

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; 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; dissolution9 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.

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

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

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

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

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

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

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

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

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

29 (1) Measures to restore or maintain service.

- 1 (2) Financial assessments and projected costs.
 - 2 (3) Customer service provisions.
 - 3 (4) An anticipated timeline for resolution or return of control to the original
 - 4 operator or transfer to a new operator.
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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 Engrossed

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 enforceable orders, judgements, 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.

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.

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

Proposed 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.

(Adds R.S. 45:1206)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.
2. Change administrative orders to enforceable orders, judgments, or actions.
3. Amend the requirements for a bond by a receiver.
4. Amend the requirement to dissolve the receivership.
5. Add that nothing in proposed law shall prohibit a receiver from purchasing the company put in receivership.
6. Add that within 90 days of appointment, the receiver shall submit to the commission and publish in a manner accessible to the affected customers a transition and operational plan.