

RÉSUMÉ DIGEST

ACT 444 (HB 729)

2016 Regular Session

Montoucet

Relative to nonprofit water utility cooperatives, new law provides for definitions.

New law provides that any request for a change to the rate structure of a water cooperative that receives financing from the United State Dept. of Agriculture (USDA) shall be granted when all of the following requirements are satisfied:

- (1) A rate assessment or study has been conducted by a qualified third party.
- (2) A majority vote of the board of directors of a water cooperative has been conducted in accordance with the bylaws of the water cooperative and approves the proposed rate structure.
- (3) Final approval of the USDA has been granted.

New law provides that any request for a change to the rate structure of a water cooperative that receives financing from the Louisiana Department of Health and Hospitals (DHH) shall be granted when all of the following requirements are satisfied:

- (1) A rate assessment or study has been conducted by a qualified third party.
- (2) A majority vote of the board of directors of a water cooperative has been conducted in accordance with the bylaws of the water cooperative and approves the proposed rate structure.
- (3) Final approval of DHH has been granted.

New law provides that any request for a change to the rate structure of a water cooperative that receives no financing from a lending entity or that receives financing and the lending entity is neither the USDA nor DHH shall be granted when all of the following requirements are satisfied:

- (1) A rate assessment or study has been conducted by the Louisiana Rural Water Association (LRWA).
- (2) The rate assessment or study conducted by the LRWA has been approved by the legislative auditor.
- (3) A majority vote of the board of directors of a water cooperative has been conducted in accordance with the bylaws of the water cooperative and approves the proposed rate structure.

New law provides that any request for a change to the rate structure of a water cooperative that receives financing from multiple lending entities shall be granted when the water cooperative obtains approval in accordance with one of the applicable provisions of new law.

New law provides that the provisions of new law apply only to water cooperatives that were eligible to receive financing from the USDA prior to January 1, 2011.

Effective upon signature of governor (June 9, 2016).

(Adds R.S. 45:1601-1603)