

RÉSUMÉ DIGEST

ACT 261 (SB 324)

2026 Regular Session

Reese

Existing law (R.S. 39:100.56) creates the Water Sector Program and the Water Sector Commission to provide grant funding for repairs, improvements, and consolidation of community water and sewer systems and provides for the administration of the program.

New law retains existing law.

New law removes the office of facility planning and control from the administration of the program, including the working panel that submits recommendations for funding to the commission.

Existing law requires a community water or sewer system be placed under a court-appointed receivership or the appointment of a fiscal administrator to qualify for emergency grant funding.

New law clarifies that an appointment made in accordance with existing law may include the appointment of a limited fiscal administrator or receiver and otherwise retains existing law.

New law requires that any approvals of funding for limited fiscal administrator expenses be made in accordance with the guidance promulgated pursuant to existing law.

Existing law requires the commission to hold a meeting no later than September 1, 2024, to submit priorities to the division to utilize in the development of guidance for emergency grants and any new grants awarded pursuant to the Water Sector Program on or after July 1, 2024.

New law removes the deadline, further requires the commission to update priorities to the division as needed, and otherwise retains existing law.

Existing law requires the division to promulgate guidance for emergency grants and any new grants awarded after July 1, 2024 that includes application requirements, deadlines for application submissions and approval, criteria for ratings, a process for prioritizing critical infrastructure needs, and procedures for requests and approvals of funding for emergencies and receivership expenses.

New law further requires the guidance to include rate study and matching fund requirements and procedures for approvals of funding of limited fiscal administrator expenses and otherwise retains existing law.

Prior law required that within 45 days of the end of the application period, the division shall submit ratings of the proposed projects by the working panel to the commission.

New law requires that within 60 days of the end of the application period, the division shall submit ratings of the proposed projects by the working panel to the commission.

New law authorizes the commission to submit recommendations for subsequent grant awards to the Joint Legislative Committee on the Budget based upon the ratings and recommendations of the working panel without requiring a new application period.

New law authorizes the commission to rescind any grant award for a project if the grant recipient fails to comply with the guidance approved by the commission.

New law disqualifies any grant recipient that fails to comply with the rate study requirements from receiving future Water Sector Program grant awards.

New law authorizes the commission to approve modifications to the scope of work of the original grant award. Further provides that commission approval is not required for minor technical changes that do not affect the purpose of the project, including the means and methods of construction.

Effective May 15, 2026.

(Amends R.S. 39:100.56(C), (O)(1)(b), (2), (3), (7), and (8); Adds R.S. 39:100.56(K)(4) and (O)(12), (13), and (14))