

THE FLORIDA SENATE
2026 SUMMARY OF LEGISLATION PASSED
Committee on Regulated Industries

CS/CS/HB 1451 — Utility Services

by Commerce Committee; Economic Infrastructure Subcommittee; and Rep. Busatta (CS/CS/SB 1724 by Community Affairs Committee; Regulated Industries Committee; and Senator Martin)

CS/CS/HB 1451 revises requirements for municipal utilities that provide water and sewer, natural gas, or electric services outside their corporate boundaries. The bill requires, before an agreement becomes effective, that new service agreements (or extensions, renewals, or material amendments of existing agreements) must be in writing and subject to public input through meetings held within each municipality and unincorporated areas to be served, as well as annual customer meetings thereafter.

The bill also eliminates, for areas served by a municipal water or sewer utility (which are outside of the municipal boundaries), an authorized 25 percent surcharge and reduces the allowable rate differential cap from 50 percent to 25 percent above rates charged within the municipality providing the service. However, a municipal water or sewer utility may continue to impose the surcharge on consumers outside the municipal boundaries to the extent necessary to comply with the terms of any bond covenants in effect as of July 1, 2024, if such surcharge was in effect as of March 1, 2026. Such surcharges must be phased out by July 1, 2029, or upon the retirement, expiration, or refinancing of such applicable debt obligations, whichever occurs first.

By January 1, 2027, and annually thereafter, each municipality which provides water and sewer, natural gas, or electric services outside of their municipal boundaries, must report specific data points to the Public Service Commission (PSC). The PSC must compile the results and provide a report to the Governor, President of the Senate, and the Speaker of the House of Representatives by March 31, 2027, and annually thereafter.

Effective upon becoming a law, the bill also includes an express state preemption over the subject of a regional utilities authority created by the Legislature through charter amendment after January 1, 2023. The effect of this preemption is that it preempts the charter amendment passed by voters in the City of Gainesville in the Fall of 2025 that attempted to return the control of Gainesville Regional Utility Authority to the Gainesville City Commission.

The Legislature also finds and declares that CS/CS/HB 1451 fulfills an important state interest.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions, except as otherwise provided, take effect on July 1, 2027.

Vote: Senate 30-6; House 79-24