

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Environment and Natural Resources

BILL: SB 1784

INTRODUCER: Senator Pizzo

SUBJECT: Sewer Collection Systems

DATE: March 24, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Barriero	Rogers	EN	Favorable
2.			CA	
3.			RC	

I. Summary:

SB 1784 authorizes a municipality to utilize revenue generated by the municipality from operation of the municipality’s central sewage system for expansion of the central sewage system.

II. Present Situation:

Municipal Water and Sewer Utilities

Pursuant to s. 2(b), Art. VIII of the State Constitution, municipalities have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services. Municipalities may exercise any power for municipal purposes, except when expressly prohibited by law.¹ The legislative body of each municipality has the power to enact legislation on any subject upon which the state Legislature may act with certain exceptions.² Under their home rule power and as otherwise provided or limited by law or agreement, municipalities may provide utilities to citizens and entities within the municipality’s corporate boundaries, in unincorporated areas, and in some cases in other municipalities.³

Municipalities have broad authority to construct, operate, and maintain essential public facilities and services necessary for sanitation, water supply, waste management, and other municipal

¹ Section 166.021(2), F.S., provides that any activity or power which may be exercised by the state or its political subdivisions is considered a municipal purpose.

² A municipality may not enact legislation on the following: the subjects of annexation, merger, and exercise of extraterritorial power, which require general law or special law; any subject expressly prohibited by the constitution; any subject expressly preempted to state or county government by the constitution or by general law; and any subject preempted to a county pursuant to a county charter adopted under the authority of the State constitution. Section 166.021(3), F.S.

³ See sections 166.231(1)(c), 180.19, and 180.191(1), F.S.

needs.⁴ Pursuant to this authority, municipalities may provide water and sewer utility services.⁵ With respect to public works projects, including water and sewer utility services,⁶ municipalities may extend and execute their corporate powers outside of their corporate limits as “desirable or necessary for the promotion of the public health, safety and welfare.”⁷ A municipality may not extend or apply these corporate powers within the corporate limits of another municipality.⁸ In general, however, local governments may enter into mutually advantageous agreements to provide services or facilities to other localities.⁹ Further, the law specifically authorizes a municipality to permit any other municipality and the owners of lands outside its corporate limits or within the limits of another municipality to connect with its water and sewer utility facilities and use its services upon agreed terms and conditions.¹⁰

Municipal Funding

Municipalities are authorized to raise funds necessary for the conduct of the municipal government through taxation and licenses authorized by Florida’s constitution or general law, or by user charges or fees authorized by ordinance.¹¹ As part of this authority, municipal legislative bodies can establish rates for utility services provided to individuals, businesses, or corporations.¹²

A municipality that operates a water or sewer utility outside of its municipal boundaries may impose higher rates, fees, and charges on consumers receiving service outside of its corporate boundaries as compared to the rates, fees, and charges imposed on consumers within its boundaries.¹³ The municipality can accomplish this in two ways:

- Adding a surcharge of up to 25 percent of the rates, fees, and charges imposed on consumers within its boundaries. This mechanism does not require a public hearing;¹⁴ or
- Setting separate rates, fees, and charges for consumers outside its boundaries based on the same factors used to set rates for consumers within its boundaries. It may add a surcharge of up to 25 percent of these charges, provided that the total of all such rates, fees, and charges for service to consumers outside its boundaries may not exceed the total charges to consumers within its boundaries by more than 50 percent for corresponding service. Rates set in this manner require a public hearing on the proposed rates.¹⁵

⁴ See section 180.06, F.S.

⁵ Municipalities are authorized to provide water and alternative water supplies; provide for the collection and disposal of sewage, including wastewater reuse, and other liquid wastes; and construct reservoirs, sewerage systems, trunk sewers, intercepting sewers, pumping stations, wells, siphons, intakes, pipelines, distribution systems, purification works, collection systems, treatment and disposal works. Section 180.06, F.S.

⁶ Other public works projects authorized under s. 180.06, F.S., include alternative water supplies, maintenance of water flow and bodies of water for sanitary purposes, garbage collection and disposal, airports, hospitals, jails, golf courses, gas plants and distribution systems, and related facilities.

⁷ Section 180.02(2), F.S.

⁸ *Id.*

⁹ See section 163.01, F.S.

¹⁰ Section 180.19, F.S.

¹¹ Section 166.201, F.S.

¹² Section 180.13(2), F.S.

¹³ Section 180.191(1), F.S.

¹⁴ Section 180.191(1)(a), F.S.

¹⁵ Section 180.191(1)(b), F.S.

Municipalities may transfer a portion of their utility earnings to their general funds for non-utility purposes such as shared services (e.g., IT or human resources) and to support the local community, though the amounts and percentages may vary among municipalities.¹⁶ These transfers may be limited in some circumstances by ordinance, but they are not governed by state law.

III. Effect of Proposed Changes:

Section 1 amends s. 180.03, F.S., regarding resolutions or ordinances proposing construction or extension of utilities. The bill provides that a municipality is authorized to utilize revenue generated by the municipality from operation of the municipality's central sewage system for expansion of the central sewage system.

Section 2 provides an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

¹⁶ Florida Municipal Electric Association, *Florida Public Power*, Presentation to House Energy, Communications & Cybersecurity Subcommittee on Feb. 9, 2023, slide 6, available at <https://www.flhouse.gov/Sections/Documents/loaddoc.aspx?MeetingId=13667&PublicationType=Committees&DocumentType=Meeting%20Packets>.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 180.03 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.