

2025 Regular Session

HOUSE BILL NO. 257

BY REPRESENTATIVE ST. BLANC

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

WATER/SEWER OPERATORS: Provides relative to receivership of water or wastewater companies

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; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

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

7 §1206. Water and wastewater companies; receivership; bond; dissolution

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

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

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

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

19 (2) The court may place the water company or wastewater company in
20 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 administrative orders issued by the Louisiana Department of Health or
7 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 (3) The receiver shall execute a bond to assure the proper performance of the
14 receiver's duties in an amount to be set by the court. However, if the receiver is a
15 local governmental subdivision, no bond shall be required.

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

18 (5) The court may dissolve the receivership if the person owning or
19 operating the defendant water company or wastewater company requests that the
20 receivership be dissolved and such owner or operator can show good cause for the
21 dissolution of the receivership.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 257 Original

2025 Regular Session

St. Blanc

Abstract: Provides relative to the receivership of water or wastewater companies.

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

Proposed 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.

Proposed 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 administrative orders 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.

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

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

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

(Adds R.S. 45:1206)