

COMMITTEE ON LEGISLATIVE RESEARCH  
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3788-01  
Bill No.: HB 1549  
Subject: Cities: Water Resources  
Type: Original  
Date: February 20, 2002

FISCAL SUMMARY

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Natural Resources** assume no fiscal impact to their department.

Officials of **Callaway County Water District #1** assume this proposal is procedural and would have no fiscal impact.

Officials of **Platte City** assume no fiscal impact from this proposal.

**Oversight** assumes this proposal amends public water supply district law, and is considered procedural. This proposal does not issue any mandates with regards to cities and water districts. Therefore, Oversight assumes this proposal would have no fiscal impact to state or local governments. Cities that would annex areas currently served by water districts could experience fiscal impact if the water district would have outstanding obligations, however, this proposal does not mandate cities to annex areas served by water districts.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

Under current law, contiguous public water supply districts or cities and contiguous districts may agree to have territory detached from one entity and annexed by the other. This bill requires the acquiring city or district to assume a proportion of any existing contractual liquidated obligations or revenue bonds for the water system of the detaching city or district, based on the ratio of assessed valuations of real and personal property within the annexed territory and within the entire city or district from which the territory is being detached. Other agreements are allowed if the local circuit court finds that the holders of existing obligations and bonds are protected.

DESCRIPTION (continued)

The bill gives landowners the same rights as resident voters in procedures for water district formation, consolidation, dissolution, and territory annexation and detachment. The bill also

reduces the minimum time period between the final public notice and the public hearing for a proposed district formation or dissolution from 15 to seven days, increases the majority by which voters must approve dissolutions from four-sevenths to two-thirds, and clarifies other notice and procedural requirements. Petitions for dissolution of a district would be dismissed at the cost of the petitioners if they cannot prove that all debts and financial obligations of the district can be paid. Districts may distribute proceeds from the sale or dissolution of the district to customers on a pro rata basis if there are no outstanding general obligation bonds. Under current law, all property owners receive proceeds regardless of whether they used and paid for district services.

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

Department of Natural Resources  
Callaway County Public Water District # 1  
Platte City

#### NOT RESPONDING

Cities of : St. Joseph, Weston, Hannibal, Cape Girardeau, and Branson  
and Cole County Water Supply Districts # 1 and 2



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