

1 A bill to be entitled
2 An act relating to municipal utilities; amending s.
3 180.19, F.S.; requiring certain public meetings as a
4 condition precedent to the effectiveness of a new or
5 extended agreement under which a municipality will
6 provide specified utility services in other
7 municipalities or unincorporated areas; specifying the
8 matters to be addressed in such public meetings;
9 requiring such agreements to be written; requiring
10 annual customer meetings; defining "governing body"
11 for specified purposes; limiting the portion of
12 certain utility revenues that a municipality may use
13 to fund or finance general government functions;
14 requiring municipalities that provide specified
15 utility services to report certain information by a
16 specified date to the Public Service Commission on an
17 annual basis; requiring the commission to compile
18 certain information and submit a report containing
19 such information to the Governor and the Legislature
20 by a specified date; providing construction; amending
21 s. 180.191, F.S.; revising provisions relating to
22 permissible rates, fees, and charges imposed by
23 municipal water and sewer utilities on customers
24 located outside the municipal boundaries; providing an
25 effective date.

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

Section 1. Section 180.19, Florida Statutes, is amended to read:

180.19 Use by other municipalities and by individuals outside corporate limits.—

(1) A municipality which constructs any works as are authorized by this chapter, may permit any other municipality and the owners or association of owners of lots or lands outside of its corporate limits or within the limits of any other municipality, to connect with or use the utilities mentioned in this chapter upon such terms and conditions as may be agreed between such municipalities, and the owners or association of owners of such outside lots or lands.

(2) Any private company or corporation organized to accomplish the purposes set forth in this chapter, which has been granted a privilege or franchise by a municipality, may permit the owners or association of owners of lots or lands outside of the boundaries of said municipality granting said privilege or franchise, or other municipality, to connect with and use the utility operated by the said private company or corporation upon such terms as may be agreed between the said private company or corporation and the owners or association of owners of said lots or lands or the said municipality.

51 (3) (a) A new agreement, or an extension, renewal, or
52 material amendment of an existing agreement, to provide
53 electric, natural gas, water, or sewer utility service at retail
54 pursuant to subsection (1) must be written and may not become
55 effective before the municipality that provides service or
56 intends to provide the service, in conjunction with the
57 governing body of each municipality and unincorporated area
58 served or to be served, has conducted a public meeting within
59 each municipality and unincorporated area served or to be served
60 for purposes of providing information and soliciting public
61 input on:

62 1. The nature of the service to be provided or changes to
63 the service being provided;

64 2. The rates, fees, and charges to be imposed for the
65 services provided or intended to be provided, including any
66 differential with the rates, fees, and charges imposed for the
67 same service on customers located within the boundaries of the
68 serving municipality, the basis for the differential, and the
69 length of time that the differential is expected to exist;

70 3. The extent to which revenues generated from the
71 provision of the service will be used to fund or finance non-
72 utility government functions or services; and

73 4. Any other matters deemed relevant by the parties to the
74 agreement.

75 (b) Rates, fees, and charges imposed for water or sewer

76 utility service provided pursuant to subsection (1) shall comply
 77 with s. 180.191.

78 (c) Each municipality that provides electric, natural gas,
 79 water, or sewer utility service pursuant to subsection (1), in
 80 conjunction with the governing body of each municipality and
 81 unincorporated area in which it provides service, must annually
 82 conduct a customer meeting within each such municipality and
 83 unincorporated area for purposes of soliciting public input on
 84 utility-related matters, including rates and service.

85 (d) For purposes of this subsection, "governing body"
 86 refers to each:

87 1. Governing body of a municipality in which service is
 88 provided or proposed to be extended.

89 2. Board of county commissioners of a county in which
 90 service is provided or proposed to be extended, if service is
 91 provided or will be extended in an unincorporated area within
 92 the county.

93 (4) A municipality that generates revenue from the
 94 provision of electric, natural gas, water, or sewer utility
 95 service pursuant to subsection (1) may not use more than 10
 96 percent of the gross revenues generated from such services to
 97 fund or finance general government functions.

98 (5) (a) By November 1, 2024, and annually thereafter, each
 99 municipality that provides electric, natural gas, water, or
 100 sewer utility service pursuant to subsection (1) must provide a

101 report to the Florida Public Service Commission that identifies,
 102 for each type of utility service provided by the municipality:

103 1. The number and percentage of customers that receive
 104 utility service provided by the municipality at a location
 105 outside the boundaries of the municipality;

106 2. The volume and percentage of sales made to such
 107 customers, and the gross revenues generated from such sales; and

108 3. Whether the rates, fees, and charges imposed on
 109 customers that receive service at a location outside the
 110 municipality's boundaries are different than the rates, fees,
 111 and charges imposed on customers within the boundaries of the
 112 municipality, and, if so, the amount and percentage of the
 113 differential.

114 (b) The commission shall compile the information provided
 115 pursuant to paragraph (a) and submit a report containing this
 116 information to the Governor, the President of the Senate, and
 117 the Speaker of the House of Representatives by January 31, 2025,
 118 and annually thereafter.

119 (c) This subsection does not modify or extend the
 120 authority of the commission otherwise provided by law with
 121 respect to any municipal utility that is required to comply with
 122 paragraph (a).

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

125 180.191 Limitation on rates charged consumer outside city

126 | limits.-

127 | (1) Any municipality within the state operating a water or
 128 | sewer utility outside of the boundaries of such municipality
 129 | shall charge consumers outside the boundaries rates, fees, and
 130 | charges determined in one of the following manners:

131 | (a) It may charge the same rates, fees, and charges as
 132 | consumers inside the municipal boundaries. ~~However, in addition~~
 133 | ~~thereto, the municipality may add a surcharge of not more than~~
 134 | ~~25 percent of such rates, fees, and charges to consumers outside~~
 135 | ~~the boundaries.~~ Fixing of such rates, fees, and charges in this
 136 | manner shall not require a public hearing except as may be
 137 | provided for service to consumers inside the municipality.

138 | (b)1. It may charge rates, fees, and charges that are just
 139 | and equitable and which are based on the same factors used in
 140 | fixing the rates, fees, and charges for consumers inside the
 141 | municipal boundaries. ~~In addition thereto, the municipality may~~
 142 | ~~add a surcharge not to exceed 25 percent of such rates, fees,~~
 143 | ~~and charges for said services to consumers outside the~~
 144 | ~~boundaries. However, the total of all~~ Such rates, fees, and
 145 | charges for the services to consumers outside the boundaries may
 146 | ~~shall not~~ exceed 25 ~~be more than 50~~ percent ~~in excess~~ of the
 147 | total amount the municipality charges consumers served within
 148 | the municipality for corresponding service. No such rates, fees,
 149 | and charges shall be fixed until after a public hearing at which
 150 | all of the users of the water or sewer systems; owners, tenants,

151 or occupants of property served or to be served thereby; and all
152 others interested shall have an opportunity to be heard
153 concerning the proposed rates, fees, and charges. Any change or
154 revision of such rates, fees, or charges may be made in the same
155 manner as such rates, fees, or charges were originally
156 established, but if such change or revision is to be made
157 substantially pro rata as to all classes of service, both inside
158 and outside the municipality, no hearing or notice shall be
159 required.

160 2. Any municipality within the state operating a water or
161 sewer utility that provides service to consumers within the
162 boundaries of a separate municipality through the use of a water
163 treatment plant or sewer treatment plant located within the
164 boundaries of that separate municipality may charge consumers in
165 the separate municipality no more than the rates, fees, and
166 charges imposed on consumers inside its own municipal
167 boundaries.

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