

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 3432-02  
Bill No.: SB 1120  
Subject: Sewer Districts: Agreements  
Type: Original  
Date: March 8, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

ASSUMPTION

Officials of the **Office of State Court Administrator** assume there would be no fiscal impact to the Courts.

Officials of the **Department of Economic Development - Public Service Commission** stated they would have no fiscal impact.

Officials of the **Department of Economic Development - Office of Public Counsel** stated this proposal would have no fiscal impact.

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

Officials of the **Little Blue Valley Sewer District** assume no fiscal impact.

Officials of the **Kansas City Manager's Office** assume no fiscal impact.

Officials of the **City of Springfield - Office of City Manager** assume no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act modifies Section 393.015, RSMo, first by enabling water companies to contract with sewer providers to terminate water services to any water user who has not paid a sewer bill.

This act awards immunity from civil liability to any water company disconnecting service at the behest of a sewer company via a water termination agreement.

This act allows sewer companies to file a request with the Public Service Commission (PSC) if the request made to the water company has not been honored within the six-month time frame. The PSC would then draft such an agreement between the two companies. Under this act, three commissioners shall be appointed by the companies to draft the termination agreement.

The provisions in any water termination agreement drafted by the PSC are as follows:

- The rules and regulations of the sewer provider shall provide the number of delinquent days that are required before water service is discontinued for failure to pay a sewage bill.
- The sewer provider must first provide written notice to the water provider before service is discontinued - that notice shall include both the date and amount due on the delinquent bill.
- All reasonable expenses incurred by the water provider in carrying out the water termination agreement shall be reimbursed by the sewer provider.

DESCRIPTION continued

-Water companies carrying out these agreements shall be held harmless as a result of carrying out the agreement. Related costs to the water provider shall be recalculated annually.

-Payments received as a result of these agreements shall be received by the water company before service is restored. If service is never restored, any amount collected for delinquent accounts shall be equally divided between the water and sewer companies.

This act allows both the sewer and water companies to present evidence and information to the PSC before such an agreement is drafted, provided each company receive prior notice of the hearing from the PSC. Once an agreement is drafted under this act, the PSC shall submit the agreement to the appropriate circuit court and a decision as to the approval of said agreement shall be issued therein. If an agreement is not approved, the PSC shall then submit a revised agreement to the court for reconsideration. All court decisions are subject to appeal and all costs incurred in the process shall be paid by the sewer provider requesting the agreement.

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

Office of State Court Administrator  
Department of Natural Resources  
Department of Economic Development - Public Service Commission  
Department of Economic Development - Office of Public Counsel  
Office of Kansas City Manager  
City of Springfield - Office of City Manager  
Little Blue Valley Sewer District

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NOT RESPONDING

St. Louis Metropolitan Sewer District  
City of St. Louis  
City of St. Charles  
City of Columbia  
City of St. Joseph  
City of Independence



Mickey Wilson, CPA  
Director  
March 8, 2004