

SENATE BILL NO. 324

BY SENATOR REESE

1 AN ACT

2 To amend and reenact R.S. 39:100.56(C), (O)(1)(b), (2), (3), (7), and (8) and to enact R.S.
3 39:100.56(K)(4) and (O)(12), (13), and (14), relative to the Water Sector Program;
4 to provide relative to the administration of the program; to provide relative to Phase
5 II Subfund and Emergency Subfund grant awards; to provide relative to guidance
6 and application period requirements; to provide relative to the authority of the Water
7 Sector Commission; to provide relative to rate study requirements; to remove
8 outdated deadlines; to provide for an effective date; and to provide for related
9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 39:100.56(C), (O)(1)(b), (2), (3), (7), and (8) are hereby amended and
12 reenacted R.S. 39:100.56(K)(4) and (O)(12), (13), and (14) are hereby enacted to read as
13 follows:

14 §100.56. Water Sector Program

15 * * *

16 C. The Water Sector Program is hereby established to provide grant funding
17 for repairs, improvements, and consolidation of community water and sewer
18 systems. The division of administration, ~~office of facility planning and control~~, and
19 the office of community development shall administer the program in consultation
20 with the Louisiana Department of Health and the Department of Environmental
21 Quality. The division shall establish a working panel comprised of employees of ~~the~~
22 ~~office of facility planning and control~~ and the office of community development,
23 within the division of administration, the office of public health within the Louisiana
24 Department of Health, and the Department of Environmental Quality. The working
25 panel shall review and rate applications submitted by community water systems,
26 community sewer systems, and local governing authorities and submit
27 recommendations for funding to the commission.

1 * * *

2 K.(1) * * *

3 **(4) The commission may approve modifications to the scope of work of**
4 **the original grant award. Commission approval shall not be required for minor**
5 **technical changes that do not affect the purpose of the project, including the**
6 **means and methods of construction.**

7 * * *

8 O.(1)(a) * * *

9 (b)(i) Any monies deposited into the Emergency Subfund shall be used only
10 to provide emergency grant funding to address or mitigate an emergency related to
11 a community water system as defined in R.S. 40:5.8 or community sewer system as
12 defined in the state Sanitary Code, if such system is under a court-appointed
13 receivership in accordance with R.S. 30:2075.3, R.S. 33:42, or R.S. 40:5.9, or under
14 the appointment of a fiscal administrator, **limited fiscal administrator, or receiver,**
15 in accordance with R.S. 39:1351 et seq.

16 (ii) Notwithstanding any provision of this Section to the contrary, any award
17 of emergency grant funding shall be made in accordance with the procedures and
18 requirements for requests and approvals of funding for emergencies, **limited fiscal**
19 **administrator,** and receivership expenses as provided in the guidance promulgated
20 pursuant to this Subsection.

21 (2) The commission shall ~~hold a meeting no later than September 1, 2024,~~ to
22 submit priorities to the division to utilize in the development of guidance for
23 emergency grants and any new grants awarded pursuant to the Water Sector Program
24 on or after July 1, 2024. **The commission shall update priorities to the division as**
25 **needed.**

26 (3) ~~Upon receipt, the~~ **The** division shall promulgate guidance for the award
27 and administration of emergency grants and any new grants awarded after July 1,
28 2024. The guidance shall include application requirements, deadlines for application
29 submissions and approval, criteria for ratings, **rate study and matching fund**
30 **requirements,** a process for prioritizing critical infrastructure needs, and procedures

1 for requests and approvals of funding for emergencies, **limited fiscal administrator**,
 2 and receivership expenses. The Administrative Procedure Act, R.S. 49:950 et seq.,
 3 shall not apply to guidance promulgated pursuant to this Subsection. ~~No later than~~
 4 ~~October 1, 2024, the~~ The division shall submit the proposed guidance to the
 5 commission for review and approval. Any changes to the guidance shall require
 6 approval by the commission.

7 * * *

8 (7) Within ~~forty-five~~ **sixty** days of the end of the application period, the
 9 division shall submit ratings of the proposed projects by the working panel
 10 established in Subsection C of this Section and recommendations for funding for the
 11 projects to the commission.

12 (8)**(a)** The commission shall review the ratings and recommendations
 13 submitted by the working panel. The commission shall submit its recommendations
 14 for grant awards to the Joint Legislative Committee on the Budget. The
 15 recommendations shall include:

16 ~~(a)(i)~~ **(i)** The amount of proposed matching funds for each project or a
 17 recommendation for a waiver or a decreased match for any project based on the
 18 commission's determination that the local governing authority or water system is
 19 unable to provide the full, required match.

20 ~~(b)(ii)~~ **(ii)** Funding for ~~small water and sewer systems~~ **critical infrastructure**
 21 **needs** as provided for in the guidance.

22 **(b) The commission may submit recommendations for subsequent grant**
 23 **awards to the Joint Legislative Committee on the Budget based upon the ratings**
 24 **and recommendations of the working panel without requiring a new application**
 25 **period.**

26 * * *

27 **(12) The commission may rescind any grant award for a project if the**
 28 **grant recipient fails to comply with the guidance approved by the commission.**

29 **(13) Any grant recipient that fails to comply with the rate study**
 30 **requirements pursuant to this Subsection shall be ineligible to receive future**

1 Water Sector Program grant awards.

2 (14) The commission may approve modifications to the scope of work of
3 the original grant award. Commission approval shall not be required for minor
4 technical changes that do not affect the purpose of the project, including the
5 means and methods of construction.

6 Section 2. This Act shall become effective upon signature by the governor or, if not
7 signed by the governor, upon expiration of the time for bills to become law without signature
8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
10 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____