

2025 Regular Session

HOUSE BILL NO. 257

BY REPRESENTATIVE ST. BLANC

1 AN ACT

2 To enact R.S. 45:1206, relative to receivership of water or wastewater companies; to provide  
3 for definitions; to provide for a bond; to provide for orders by the court; to provide  
4 for the dissolution of a receivership; to provide for a transition and operational plan;  
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 45:1206 is hereby enacted to read as follows:

8 §1206. Water and wastewater companies; receivership; bond; dissolution

9 A. As used in this Section, the following terms have the following meanings:

10 (1) "Wastewater company" means any wastewater company regulated by the  
11 commission.

12 (2) "Water company" means any water company regulated by the  
13 commission.

14 B.(1) In any civil action brought in accordance with this Section, relative to  
15 water companies or wastewater companies, the court, upon application by the  
16 commission, may appoint a receiver for a water company or wastewater company  
17 to collect the assets and carry on the business of the water company or wastewater  
18 company. Application by the commission shall not be subject to any bond  
19 requirement.

20 (2) The court may place the water company or wastewater company in  
21 receivership upon finding any of the following:

1           (a) The water company or wastewater company has been abandoned by the  
2           operator, or service to its customers has ceased, and no provisions have been made  
3           for the continued operation by a qualified operator, or for providing customers with  
4           services required to serve the users of the systems.

5           (b) The water company or wastewater company has failed or refused to  
6           comply with enforceable orders, judgments, or actions issued by the Louisiana  
7           Department of Health or the Louisiana Department of Environmental Quality.

8           (c) After an audit by the commission, the commission determines the water  
9           company or wastewater company is in financial distress.

10           (d) Other circumstances as may be identified by rules adopted by the  
11           commission pursuant to the commission's Rules of Practice and Procedure under  
12           which a receivership may be needed.

13           (e) The water company receives a grade of "D" or "F" pursuant to R.S.  
14           40:5.9.1 et seq., and the commission finds that the water company is either  
15           financially, managerially, or technically unable to restore the utility to a grade of "C"  
16           or better.

17           (f) The wastewater company experiences a sewerage discharge in excess of  
18           the Final Effluent Limitations specified in the company's Louisiana Pollutant  
19           Discharge Elimination System General or Site Specific Permit, as reported in three  
20           or more consecutive quarters pursuant to the electronic document receiving system  
21           promulgated by the Louisiana Department of Environmental Quality, and the  
22           commission finds that the wastewater company is either financially, managerially,  
23           or technically unable to restore the utility to regulatory compliance.

24           (3) The receiver, if a private person, shall execute a bond to ensure the  
25           proper performance of the receiver's duties in an amount to be set by the court. The  
26           court may waive the bond upon a showing of just cause. If the receiver is a local  
27           governmental subdivision, no bond shall be required.

28           (4) The receiver shall carry out the orders specified and directed by the court  
29           until discharged.

1           (5) The court may dissolve the receivership if the person owning or  
 2           operating the defendant water company or wastewater company requests that the  
 3           receivership be dissolved or such owner or operator can show good cause for the  
 4           dissolution of the receivership. Nothing herein shall prohibit a receiver from  
 5           purchasing the company put in receivership.

6           C. Within ninety days of appointment, the receiver shall submit to the  
 7           commission and publish in a manner accessible to the affected customers a transition  
 8           and operational plan. This plan shall include all of the following:

9                   (1) Measures to restore or maintain service.

10                   (2) Financial assessments and projected costs.

11                   (3) Customer service provisions.

12                   (4) An anticipated timeline for resolution or return of control to the original  
 13           operator or transfer to a new operator.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_