

Annexations and Electric Service

Recent Statutory Changes



Overview

- Missouri General Assembly passed and Governor signed legislation that allows for increased competition for electric service for newly annexed properties.
- Also allows other service providers to maintain permanent electric services within city limits even if the structure being served is demolished and replaced.
- Reduces amount of “fair and reasonable compensation” for acquiring service territory from 400% of prior year profits to 200% of the same.
- Municipalities can collect sales taxes and franchise fees from other providers.

Practical Implications

- Newly annexed properties no longer guaranteed to be within Nixa Electric service territory.
- Property owner(s) and/or developer enjoys greatest influence over who will provide electric service.
- Cities may not allow property owner preference for electric service to affect annexation decisions or access to other municipal utilities.
- Competition for new services may shape future decisions.

Procedural Aspects

1. Petition for Annexation
2. Majority of owners, developers, customers, etc. may submit written request within 45 days prior to effective date of annexation to City Council to invoke good-faith negotiations with eligible electric service providers.
3. Eligible providers engage 45-day negotiation period to determine service territories.
 - Can mutually consent to have PSC decide.
4. If negotiations fail, proposals are submitted to petitioners and their preference controls.

HOT TAKE

- Potentially good for annexing petitioners in near-term.
- Potentially problematic for electric service providers in long-term.
- Potentially problematic for municipalities in long-term.
- Injection of competition could drive innovations but could also create inefficiencies detrimental to customer base over time.
- Will cause confusion.

Redistricting

2020



Background

- Nixa City Charter requires decennial redistricting coinciding with the decennial census conducted by the United States Census Bureau.
- Nixa City Charter required three (3) Council districts of equally distributed population.
- Statutory and Constitutional requirements impose additional criteria beyond equal population distribution.
- Staff prepared options for Council subcommittee consideration, of which one has been recommended to the full Council.

Redistricting Criteria

1. Population Equivalence
2. Compact & Contiguous
3. Retention of Existing Neighborhoods
4. Retention of Precinct Boundaries
5. Cohesion of Other Existing Communities of Interest
6. Retention of Historic Boundaries
7. Consideration of Incumbency

Current State (2020 Census)

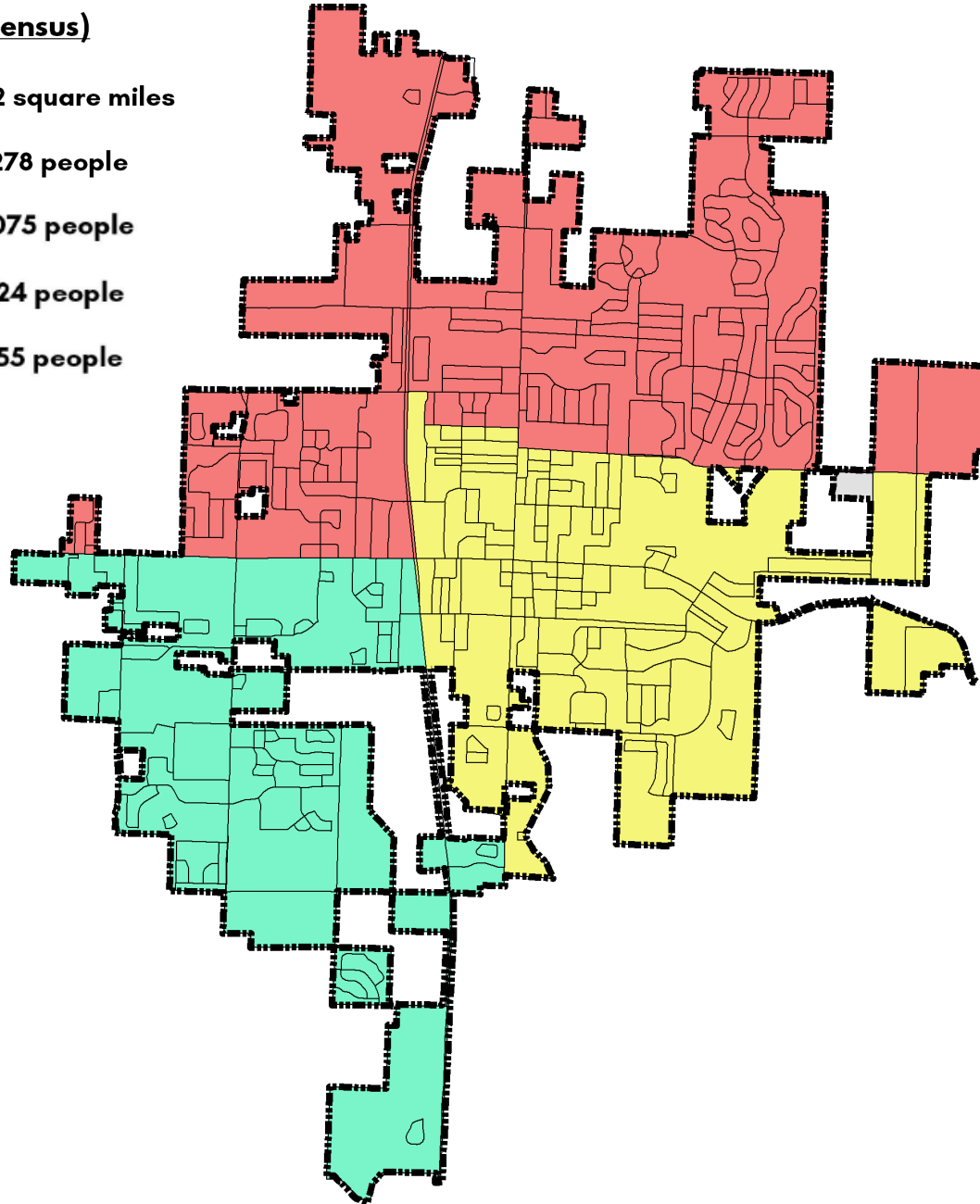
Land Area: 9.32 square miles

Total Population: 23,278 people

District 1 Population: 10,075 people

District 2 Population: 6,924 people

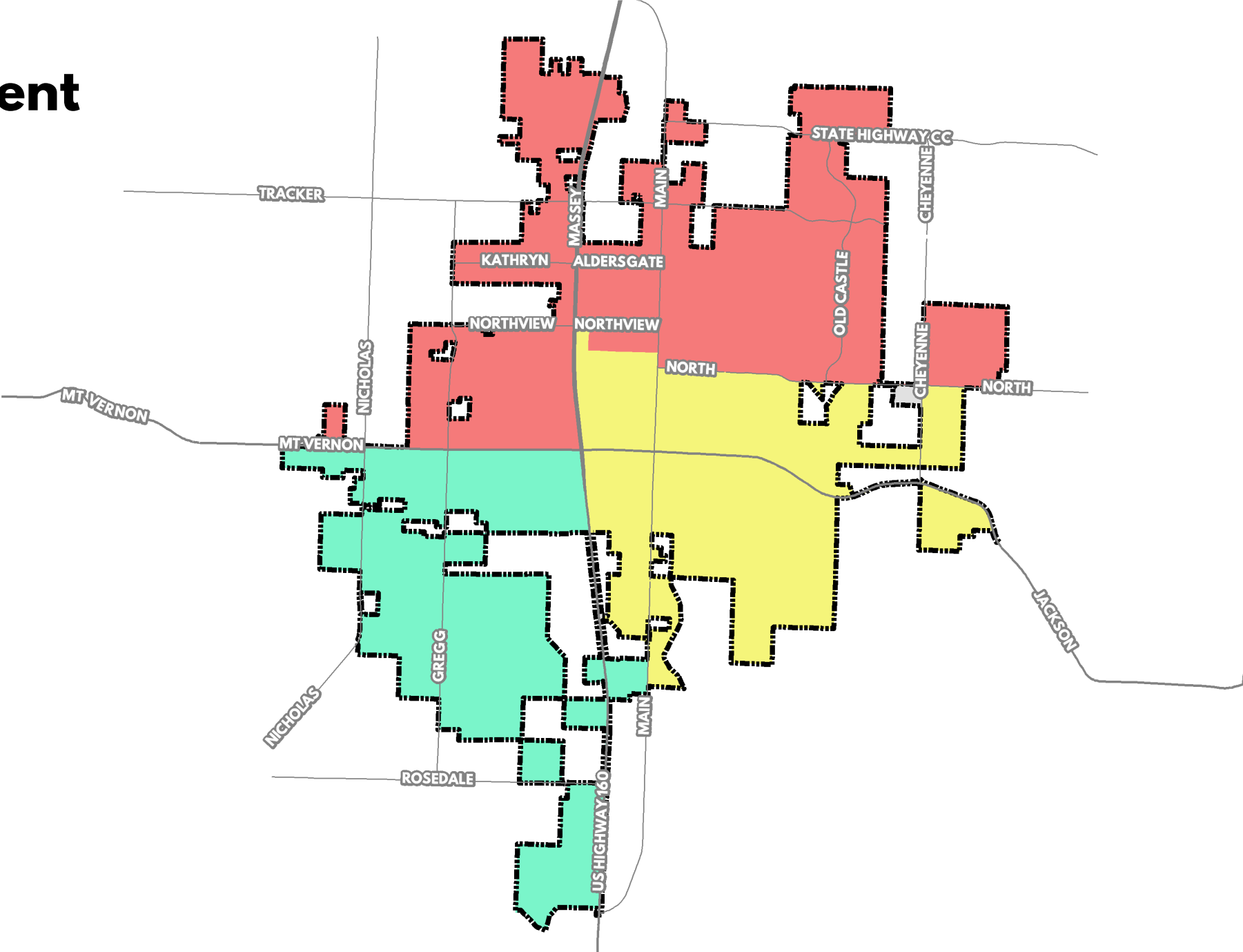
District 3 Population: 6,255 people



Ideal District Population

$$23,257 / 3 = 7,752$$

Current



Recommended

