



943324

LEGISLATIVE ACTION

Senate	.	House
Comm: TP	.	
03/21/2023	.	
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The Committee on Regulated Industries (Martin) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 166.201, Florida Statutes, is amended to
read:

166.201 Taxes and charges.—

(1) A municipality may raise, by taxation and licenses
authorized by the constitution or general law, or by user
charges or fees authorized by ordinance, amounts of money which



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11 are necessary for the conduct of municipal government and may
12 enforce their receipt and collection in the manner prescribed by
13 ordinance not inconsistent with law.

14 (2) (a) A municipality that owns and operates an electric,
15 natural gas, water, or wastewater utility may fund or finance
16 general government functions using a portion of the revenues
17 generated from rates, fees, and charges for the provision of
18 such utility service. The portion of utility revenues that may
19 be used during a fiscal year to fund or finance general
20 government functions, after payment of all utility expenses, may
21 not exceed:

22 1. For revenues generated from electric utility operations,
23 a transfer rate equal to the amount derived by applying the
24 average of the midpoints of the rates of return on equity
25 approved by the Public Service Commission for each investor-
26 owned electric utility in this state to the municipal electric
27 utility's revenues.

28 2. For revenues generated from natural gas utility
29 operations, a transfer rate equal to the amount derived by
30 applying the average of the midpoints of the rates of return on
31 equity approved by the Public Service Commission for each
32 investor-owned natural gas utility in this state to the
33 municipal natural gas utility's revenues.

34 3. For revenues generated from water or wastewater
35 operations, a transfer rate equal to the amount derived by
36 applying the rate of return on equity established by the Public
37 Service Commission under s. 367.081(4) (f) to the municipal water
38 or wastewater utility's revenues.

39 (b) Except as provided in paragraph (c), the transfer rate



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40 applied to municipal utility revenues under subparagraphs (a)1.,
41 2., and 3. shall be reduced as follows:

42 1. If more than 15 percent of a municipal utility's retail
43 customers, as measured by total meters served, are located
44 outside the municipal boundaries, by 150 basis points.

45 2. If more than 30 percent of a municipal utility's retail
46 customers, as measured by total meters served, are located
47 outside the municipal boundaries, by 300 basis points.

48 3. If more than 45 percent of a municipal utility's retail
49 customers, as measured by total meters served, are located
50 outside the municipal boundaries, by 450 basis points.

51 (c) The reductions specified in paragraph (b) do not apply
52 to a municipal utility service if the utility service is
53 governed by a utility authority board that, through the election
54 of voting members from outside the municipal boundaries,
55 provides for representation of retail customers located outside
56 the municipal boundaries approximately proportionate to the
57 percentage of such customers, as measured by total meters
58 served, that receive service from the utility.

59 Section 2. Subsection (1) of section 180.191, Florida
60 Statutes, is amended to read:

61 180.191 Limitation on rates charged consumer outside city
62 limits.—

63 (1) Any municipality within the state operating a water or
64 sewer utility outside of the boundaries of such municipality
65 shall charge consumers outside the boundaries rates, fees, and
66 charges determined in one of the following manners:

67 (a) It may charge the same rates, fees, and charges as
68 consumers inside the municipal boundaries. ~~However, in addition~~



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69 ~~thereto, the municipality may add a surcharge of not more than~~
70 ~~25 percent of such rates, fees, and charges to consumers outside~~
71 ~~the boundaries.~~ Fixing of such rates, fees, and charges in this
72 manner does ~~shall~~ not require a public hearing except as may be
73 provided for service to consumers inside the municipality.

74 (b)1. It may charge rates, fees, and charges that are just
75 and equitable and that ~~which~~ are based on the same factors used
76 in fixing the rates, fees, and charges for consumers inside the
77 municipal boundaries. ~~In addition thereto, the municipality may~~
78 ~~add a surcharge not to exceed 25 percent of such rates, fees,~~
79 ~~and charges for said services to consumers outside the~~
80 ~~boundaries. However, the total of all~~ Such rates, fees, and
81 charges for the services to consumers outside the boundaries may
82 ~~shall~~ not be more than 25 ~~50~~ percent greater than ~~in excess of~~
83 the total amount the municipality charges consumers served
84 within the municipality for corresponding service. ~~No~~ Such
85 rates, fees, and charges may not ~~shall~~ be fixed until after a
86 public hearing at which all of the users of the water or sewer
87 systems; owners, tenants, or occupants of property served or to
88 be served thereby; and all others interested ~~shall~~ have an
89 opportunity to be heard concerning the proposed rates, fees, and
90 charges. Any change or revision of such rates, fees, or charges
91 may be made in the same manner as such rates, fees, or charges
92 were originally established, but if such change or revision is
93 to be made substantially pro rata as to all classes of service,
94 both inside and outside the municipality, a ~~no~~ hearing or notice
95 is not ~~shall~~ be required.

96 2. Any municipality within this state operating a water or
97 sewer utility that provides service to consumers within the



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98 boundaries of a separate municipality through the use of a water
99 treatment plant or sewer treatment plant located within the
100 boundaries of that separate municipality may not charge
101 consumers in the separate municipality more than the rates,
102 fees, and charges imposed on consumers inside its own municipal
103 boundaries.

104 Section 3. This act shall take effect July 1, 2024.

105

106 ===== T I T L E A M E N D M E N T =====

107 And the title is amended as follows:

108 Delete everything before the enacting clause

109 and insert:

110

A bill to be entitled

111 An act relating to municipal utilities; amending s.
112 166.201, F.S.; authorizing certain municipalities to
113 fund or finance general government functions with a
114 specified portion of revenues from certain utility
115 operations; establishing limits on utility revenue
116 transfers for municipal utilities that serve customers
117 located outside the municipal boundaries; amending s.
118 180.191, F.S.; modifying provisions relating to
119 permissible rates, fees, and charges imposed by
120 municipal water and sewer utilities on customers
121 located outside the municipal boundaries; providing an
122 effective date.