

By Senator Latvala

19-923-01

See HB 589

1 A bill to be entitled
2 An act relating to local government utilities
3 assistance; providing a short title; providing
4 legislative findings; providing definitions;
5 establishing a pilot local government utilities
6 assistance program; providing for
7 administration by the Department of
8 Environmental Protection; providing for the
9 uses of certain moneys for certain purposes;
10 providing for criteria for grants and
11 allocation of revenues for acquiring certain
12 private water-wastewater utilities; providing
13 for transfer of certain moneys from the Solid
14 Waste Management Trust Fund to the program;
15 providing for distribution of such moneys for
16 certain purposes; providing for issuing revenue
17 bonds for certain purposes under certain
18 circumstances; authorizing the Department of
19 Environmental Protection to adopt rules;
20 providing an effective date.

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22 Be It Enacted by the Legislature of the State of Florida:

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24 Section 1. Short title.--This act may be cited as the
25 "Local Government Utilities Assistance Act."

26 Section 2. Legislative findings; intent.--The
27 Legislature finds that in many areas of the state the
28 condition or operation of privately owned water-wastewater
29 utility systems and facilities create a present or potential
30 threat to the environment or to the health of the utility
31 customers. It is therefore the intent of the Legislature to

1 establish a pilot program to assist local governments in
2 acquiring privately owned water-wastewater utilities, and to
3 finance the cost of such acquisition of privately owned
4 water-wastewater utilities through the issuance of revenue
5 bonds by sponsoring local governments.

6 Section 3. Definitions.--As used in this act, the
7 term:

8 (1) "Department" means the Department of Environmental
9 Protection.

10 (2) "Privately owned water-wastewater utility" means a
11 water or wastewater utility whose utility assets are privately
12 owned.

13 Section 4. Local government utilities assistance
14 program; state assistance.--The Local Government Utilities
15 Assistance Program is established in the department. A local
16 government may receive a grant or state assistance in the form
17 of a share or a nonlapsing share of the moneys allocated to
18 the program to be pledged for payment of debt service on
19 bonds, as provided in section 5, issued to finance the
20 acquisition of privately owned water-wastewater utilities.

21 (1) A private water-wastewater utility is deemed to be
22 eligible for assistance under the program if it meets one or
23 more of the following criteria:

24 (a) The water-wastewater utility is not capable of
25 making the improvements necessary to alleviate the public
26 health or environmental threats through its own resources
27 without increasing its rate for services to an amount beyond
28 that which is commensurate with community standards.

29 (b) The water-wastewater utility is confronted with a
30 public health or environmental threat or both, including
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1 secondary state water quality standards, that may be better
2 addressed through public management or ownership, or both.

3 (c) The private utility desires to sell or
4 consolidate.

5 (2) The department may allocate proceeds from the
6 program in the form of a grant or a share of such proceeds to
7 be pledged to the payment of debt service on bonds, as
8 provided in section 5 to assist a local government in
9 financing the cost of acquiring a privately owned
10 water-wastewater utility if the acquisition by the local
11 government presents a preferable and cost-effective solution.

12 Section 5. Department determination to acquire;
13 bonds.--If the department determines that acquisition of a
14 privately owned water-wastewater utility is necessary, the
15 department may authorize the expenditure of proceeds from the
16 program for such purposes. The local government may pledge the
17 proceeds for the issuance of revenue bonds necessary to
18 acquire the private water-wastewater utility as otherwise
19 authorized by law.

20 Section 6. Rules.--The department may adopt rules to
21 implement the program, including, but not limited to,
22 administering the program, determining project eligibility and
23 priority, establishing application requirements, providing for
24 disbursement from the trust fund, and auditing the program.

25 Section 7. Allocation of moneys to the program;
26 disposition.--Notwithstanding section 212.20(6)(e)2., Florida
27 Statutes, for fiscal year 2001-2002, one-half of the moneys
28 that would otherwise be distributed to the Solid Waste
29 Management Trust Fund pursuant to section 212.20, Florida
30 Statutes, not to exceed \$5 million, shall be distributed to
31 the program to be used as provided in this act to implement

1 the program as a pilot program in Pasco County. Such moneys
2 may be assigned, pledged, or set aside as a trust for the
3 payment of principal or interest on bonds or any other form of
4 indebtedness issued by an appropriate local government or used
5 to purchase credit support to permit such borrowings. Such
6 debt shall be indebtedness of the local government and shall
7 not constitute a general obligation of the state. The state
8 covenants with holders of such revenue bonds or other
9 instruments of indebtedness issued under the program that it
10 will not repeal or impair or amend this act in any manner
11 which will materially affect the rights of bondholders so long
12 as bonds supported by revenues from the program are
13 outstanding. Any revenues that are not pledged to the
14 repayment of bonds may be used for purposes authorized under
15 section 4.

16 Section 8. This act shall take effect July 1, 2001.

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19 LEGISLATIVE SUMMARY

20
21 Establishes the Local Government Utilities Assistance
22 Program in the Department of Environmental Protection for
23 purposes of assisting local governments to acquire
24 privately owned water-wastewater utilities to cure or
25 mitigate environmental or health hazards created by such
26 utilities. Provides for implementing the program for
27 fiscal year 2001-2002 in Pasco County. Provides for
28 reallocating moneys from the Solid Waste Management Trust
29 Fund to fund the pilot program. Provides for issuance of
30 revenue bonds. (See bill for details.)
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