

HCS SB 497 -- SPECIAL PURPOSE DISTRICTS

SPONSOR: Hegeman (Korman)

COMMITTEE ACTIONS: Voted "Do Pass with Amendments" by the Standing Committee on Local Government by a vote of 10 to 1. Voted "Do Pass" by the Select Committee on State and Local Governments by a vote of 9 to 0.

This bill changes the laws regarding special purpose districts.

DISSOLUTION OF SPECIAL PURPOSE DISTRICTS (Sections 67.950 and 67.955, RSMo)

Currently, a special purpose district may be dissolved upon a majority vote of the district. The election may be called upon the filing of a petition signed by at least 8% of the voters of the district or upon the motion of a majority of the members of the governing body.

The bill requires the petition to be filed with the clerk of the circuit court of the county in which the district is located or, if the district is in more than one county, the circuit court clerk of the county having the largest acreage within the district. The bill requires additional information to be included with the petition, including a description of the boundaries, an allegation that the operation of the district is not in the best interests of the inhabitants of the district, and a detailed plan for the payment of the district's debt. The petitioners must pay \$50 to file the petition with the court.

The bill specifies that, if the governing board of the district determines the dissolution is not in the public interest, the district must oppose the petition. The bill specifies a hearing process for the petition of dissolution and contains notice requirements. The district, voters, and landowners of the district may file exceptions to the dissolution no less than five days before the hearing date. The court must consider the exceptions and evidence in support of the petition. Unless the petitioners prove that all debts of the district can be paid in full upon dissolution, the petition must be dismissed.

If the court finds it not in the public interest to dissolve the district, the court must dismiss the petition. If the court finds it is in the public interest, the court must enter a decree providing for the submission of the question of dissolution to the voters. If the voters approve the question by a majority, then the court must order the district dissolved. All debts, including the costs of conducting the election to dissolve a special district,

must be paid by the special district before a court can declare the district dissolved. The court must provide for the disposition of the district's property.

WATER SERVICE (Section 393.015)

Currently, any sewer provider may contract with a water corporation to terminate water service to any customer premises for nonpayment of a sewer bill. The bill allows a sewer provider to contract with any municipal water service or water district for termination of water service for nonpayment of a sewer bill.

FINDING OF AFFORDABILITY (Section 644.145)

Currently, the Department of Natural Resources is required to perform a finding of affordability when issuing permits under the Missouri Clean Water Law for discharges from certain publicly owned treatment works. The bill also requires that the finding of affordability be performed when issuing permits for discharges from water or sewer treatment works.

Currently, the definitions of "affordability" and "finding of affordability" are measured by whether an individual customer or household with an income equal to the lower of the median household income can pay the utility bill without undue hardship. The bill specifies the measurement would be whether the household with an income equal to or lower than the median household income can pay the bill without hardship and without making unreasonable sacrifices in the individual or household's lifestyle.

COMMUNITY IMPROVEMENT DISTRICT VOTES (Section 1)

The bill specifies that an individual must not cast more than one ballot in any election for the board of directors of a community improvement district.

REGIONAL JAIL DISTRICTS (Section 221.407)

Currently, regional jail districts are authorized to impose a sales tax of up to 1/2% on sales in the district. The authority to impose this tax expires on September 30, 2015. The bill extends the authority of the districts to collect the tax until September 30, 2027.

PROPOSERS: Supporters say clarifying that all debts of a district must be paid before a district can be dissolved will improve the availability of credit for a district.

Testifying for the bill were Senator Hegeman and Missouri Rural

Water Association.

OPPONENTS: There was no opposition voiced to the committee.