

SS HB 2397 -- PUBLIC WATER SUPPLY DISTRICTS

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.

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 would allow, at their discretion, the board of directors of a public water supply district, except districts in Barton and Dade Counties, to approve a change in the vote threshold to a majority of three-fifth of the voters of the district voting on the proposition for dissolution, if:

- (1) Four-fifths of the directors vote in favor of the threshold;
- (2) The circuit court approves the threshold; and
- (3) The district has received a from the Department of Natural Resources as formal enforcement action resulting in an administrative order of consent pursuant to state or federal drinking water laws that has not been rectified.

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 any excess funds of the district, which can be paid over to the treasurers of the school districts on a pro rata based on the ratio of customers in each school district.

The bill also specifies that the board of directors of public water supply district can contribute to the cost of a plan including a plan for furnishing all or part of hospitalization or medical expenses, life insurance or similar benefits for the district's employees. The board must not enter into a contract

to purchase any insurance policy unless the contract is submitted to competitive bidding at least every three years and the contract is awarded to the lowest and best bidder.