

26 general government functions using a portion of the revenues
27 generated from rates, fees, and charges for the provision of
28 such utility service. The portion of utility revenues that may
29 be used during a fiscal year to fund or finance general
30 government functions, after payment of all utility expenses, may
31 not exceed:

32 1. For revenues generated from electric utility
33 operations, a transfer rate equal to the amount derived by
34 applying the average of the midpoints of the rates of return on
35 equity approved by the Public Service Commission for each
36 investor-owned electric utility in the state to the municipal
37 electric utility's revenues.

38 2. For revenues generated from natural gas utility
39 operations, a transfer rate equal to the amount derived by
40 applying the average of the midpoints of the rates of return on
41 equity approved by the Public Service Commission for each
42 investor-owned natural gas utility in the state to the municipal
43 natural gas utility's revenues.

44 3. For revenues generated from water or wastewater
45 operations, a transfer rate equal to the amount derived by
46 applying the rate of return on equity established by the Public
47 Service Commission under s. 367.081(4)(f) to the revenues of the
48 municipal water or wastewater utility.

49 (b) Except as provided in paragraph (c), the transfer rate
50 applied to municipal utility revenues under subparagraphs (a)1.-

51 3. shall be reduced as follows:

52 1. If more than 15 percent of a municipal utility's retail
53 customers, as measured by total meters served, are located
54 outside the municipal boundaries, the transfer rate applied to
55 utility revenues shall be reduced by 150 basis points.

56 2. If more than 30 percent of a municipal utility's retail
57 customers, as measured by total meters served, are located
58 outside the municipal boundaries, the transfer rate applied to
59 utility revenues shall be reduced by 300 basis points.

60 3. If more than 45 percent of a municipal utility's retail
61 customers, as measured by total meters served, are located
62 outside the municipal boundaries, the transfer rate applied to
63 utility revenues shall be reduced by 450 basis points.

64 (c) The reductions specified in paragraph (b) do not apply
65 to a municipal utility service if the utility service is
66 governed by a utility authority board that, through the election
67 of voting members from outside the municipal boundaries,
68 provides for representation of retail customers located outside
69 the municipal boundaries approximately proportionate to the
70 percentage of such customers, as measured by total meters
71 served, that receive service from the utility.

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

74 180.191 Limitation on rates charged consumer outside city
75 limits.-

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

80 (a) It may charge the same rates, fees, and charges as
 81 consumers inside the municipal boundaries. ~~However, in addition~~
 82 ~~thereto, the municipality may add a surcharge of not more than~~
 83 ~~25 percent of such rates, fees, and charges to consumers outside~~
 84 ~~the boundaries.~~ Fixing of such rates, fees, and charges in this
 85 manner shall not require a public hearing except as may be
 86 provided for service to consumers inside the municipality.

87 (b)1. It may charge rates, fees, and charges that are just
 88 and equitable and which are based on the same factors used in
 89 fixing the rates, fees, and charges for consumers inside the
 90 municipal boundaries. ~~In addition thereto, the municipality may~~
 91 ~~add a surcharge not to exceed 25 percent of such rates, fees,~~
 92 ~~and charges for said services to consumers outside the~~
 93 ~~boundaries. However, the total of all~~ Such rates, fees, and
 94 charges for the services to consumers outside the boundaries may
 95 shall not exceed 25 ~~be more than 50~~ percent ~~in excess~~ of the
 96 total amount the municipality charges consumers served within
 97 the municipality for corresponding service. No such rates, fees,
 98 and charges shall be fixed until after a public hearing at which
 99 all of the users of the water or sewer systems; owners, tenants,
 100 or occupants of property served or to be served thereby; and all

HB 1277

2024

101 others interested shall have an opportunity to be heard
102 concerning the proposed rates, fees, and charges. Any change or
103 revision of such rates, fees, or charges may be made in the same
104 manner as such rates, fees, or charges were originally
105 established, but if such change or revision is to be made
106 substantially pro rata as to all classes of service, both inside
107 and outside the municipality, no hearing or notice shall be
108 required.

109 2. Any municipality within the state operating a water or
110 sewer utility that provides service to consumers within the
111 boundaries of a separate municipality through the use of a water
112 treatment plant or sewer treatment plant located within the
113 boundaries of that separate municipality may charge consumers in
114 the separate municipality no more than the rates, fees, and
115 charges imposed on consumers inside its own municipal
116 boundaries.

117 Section 3. This act shall take effect July 1, 2025.