

HCS HBs 3351 & 3371 -- PUBLIC WATER SUPPLY DISTRICTS

SPONSOR: Costlow

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Utilities by a vote of 17 to 0.

The following is a summary of the House Committee Substitute for HBs 3351 & 3371.

This bill requires customers of a water district, when requesting service from a public water supply district, to inform the district of the quantity and quality of water the customer will require. Upon receipt of a request for service from a customer, the public water supply district must respond within 60 days, informing the customer whether the public water supply district can meet the requested quantity and quality of water within a reasonable time frame and at a reasonable cost.

A "specific demand customer", as defined in the bill, may bring a challenge in a court of competent jurisdiction on the basis of unreasonable time frame or unreasonable cost. If the court finds in favor of the specific demand customer, the court must enforce a reasonable time frame and reasonable cost for service or allow the specific demand customer to detach from the public water supply district.

If the public water supply district declines or is unable to provide service to a specific demand customer, the specific demand customer may provide the public water supply district with a notice of intent to detach and must be allowed to detach, unless the public water supply district is prevented from granting detachment as a result of any federal loans. The public water supply district cannot delay payment of the loan or enter into new loan agreements until the specific demand customer is offered the opportunity to detach from the public water supply district. Specific demand customers may elect to pay the outstanding balance of any federal loans of the public water supply district that prevent detachment.

If a public water supply district has an outstanding debt owed to or guaranteed by the United States government, the district must accept any gift, donation, or bequest of money made for the payment of debt, unless acceptance would be in violation of current law.

Monetary gifts, donations, or bequests must be applied first to the payment or prepayment of any outstanding debt of the district that is owed to or guaranteed by the United States government if it was given for that purpose. If the amount of any monetary gift, donation, or bequest exceeds the amount necessary to pay or prepay all outstanding debt owed, the district may apply the excess funds as otherwise authorized by law.

The district must maintain records of all monetary gifts, donations, or bequests received and make such records available for public inspection upon request.

This bill is similar to HB 3371 (2026).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that through current statute and federal loan requirements, water districts have methods to prevent detachment that can be a detriment to economic development. This bill would create a new class of customer and expedite the detachment process for certain large industrial users.

Testifying in person for the bill was Representative Costlow.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that a water district's debt can be used against the water district as well. Those testifying spoke about a situation in northwest Missouri preventing the voluntary sale of a portion of the water district due to outstanding federal debt on a portion not included in the sale.

Testifying in person on the bill was the Missouri American Water Company.

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.