

RÉSUMÉ DIGEST

ACT 257 (HB 257)

2025 Regular Session

St. Blanc

New law provides for when a court may appoint a receiver for a water company or wastewater company to collect the assets and carry on the business of the water company or wastewater company.

New law defines "wastewater company" and "water company".

New law provides that the court may place the water company or wastewater company in receivership upon finding any of the following:

- (1) The water company or wastewater company has been abandoned by the operator, or service to its customers has ceased, and no provisions have been made for the continued operation by a qualified operator, or for providing customers with services required to serve the users of the systems.
- (2) The water company or wastewater company has failed or refused to comply with enforceable orders, judgments, or actions issued by the La. Dept. of Health or the La. Dept. of Environmental Quality.
- (3) After an audit by the commission, the commission determines the water company or wastewater company is in financial distress.
- (4) Other circumstances as may be identified by rules adopted by the commission pursuant to the commission's Rules of Practice and Procedure under which a receivership may be needed.
- (5) The water company receives a grade of "D" or "F" pursuant to existing law, and the commission finds that the water company is either financially, managerially, or technically unable to restore the utility to a grade of "C" or better.
- (6) The wastewater company experiences a sewerage discharge in excess of the Final Effluent Limitations specified in the company's Louisiana Pollutant Discharge Elimination System General or Site Specific Permit, as reported in three or more consecutive quarters pursuant to the electronic document receiving system promulgated by the La. Dept. of Environmental Quality, and the commission finds that the wastewater company is either financially, managerially, or technically unable to restore the utility to regulatory compliance

New law provides for when a receiver shall execute a bond.

New law provides that the receiver shall carry out the orders specified and directed by the court until discharged.

New law provides for when the court may dissolve the receivership.

New law provides that nothing in new law shall prohibit a receiver from purchasing the company put in receivership.

New law provides that within 90 days of appointment, the receiver shall submit to the commission and publish in a manner accessible to affected customers a transition and operational plan.

Effective August 1, 2025.

(Adds R.S. 45:1206)