of the department of
3 natural resources may conduct a comprehensive review and
4 propose changes to the clean water fee structure set forth
5 in sections 644.052, 644.053, and 644.061. The
6 comprehensive review shall include stakeholder meetings in
7 order to solicit stakeholder input from each of the
8 following groups: agriculture, industry, municipalities,
9 public and private wastewater facilities, and the
10 development community. Upon completion of the comprehensive
11 review, the department shall submit a proposed fee structure
12 with stakeholder agreement to the clean water commission.
13 The commission shall review such recommendations at the
14 forthcoming regular or special meeting, but shall not vote
15 on the fee structure until a subsequent meeting. [In no
16 case shall the clean water commission adopt or recommend any
17 clean water fee in excess of five thousand dollars.] If the
18 commission approves, by vote of two-thirds majority or five
19 of seven commissioners, the fee structure recommendations,
20 the commission shall authorize the department to file a
21 notice of proposed rulemaking containing the recommended fee
22 structure, and after considering public comments, may
23 authorize the department to file the order of rulemaking for
24 such rule with the joint committee on administrative rules
25 pursuant to sections 536.021 and 536.024 no later than
26 December first of the same year. If such rules are not
27 disapproved by the general assembly in the manner set out
28 below, they shall take effect on January first of the
29 following calendar year and the fee structures set forth in
30 sections 644.052, 644.053, and 644.061 shall expire upon the
31 effective date of the commission-adopted fee structure,
32 contrary to section 644.054. Any regulation promulgated
33 under this subsection shall be deemed to be beyond the scope

34 and authority provided in this subsection, or detrimental to
35 permit applicants, if the general assembly, within the first
36 sixty calendar days of the regular session immediately
37 following the filing of such regulation disapproves the
38 regulation by concurrent resolution. If the general
39 assembly so disapproves any regulation filed under this
40 subsection, the department and the commission shall not
41 implement the proposed fee structure and shall continue to
42 use the previous fee structure. The authority of the
43 commission to further revise the fee structure provided by
44 this section shall expire on August 28, 2030. If the
45 commission's authority to revise the fee structure as
46 provided by this section expires, the fee structure in place
47 at the time of expiration shall remain in place.

644.083. 1. Notwithstanding any provision of law to
2 the contrary, a person who has contracted for the right to
3 store water in a reservoir owned by the United States Army
4 Corps of Engineers shall have exclusive rights to any return
5 flows generated directly or indirectly to that reservoir by
6 the person. The rights under this section shall be subject
7 to regulatory requirements imposed by the state and to the
8 availability to the person of unused storage capacity within
9 the reservoir to store such return flows.

10 2. For purposes of this section, "return flow" means
11 water that is discharged directly or indirectly to a
12 reservoir from a water reclamation facility.