

HB 1917 -- PUBLIC WATER SUPPLY DISTRICTS

SPONSOR: Casteel

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Utilities by a vote of 15 to 0, with 1 member voting present. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 9 to 0 with 1 member voting present.

This bill specifies an alternative to detachment that allows the owners of 50% or more of the area located within the district that does not receive water service from the district to petition the circuit court to be detached from the district by filing a petition. The petitioners are entitled to the detachment if certain conditions specified in the bill are met.

After receiving the petition, the election authority must issue a certificate stating whether the records of the authority show any voters residing in the area proposed to be detached. The authority must file the certificate with the circuit court and serve a copy of the certificate upon the petitioners. The petitioner is responsible for payment of the costs of the election authority.

Following the receipt of the petition, the Board of Directors of the district must file with the circuit court a verification stating whether any water lines or other facilities owned or operated by the district are located within the area proposed to be detached or whether the district has any outstanding obligation bonds at the time the petition is filed. The petitioner is responsible for payment of the costs of the district for providing the verification.

Within the time frames specified in the bill, the court must set a public hearing date on the proposed detachment. Notice of the filing of the petition must be posted in a newspaper of general circulation in the county where the proceedings are pending. At the public hearing, an interested person may file written objections or comments and may be heard with respect to any issues set out in the notice. The court may hear all protests, objections, comments, and other evidence presented at the hearing.

After the hearing, the court will determine if the petition satisfied the conditions and whether the petitioners are entitled to detachment. If the court determines that the petition is defective, it must dismiss the petition without prejudice. The

petition may not be considered defective because the district is a borrower under a federal loan program. The petitioner bears all costs of the proceedings.

If a public water supply district in certain counties has an outstanding debt owed to or guaranteed by the federal government, the board of directors of the district must accept any monetary gift, donation, or bequest made to the district for its use, unless such acceptance would be in violation of current law. The donations will be applied first to the payment of any outstanding debt of the district that is owed to or guaranteed by the federal government, until the debt is satisfied in full. If no debt exists, the board of directors may apply the funds as authorized by current law.

Any person or entity may make full payment for any debt of the district that is owed to or guaranteed by the federal government or its agency. The board of directors must take all necessary actions to facilitate the payments.

The bill only applies to public water supply districts specified in the bill.

This bill is similar to SB 1060 (2026).

PROPOSERS: Supporters say that under current law, property owners must file litigation to detach from a public water supply district, even if the district does not have infrastructure in place to serve the property. For properties that are purchased for large economic development projects, access to utilities, such as water, can be an important factor in site selection and project success. This bill would simplify the detachment process for properties that meet certain requirements and require districts to accept donations to pay off debt.

Testifying in person for the bill were Representative Casteel; Andrea Sitzes, Missouri Economic Development Council; Mackenzie Smith Ledet, James Hardie Building Products Inc.; and Arnie C. Dienoff.

OPPOSERS: Those who oppose the bill say that U.S. Department of Agriculture loan programs give water districts territorial protection that keep properties from being able to detach from the district. This bill would circumvent these protections by requiring the district to accept donations to payoff the district's federal debts. In addition, the bill requires a

public hearing but does not give the court the ability to consider any opposition expressed at the hearing.

Testifying in person against the bill were Association of Water Districts; Brad Bryant; and Will Humphrey.

OTHERS: Others testifying on the bill say the project that is the impetus for this legislation is an approximately \$400 million investment in Jefferson County. There has been a lot of work done at the site and in planning for the infrastructure required to provide the quantity and quality of water necessary but the decision on who will provide water for the site is delaying the project from benefiting the county.

Testifying in person on the bill were David Courtway, Jefferson County Government; Jim McCleish, Hornert Shifrin, Inc.; and Subash Alias, Missouri Partnership.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.