

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 1450-01
Bill No.: SB 440
Subject: Sewers: Political Subdivisions, Collections
Type: Original
Date: March 10, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

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

Officials of the **Kansas City Manager's Office** assume this proposal would have a negative fiscal impact. Officials did not explain why, and did not estimate the amount of negative fiscal impact.

City of St. Joseph was unsure of impact if the Commission avenue were used.

City of Fulton officials assume this would have a positive fiscal impact due to the legislation would allow the city to collect over due bills in a timely and cost effective manner.

City of Springfield assume no fiscal impact.

Jefferson County officials assume no fiscal impact.

Oversight assumes this legislation is a procedural modification for the way certain political subdivisions collect unpaid sewer bills. Oversight assumes that certain sewer districts or

ASSUMPTION (continued)

municipalities would be able to collect unpaid sewer bills and the cost of collection would be recoverable. The procedure would have a positive fiscal impact on affected local governments. Oversight will show fiscal impact as a positive unknown.

The following entities did not respond: The St. Louis Metropolitan Sewer District, Little Blue Valley Sewer District, and the City of St. Charles.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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CERTAIN CITIES and SEWER DISTRICTS

Income to Certain Cities and Sewer Districts.

from collection procedures	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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ESTIMATED NET EFFECT TO CERTAIN CITIES AND SEWER DISTRICTS *

<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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*** Oversight would expect fiscal impact to anyone entity to be minimal and would equal the amount of arrearage collected.**

FISCAL IMPACT - Small Business

Small businesses located in certain cities or sewer district that are in arrears on their sewer bills could expect to pay the arrearage plus the cost of collection.

DESCRIPTION

This act modifies provisions relating to the procedure for disconnection of water services for nonpayment of a sewer bill. The act requires certain providers of water service to contract with certain sewer service providers to terminate water services to customer premises for nonpayment of a sewer bill upon the request of the sewer service provider. In the event the parties are unable to reach an agreement within four months of the receipt of the request, a petition may be filed with the Circuit Court asking for three commissioners to draft the agreement. The act provides the procedural requirements of such proceeding and the appointment of the commissioners.

No termination of water service may occur until 30 days after the municipality or sewer district sends the customer written notice by certified mail. However, if the water service provider is providing water service as well as sewer service, no additional notice shall be required other than the notice period in use by the water service provider. Water service shall be discontinued until the customer pays the sewer charges and all related costs of disconnection and reconnection in full or another payment arrangement is agreed to by the parties. Water service providers who collect delinquent sewer charges at the written request of the sewer service provider shall be immune from civil liability or damages resulting from the disconnection. Unless specifically provided otherwise, the costs of disconnection and reconnection of water service shall be reimbursed by the municipality or sewer district and shall be charged to and paid by the customer.

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
Kansas City Manager's Office
Jefferson County Commission
City of St. Joseph
City of Springfield
City of Fulton



Mickey Wilson, CPA
Director

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