

2026 Regular Session

HOUSE BILL NO. 601

BY REPRESENTATIVE YOUNG

MUNICIPAL: Provides relative to municipal water and wastewater systems

1 AN ACT

2 To enact Chapter 8-A of Title 33 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 33:3850.1 through 3850.8, relative to municipal water and wastewater
4 systems; to provide for affordability standards in certain municipalities; to provide
5 for essential residential utility usage; to provide for limitations based on median
6 household income; to provide for meter accuracy safeguards; to provide for advisory
7 ratepayer review; to provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 8-A of Title 33 of the Louisiana Revised Statutes of 1950,
10 comprised of R.S. 33:3850.1 through 3850.8, is hereby enacted to read as follows:

11 CHAPTER 8-A. WATER AND WASTEWATER AFFORDABILITY AND RATE
12 PAYER PROTECTION ACT

13 §3850.1. Water and Wastewater Affordability and Rate Payer Protection Act; short
14 title

15 This Chapter shall be known and may be cited as the "Water and Wastewater
16 Affordability and Ratepayer Protection Act".

17 §3850.2. Legislative findings; public health determination

18 A. The legislature finds that access to potable water and sanitary wastewater
19 services is indispensable to the protection of public health, sanitation, fire protection,
20 and the general welfare of the people of Louisiana.

1 B. The legislature further finds that in certain municipalities with elevated
2 poverty rates or depressed median household income, residential water and
3 wastewater rates may impose a disproportionate financial burden, increasing the risk
4 of service disconnection, unsafe living conditions, and adverse public health
5 outcomes.

6 C. The legislature declares that the establishment of an affordability standard
7 for essential residential water and wastewater usage in qualifying municipalities
8 constitutes a valid exercise of the state's police powers for the protection of public
9 health and welfare.

10 D. This Chapter applies only to essential residential usage in economically
11 distressed municipalities and is not intended to impair municipal solvency,
12 contractual bond obligations, or regulatory compliance.

13 §3850.3. Definitions

14 As used in this Chapter , the following words shall have the meanings
15 ascribed to them in this Section:

16 (1) "Municipal utility system" means any water, sewer, or combined utility
17 owned or operated by a municipality or political subdivision providing residential
18 service.

19 (2) "Qualifying municipality" means a municipality that has either of the
20 following:

21 (a) A poverty rate exceeding thirty percent as determined by the most recent
22 United States Census Bureau data.

23 (b) A median household income less than fifty percent of the statewide
24 median household income as determined by the most recent American Community
25 Survey five-year estimate.

26 (3) "Essential residential utility usage" means both of the following:

27 (a) Up to four thousand gallons of potable water per monthly billing cycle.

28 (b) The corresponding wastewater volume reasonably attributable to such
29 water usage.

1 (4) "Median household income" or "MHI" means the most recent American
2 Community Survey five-year estimate.

3 (5) "Total monthly essential utility charge" means the combined base rate
4 and volumetric charge for essential residential water and wastewater usage, exclusive
5 of penalties, late fees, reconnection fees, service deposits, or charges unrelated to
6 essential usage.

7 §3850.4. Affordability standard for essential residential water and wastewater

8 A. In any qualifying municipality, the total monthly essential utility charge
9 imposed upon a residential customer shall not exceed four and one-half percent of
10 the monthly equivalent of the municipality's median household income.

11 B. The affordability limitation established in this Section:

12 (1) Applies solely to essential residential utility usage.

13 (2) Does not restrict rates for consumption exceeding essential usage.

14 (3) Does not prohibit tiered or conservation-based rate structures.

15 C. A municipal utility system may petition the Louisiana Department of
16 Health for temporary compliance relief upon demonstrating by clear financial
17 documentation that immediate compliance would do any of the following:

18 (1) Cause a material impairment of outstanding bond obligations.

19 (2) Cause a violation of state or federal environmental regulations.

20 (3) Create a substantial and demonstrable risk of insolvency.

21 D. Any relief granted shall be temporary and narrowly tailored to restore
22 compliance within a reasonable time.

23 §3850.5. Meter accuracy and post-increase consumer protections

24 A. Following any residential rate increase exceeding ten percent within a
25 twelve-month period, a municipal utility system shall:

26 (1) Provide written notice of the rate increase and customer rights.

27 (2) Offer meter accuracy testing at no cost upon request.

28 (3) Publicly disclose the methodology used to calculate rate adjustments.

1 B. If a meter is determined to be inaccurate beyond accepted industry
2 standards, the system shall:

3 (1) Recalibrate or replace the meter.

4 (2) Issue billing corrections retroactive for up to six months.

5 §3850.6. Advisory ratepayer review process

6 A. Each qualifying municipality shall establish an administrative process for
7 review of affordability compliance and billing disputes.

8 B. Any advisory review panel created pursuant to this Section shall issue
9 nonbinding recommendations.

10 C. Nothing in this Section shall be construed to create:

11 (1) A new cause of action.

12 (2) A private right of action for damages.

13 (3) Liability against the state or a political subdivision beyond existing law.

14 §3850.7. Construction; constitutional preservation

15 A. Nothing in this Chapter shall be construed to:

16 (1) Expand or diminish the jurisdiction of the Louisiana Public Service
17 Commission.

18 (2) Authorize state management or takeover of municipal utility systems.

19 (3) Impair the obligations of contracts, including bonded indebtedness, in
20 violation of Article I, Section 23 of the Constitution of Louisiana or Article I, Section
21 10 of the Constitution of the United States.

22 (4) Constitute a regulatory taking under Article I, Section 4 of the
23 Constitution of Louisiana or the Fifth Amendment to the Constitution of the United
24 States.

25 B. This Chapter shall be interpreted:

26 (1) As a public health and welfare measure under the police powers of the
27 state.

28 (2) In a manner that preserves municipal fiscal stability.

1 (3) In favor of constitutionality if reasonably susceptible to such
2 construction.

3 C. If any provision or application of this Chapter is held invalid, such
4 invalidity shall not affect other provisions or applications which can be given effect
5 without the invalid provision, and to this end the provisions of this Chapter are
6 severable.

7 §3850.8. Applicability

8 This Chapter shall apply only to municipal utility systems operating within
9 qualifying municipalities as defined in R.S. 33:3850.3.

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

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 601 Original

2026 Regular Session

Young

Abstract: Creates the Water and Wastewater Affordability and Ratepayer Protection Act.

Proposed law provides that proposed law is known as the Water and Wastewater Affordability and Ratepayer Protection Act. Provides for the following defined terms: "municipal utility system", qualifying municipality", "essential residential utility usage", "median household income", and "total monthly essential utility charge".

Proposed law provides that in any qualifying municipality, the total monthly essential utility charge imposed upon a residential customer shall not exceed 4.5% of the monthly equivalent of the municipality's median household income. Provides that the affordability limitation established in proposed law applies solely to essential residential utility usage, does not restrict rates for consumption exceeding essential usage, and does not prohibit tiered or conservation-based rate structures.

Proposed law authorizes a municipal utility system to petition the La. Dept. of Health for temporary compliance relief upon demonstrating by clear financial documentation that immediate compliance would do any of the following:

- (1) Cause a material impairment of outstanding bond obligations.
- (2) Cause a violation of state or federal environmental regulations.

(3) Create a substantial and demonstrable risk of insolvency.

Proposed law requires a municipal utility system, following any residential rate increase exceeding 10% within a 12 month period, to provide written notice of the rate increase and customer rights, offer meter accuracy testing at no cost upon request, and publicly disclose the methodology used to calculate rate adjustments. Provides that if a meter is determined to be inaccurate beyond accepted industry standards, the system must recalibrate or replace the meter and issue billing corrections retroactive for up to six months.

Proposed law requires each qualifying municipality to establish an administrative process for review of affordability compliance and billing disputes. Provides that any advisory review panel created pursuant to proposed law shall issue nonbinding recommendations.

Proposed law provides that nothing in proposed law shall be construed to expand or diminish the jurisdiction of the La. Public Service Commission, authorize state management or takeover of municipal utility systems, impair the obligations of contracts in violation of the U.S. or state constitution, or constitute a regulatory taking under the U.S. or state constitution.

Proposed law provides that proposed law shall apply only to municipal utility systems operating within qualifying municipalities.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 33:3850.1-3850.8)