A bill to be entitled An act relating to the jurisdiction of the Public Service Commission relating to water and wastewater systems; amending s. 367.021, F.S.; defining terms; amending s. 367.022, F.S.; revising the types of nonprofit organizations that are exempt from commission jurisdiction; creating s. 367.24, F.S.; providing a procedure for the commission to determine whether an organization is a qualifying nonprofit organization exempt from commission jurisdiction; providing standards for making such determinations; authorizing an organization to petition the commission to regain qualifying nonprofit organization status under certain circumstances; requiring a specified waiting period before certain organizations may petition to regain qualifying nonprofit organization status; requiring the commission to adopt rules; providing a timeframe for such rulemaking; amending ss. 288.0655 and 624.105, F.S.; conforming crossreferences; providing an effective date.

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

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Section 1. Present subsections (7), (8), and (9) and (10) through (13) of section 367.021, Florida Statutes, are

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redesignated as subsections (8), (9), and (10) and (12) through (15), respectively, and new subsections (7) and (11) are added to that section, to read:

367.021 Definitions.—As used in this chapter, the following words or terms shall have the meanings indicated:

- (7) "Governing board" means a board of directors, nonprofit board, board of trustees, or similar body overseeing the operations of an organization.
- (11) "Qualifying nonprofit organization" means an organization that meets all of the following criteria:
- (a) The organization is a nonprofit corporation, association, or cooperative providing service solely to members who own and control such nonprofit corporation, association, or cooperative.
- (b) The organization conducts open and fair elections to its governing board at an annual meeting of its members. The term of any one governing board member may not exceed 36 months; however, a candidate may run for reelection without any limit on the number of terms they may serve.
- (c) At least 75 percent of the governing board of the organization is made up of the organization's members.
- (d) The organization provides a mechanism for members of the organization to directly nominate candidates directly for the governing board. At a minimum, any member or candidate who obtains the signatures of at least 1 percent of members of the

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organization on a petition for nomination for a particular board position or election must, as established by that organization's bylaws, be allowed to stand for election in the same manner as if that member had been nominated by the existing governing board, a committee on nominations established by the board, or other nomination mechanism or procedure as established by the organization's governing documents. Such candidate must meet all other requirements established by law or by the organization's governing documents to serve on the board.

- (e) The organization is not subject to disqualification pursuant to s. 367.24.
- Section 2. Subsection (7) of section 367.022, Florida Statutes, is amended to read:
- 367.022 Exemptions.—The following are not subject to regulation by the commission as a utility nor are they subject to the provisions of this chapter, except as expressly provided:
- (7) Qualifying nonprofit organizations Nonprofit corporations, associations, or cooperatives providing service solely to members who own and control such nonprofit corporations, associations, or cooperatives.
- Section 3. Section 367.24, Florida Statutes, is created to read:
 - 367.24 Disqualification from exempt status.-
- (1) The commission may, upon its own motion or petition by any person, initiate a proceeding to determine whether an

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organization meets the definition of a qualifying nonprofit organization under s. 367.021.

- (2) In making its determination as to whether an organization meets the definition of a qualifying organization pursuant to a petition filed under subsection (1), the commission shall consider:
 - (a) The governing documents of the organization;
 - (b) The conduct of the organization; and
- (c) The conduct of the governing board of the organization.
- (3) If the commission determines that an organization does not meet the definition of a qualifying nonprofit organization, the commission must provide the organization reasoning for its determination and allow the organization 90 days to address the commission's determination.
- (4) If, after the expiration of the 90-day period specified in subsection (3), the commission maintains its determination that the organization does not meet the definition of a qualifying nonprofit organization, the commission must issue an order stating that the organization is not exempt from the jurisdiction of the commission pursuant to s. 367.022 and must be regulated as a utility under this chapter.
- (5) The commission shall follow the procedures established in s. 367.171(2) for an organization determined to be not exempt from the jurisdiction of the commission under subsection (4).

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101	The commission shall follow such procedures as if the
102	organization were an established utility in a county newly
103	entering into the commission's jurisdiction.
104	(6) After a period of 24 months, an organization that is
105	determined to be not exempt from the jurisdiction of the
106	commission under subsection (4) may petition the commission to
107	regain qualifying nonprofit organization status. In reviewing
108	this petition, the commission shall use the procedure
109	established in subsections (2), (3), and (4) of this section. If
110	the commission does not approve the petition, the organization
111	must wait an additional 24 months before petitioning the
112	commission again for qualifying nonprofit organization status.
113	(7) Consistent with the commission's jurisdiction over
114	utility rates and service, issues relating to whether an
115	organization is exempt from its jurisdiction pursuant to this
116	section, and the manner in which a utility is brought under its
117	jurisdiction pursuant to this section, must be resolved by the
118	commission.
119	(8) The commission shall adopt rules to implement and
120	administer this section and shall propose a rule for adoption as
121	soon as practicable after July 1, 2026.
122	Section 4. Paragraph (b) of subsection (2) of section
123	288.0655, Florida Statutes, is amended to read:
124	288.0655 Rural Infrastructure Fund
125	(2)

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(b) To facilitate access of rural communities and rural
areas of opportunity as defined by the Rural Economic
Development Initiative to infrastructure funding programs of the
Federal Government, such as those offered by the United States
Department of Agriculture and the United States Department of
Commerce, and state programs, including those offered by Rural
Economic Development Initiative agencies, and to facilitate
local government or private infrastructure funding efforts, the
department may award grants for up to 75 percent of the total
infrastructure project cost, or up to 100 percent of the total
infrastructure project cost for a project located in a rural
community as defined in s. 288.0656(2) which is also located in
a fiscally constrained county as defined in s. 218.67(1) or a
rural area of opportunity as defined in s. 288.0656(2). Eligible
uses of funds may include improving any inadequate
infrastructure that has resulted in regulatory action that
prohibits economic or community growth and reducing the costs to
community users of proposed infrastructure improvements that
exceed such costs in comparable communities. Eligible uses of
funds include improvements to public infrastructure for
industrial or commercial sites and upgrades to or development of
public tourism infrastructure. Authorized infrastructure may
include the following public or public-private partnership
facilities: storm water systems; telecommunications facilities;
roads or other remedies to transportation impediments; nature-

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based tourism facilities; or other physical requirements necessary to facilitate tourism, trade, and economic development activities in the community. Authorized infrastructure may also include publicly or privately owned self-powered nature-based tourism facilities, publicly owned telecommunications facilities, and additions to the distribution facilities of the existing natural gas utility as defined in s. 366.04(3)(c), the existing electric utility as defined in s. 366.02, or the existing water or wastewater utility as defined in s. 367.021(14) s. 367.021(12), or any other existing water or wastewater facility, which owns a gas or electric distribution system or a water or wastewater system in this state when:

- 1. A contribution-in-aid of construction is required to serve public or public-private partnership facilities under the tariffs of any natural gas, electric, water, or wastewater utility as defined herein; and
- 2. Such utilities as defined herein are willing and able to provide such service.

Section 5. Section 624.105, Florida Statutes, is amended to read:

624.105 Waiver of customer liability.—Any regulated company as defined in s. 350.111, any electric utility as defined in s. 366.02(4), any utility as defined in \underline{s} . $\underline{367.021(14)}$ s. $\underline{367.021(12)}$ or s. 367.022(2) and (7), and any provider of communications services as defined in s. 202.11(1)

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may charge for and include an optional waiver of liability provision in their customer contracts under which the entity agrees to waive all or a portion of the customer's liability for service from the entity for a defined period in the event of the customer's call to active military service, death, disability, involuntary unemployment, qualification for family leave, or similar qualifying event or condition. Such provisions may not be effective in the customer's contract with the entity unless affirmatively elected by the customer. No such provision shall constitute insurance so long as the provision is a contract between the entity and its customer.

Section 6. This act shall take effect July 1, 2026.

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