

STORAGE NAME: h0555b.uco

DATE: March 19, 1997

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
UTILITIES AND COMMUNICATIONS
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

BILL #: HB 555

RELATING TO: Water and Wastewater Systems

SPONSOR(S): Representative Wiles

STATUTE(S) AFFECTED: s. 367.171, F.S.

COMPANION BILL(S): SB 602

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) WATER & RESOURCE MANAGEMENT YEA 10 NAY 0
- (2) UTILITIES AND COMMUNICATIONS YEAS 12 NAYS 0
- (3)
- (4)
- (5)

I. SUMMARY:

The Florida Public Service Commission (PSC) regulates privately owned water and wastewater utilities in counties which have ceded regulatory authority to the PSC, and these counties are known as "jurisdictional" counties. Pursuant to s. 367.171 (1), F.S., after a period of 10 continuous years under the jurisdiction of the commission, a county may rescind its assignment of PSC regulatory authority.

The jurisdictional county of Flagler has rescinded its PSC authority, and this bill will amend s.367.171(3) of the Florida Statutes (F.S.) to include Flagler County in the counties which are non-jurisdictional to PSC regulatory authority.

HB 555 takes effect upon becoming a law.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Through a resolution adopted by the board of county commissioners, or a declaration by the appropriate board of a charter county, and pursuant to Chapter 367 of the Florida Statutes, a county may opt to cede regulatory authority to the PSC over its privately owned water and wastewater utilities.

Counties which have opted for PSC authority are known as "jurisdictional" counties, and counties which have retained authority to regulate privately owned water and wastewater utilities are known as "non-jurisdictional" counties. Pursuant to s. 367.171 (1), F.S., after a period of 10 continuous years under the jurisdiction of the commission, a county may rescind its assignment of PSC regulatory authority.

Pursuant to a May 1980 resolution adopted by the Flagler County Board of County Commissioners, the PSC was assigned jurisdiction over privately owned water and wastewater utilities operating there. On August 5, 1996, Resolution No. 96-62 was adopted by the Flagler County Board of County Commissioners rescinding the regulatory jurisdiction of the PSC. The PSC recognized this Resolution, and as a result, Flagler County regained its regulatory authority on August 5, 1996.

However, the PSC has pending before it a rate case involving Palm Coast Utility Corp., and pursuant to s. 367.171(5), F.S.:

When a utility becomes subject to regulation by a county, all cases in which the utility is a party then pending before the commission, . . . shall remain within the jurisdiction of the commission or court until disposed of. . . .

Despite this pending issue, Flagler County is currently regulating all utility aspects, with the exception of the rates charged, so the progression of this legislation will have no bearing on that proceeding.

Because counties can, by local ordinance not legislative action, opt in or out of PSC jurisdiction for these types of utilities, s. 367.171 (3), F.S. has not been amended to reflect the current count of non-jurisdictional counties. Presently there are 29 non-jurisdictional counties and 38 jurisdictional counties as opposed to the statute's 1991 count of 33 jurisdictional counties and 34 non-jurisdictional counties.

B. EFFECT OF PROPOSED CHANGES:

HB 555 amends s. 367.171(3), F.S., to include Flagler County in the counties which are non-jurisdictional to PSC regulatory authority.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

Not applicable.

2. Lower Taxes:

Not applicable.

3. Individual Freedom:

Not applicable.

4. Personal Responsibility:

Not applicable.

5. Family Empowerment:

Not applicable.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

STORAGE NAME: h0555b.uco

DATE: March 19, 1997

PAGE 4

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

STORAGE NAME: h0555b.uco

DATE: March 19, 1997

PAGE 5

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Utilities and Communications Committee adopted an amendment adding Collier and Hernando to the counties that are non-jurisdictional to PSC regulatory authority.

VII. SIGNATURES:

COMMITTEE ON Water & Resource Management:

Prepared by:

Legislative Research Director:

Charles R. Fletcher

Joyce Pugh

AS REVISED BY THE COMMITTEE ON UTILITIES AND COMMUNICATIONS:

Prepared by:

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