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## DIGEST

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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)