

ACT No. 444

2016 Regular Session

HOUSE BILL NO. 729

BY REPRESENTATIVE MONTOUCET

1 AN ACT

2 To enact Chapter 13 of Title 45 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 45:1601 through 1603, relative to nonprofit water utility cooperatives; to
4 provide for definitions; to regulate rate change procedures; to provide for
5 applicability; to provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. Chapter 13 of Title 45 of the Louisiana Revised Statutes of 1950,
8 comprised of R.S. 45:1601 through 1603, is hereby enacted to read as follows:

9 CHAPTER 13. WATER

10 §1601. Definitions

11 As used in this Chapter, the following terms and phrases have the meanings
12 hereinafter ascribed to them:

13 (1) "Department" means the Louisiana Department of Health and Hospitals.

14 (2) "Lending entity" means the governmental or financial entity providing
15 financing to a water cooperative.

16 (3) "U.S.D.A." means the United States Department of Agriculture.

17 (4) "Water cooperative" means any nonprofit water utility cooperative or
18 corporation that is wholly owned by water user members and eligible to receive
19 financing from a lending entity.

20 §1602. Water cooperative rate change; regulation

21 A. Any request for a change to the rate structure of a water cooperative that
22 receives financing from the U.S.D.A. shall be granted when all of the following
23 requirements are satisfied:

24 (1) A rate assessment or study has been conducted by a qualified third party.

1 (2) A majority vote of the board of directors of a water cooperative has been
2 conducted in accordance with the bylaws of the water cooperative and approves the
3 proposed rate structure.

4 (3) Final approval of the U.S.D.A. has been granted.

5 B. Any request for a change to the rate structure of a water cooperative that
6 receives financing from the department shall be granted when all of the following
7 requirements are satisfied:

8 (1) A rate assessment or study has been conducted by a qualified third party.

9 (2) A majority vote of the board of directors of a water cooperative has been
10 conducted in accordance with the bylaws of the water cooperative and approves the
11 proposed rate structure.

12 (3) Final approval of the department has been granted.

13 C. Any request for a change to the rate structure of a water cooperative that
14 receives no financing from a lending entity or that receives financing and the lending
15 entity is neither the U.S.D.A. nor the department shall be granted when all of the
16 following requirements are satisfied:

17 (1) A rate assessment or study has been conducted by the Louisiana Rural
18 Water Association.

19 (2) The rate assessment or study conducted by the Louisiana Rural Water
20 Association has been approved by the legislative auditor.

21 (3) A majority vote of the board of directors of a water cooperative has been
22 conducted in accordance with the bylaws of the water cooperative and approves the
23 proposed rate structure.

24 D. Any request for a change to the rate structure of a water cooperative that
25 receives financing from multiple lending entities shall be granted when the water
26 cooperative obtains approval in accordance with one of the applicable Subsections
27 of this Section.

28 §1603. Applicability

29 The provisions of this Chapter apply only to water cooperatives that were
30 eligible to receive financing from the U.S.D.A. prior to January 1, 2011.

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____