

HB 2397 -- PUBLIC WATER SUPPLY DISTRICTS (Bromley)

COMMITTEE OF ORIGIN: Standing Committee on Utilities

Currently, a decree of dissolution to dissolve a public water supply must be passed by a majority of two-thirds of the voters of the district voting on the proposition. This bill reduces the percentage of voters needed to pass the dissolution decree to a majority of four-sevenths of the voters.

This bill requires that a petition for a dissolution of a public water supply district state that an agreement for sale of the district's assets has been entered into by the board of directors contingent upon approval of the circuit court and voters.

Unless the petitioners for the dissolution of the district prove that there is an agreement for sale of the district's assets entered into by the board of directors that would permit all debts and financial obligations of the district be paid in full upon dissolution and provide for the continuation of water supply to the inhabitants of the district, the petition is to be dismissed at the cost of the petitioners.

At their discretion, the board of directors can approve a change in the vote threshold to a majority of four-sevenths of the voters of the district voting on the proposition for dissolution.

Current law states that no district will be dissolved until after all of its debts have been paid. The court, in its decree of dissolution must provide for the disposition of the property of the district. This bill clarifies that the decree of dissolution must provide for the disposition of the property of the district, which can be applied pro rata toward the payment and satisfaction of the taxes of the residents and property owners of the district on their respective personal and real property tax bills for the next ensuing years.

This bill is similar to HB 923 and SB 365(2025).