

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 public customer meetings; defining the terms
11 "appointed representative" and "governing body" for
12 specified purposes; limiting the portion of certain
13 utility revenues that a municipality may use to fund
14 or finance general government functions; requiring
15 excess revenues to be reinvested into the municipal
16 utility or returned to customers; requiring
17 municipalities that provide specified utility services
18 to report certain information by a specified date to
19 the Public Service Commission on an annual basis;
20 requiring the commission to compile certain
21 information and submit a report containing such
22 information to the Governor and the Legislature by a
23 specified date; providing construction; amending s.
24 180.191, F.S.; revising provisions relating to
25 permissible rates, fees, and charges imposed by

26 municipal water and sewer utilities on customers
 27 located outside the municipal boundaries; providing an
 28 effective date.

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

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

34 180.19 Use by other municipalities and by individuals
 35 outside corporate limits.—

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

44 (2) Any private company or corporation organized to
 45 accomplish the purposes set forth in this chapter, which has
 46 been granted a privilege or franchise by a municipality, may
 47 permit the owners or association of owners of lots or lands
 48 outside of the boundaries of said municipality granting said
 49 privilege or franchise, or other municipality, to connect with
 50 and use the utility operated by the said private company or

51 corporation upon such terms as may be agreed between the said
52 private company or corporation and the owners or association of
53 owners of said lots or lands or the said municipality.

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

66 1. The nature of the service to be provided or changes to
67 the service being provided;

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

74 3. The extent to which revenues generated from the
75 provision of the service will be used to fund or finance non-

76 utility government functions or services; and

77 4. Any other matters deemed relevant by the parties to the
 78 agreement.

79 (b) Rates, fees, and charges imposed for water or sewer
 80 utility service provided pursuant to subsection (1) shall comply
 81 with s. 180.191.

82 (c) A representative of each municipality that provides
 83 electric, natural gas, water, or sewer utility service pursuant
 84 to subsection (1), in conjunction with the governing body of
 85 each municipality and unincorporated area in which it provides
 86 service, must annually conduct a public customer meeting, which
 87 is not required to be a separate public meeting, within each
 88 such municipality and unincorporated area for purposes of
 89 soliciting public input on utility-related matters, including
 90 rates and service.

91 (d) For purposes of this subsection, the term:

92 1. "Appointed representative" means an executive level
 93 leadership employee of a municipality, or such municipality's
 94 related and separate utility authority, board, or commission,
 95 specifically appointed by the governing body to serve as its
 96 representative for purposes of this subsection.

97 2. "Governing body" means a:

98 a. Governing body of a municipality in which service is
 99 provided or proposed to be extended.

100 b. Board of county commissioners of a county in which

101 service is provided or proposed to be extended, if service is
102 provided or will be extended in an unincorporated area within
103 the county.

104 (4) A municipality that generates revenue from the
105 provision of electric, natural gas, water, or sewer utility
106 service to locations beyond its corporate limits may not use
107 more than 10 percent of the gross revenues generated from such
108 services to fund or finance general government functions. After
109 the transfer of such revenues to fund or finance general
110 government functions, if any revenues from such service remain
111 after payment of the municipal utility's costs to provide
112 service, these excess revenues must be reinvested into the
113 municipal utility or returned to customers who received service
114 at locations beyond the municipality's corporate limits.

115 (5) (a) By November 1, 2024, and annually thereafter, each
116 municipality that provides electric, natural gas, water, or
117 sewer utility service pursuant to subsection (1) must provide a
118 report to the Florida Public Service Commission that identifies,
119 for each type of utility service provided by the municipality:

120 1. The number and percentage of customers that receive
121 utility service provided by the municipality at a location
122 outside the boundaries of the municipality;

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

125 3. Whether the rates, fees, and charges imposed on

126 customers that receive service at a location outside the
 127 municipality's boundaries are different than the rates, fees,
 128 and charges imposed on customers within the boundaries of the
 129 municipality, and, if so, the amount and percentage of the
 130 differential.

131 (b) The commission shall compile the information provided
 132 pursuant to paragraph (a) and submit a report containing this
 133 information to the Governor, the President of the Senate, and
 134 the Speaker of the House of Representatives by January 31, 2025,
 135 and annually thereafter.

136 (c) This subsection does not modify or extend the
 137 authority of the commission otherwise provided by law with
 138 respect to any municipal utility that is required to comply with
 139 paragraph (a).

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

142 180.191 Limitation on rates charged consumer outside city
 143 limits.—

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

148 (a) It may charge the same rates, fees, and charges as
 149 consumers inside the municipal boundaries. ~~However, in addition~~
 150 ~~thereto, the municipality may add a surcharge of not more than~~

151 ~~25 percent of such rates, fees, and charges to consumers outside~~
 152 ~~the boundaries.~~ Fixing of such rates, fees, and charges in this
 153 manner shall not require a public hearing except as may be
 154 provided for service to consumers inside the municipality.

155 (b)1. It may charge rates, fees, and charges that are just
 156 and equitable and which are based on the same factors used in
 157 fixing the rates, fees, and charges for consumers inside the
 158 municipal boundaries. ~~In addition thereto, the municipality may~~
 159 ~~add a surcharge not to exceed 25 percent of such rates, fees,~~
 160 ~~and charges for said services to consumers outside the~~
 161 ~~boundaries. However, the total of all~~ Such rates, fees, and
 162 charges for the services to consumers outside the boundaries may
 163 ~~shall not exceed 25~~ be more than 50 percent ~~in excess~~ of the
 164 total amount the municipality charges consumers served within
 165 the municipality for corresponding service. No such rates, fees,
 166 and charges shall be fixed until after a public hearing at which
 167 all of the users of the water or sewer systems; owners, tenants,
 168 or occupants of property served or to be served thereby; and all
 169 others interested shall have an opportunity to be heard
 170 concerning the proposed rates, fees, and charges. Any change or
 171 revision of such rates, fees, or charges may be made in the same
 172 manner as such rates, fees, or charges were originally
 173 established, but if such change or revision is to be made
 174 substantially pro rata as to all classes of service, both inside
 175 and outside the municipality, no hearing or notice shall be

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176 required.

177 2. Any municipality within the state operating a water or
178 sewer utility that provides service to consumers within the
179 boundaries of a separate municipality through the use of a water
180 treatment plant or sewer treatment plant located within the
181 boundaries of that separate municipality may charge consumers in
182 the separate municipality no more than the rates, fees, and
183 charges imposed on consumers inside its own municipal
184 boundaries.

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