

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

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BILL #: [HB 1075](#)

TITLE: Municipal Utility Connections

SPONSOR(S): Sirois and Oliver

COMPANION BILL: [SB 1014](#) (Mayfield)

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Economic Infrastructure](#)

14 Y, 1 N



[Intergovernmental Affairs](#)



[Commerce](#)

SUMMARY

Effect of the Bill:

The bill requires a municipality to extend utility service to other municipalities or property owners located outside its municipal boundaries if: (1) the municipal utility has sufficient capacity to serve without material impact on service to existing customers; and (2) the requesting municipality or property owner agrees to pay all applicable rates, fees, and charges under current law (including surcharges). Otherwise, service extension is by agreement, as provided in current law. The bill clarifies that it does not prohibit a municipality from imposing reasonable fees necessary to fund system expansion required for a new connection.

Fiscal or Economic Impact:

None

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ANALYSIS

EFFECT OF THE BILL:

The bill establishes requirements related to the provision of [municipal utility services](#) to municipalities or property owners outside the municipal boundaries.

The bill requires a municipality that operates utility services to allow another municipality or property owner outside its municipal boundaries to connect with or use its utility services if each of the following conditions is met:

- The utility system has sufficient system capacity¹ to serve the requested connection without materially impairing service to existing utility customers.
- The requesting municipality or property owner agrees to pay all applicable [rates and charges authorized](#) by law.² (Section [1](#))

The bill provides that where the conditions above are not met, connection by another municipality or a property outside municipal boundaries is by [agreement](#). (Section [1](#))

The bill provides that a municipality must, within 30 days after receipt of a connection application from a municipality or property owner outside its municipal boundaries, make a written capacity determination. The determination must be based on generally accepted engineering standards and current system data. (Section [1](#))

¹ "Capacity" in utility services refers to the maximum amount or volume of product (electricity, water, gas) that can be provided at a specific point in time under specific conditions. See e.g., U.S. Energy Information Administration, *Electricity explained: Electricity generation, capacity, and sales in the United States*, <https://www.eia.gov/energyexplained/electricity/electricity-in-the-us-generation-capacity-and-sales.php> (last visited Jan. 16, 2026).

² The requesting municipality or property owner must agree to pay all rates and charges imposed by the municipal utility in accordance with [s. 180.191, F.S.](#)

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The bill establishes certain requirements where the municipality denies a connection request. Specifically:

- If the connection request is denied due to lack of capacity, the denial must include specific engineering findings identifying the deficient components of the system.
- A requesting municipality or property owner denied connection with or use of utility services may appeal the capacity determination to the [circuit court](#) in the county in which the municipality or property is located. The court must review the determination de novo.³
- If the court finds that the municipality's denial was in violation of the provisions of the bill, the court must order the connection and award the prevailing party reasonable attorney fees and court costs, unless the municipality providing utility services demonstrates by clear and convincing evidence that the denial was based on a good faith, reasonable engineering determination of insufficient capacity. (Section [1](#))

The bill provides that a private company or corporation granted a privilege or franchise by a municipality to operate utility services may allow connection by another municipality or property owner by agreement. (Section [1](#))

The bill clarifies that it does not prohibit a municipality from imposing reasonable impact fees, connection fees, or infrastructure contributions necessary to fund system expansion required for a new connection. (Section [1](#))

The bill provides an effective date of July 1, 2026. (Section [2](#))

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Local Government Authority

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.⁴ 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.⁵ 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 even in other municipalities.

Municipal Utility Services

Many municipalities own and operate electric utilities and natural gas utilities and govern the operation of those utilities through ordinance, code, or policies. Currently, there are 35 municipal electric utilities in the state and 27 municipally owned natural gas utilities.⁶ Municipal electric and natural gas utility rates are not directly regulated by the Florida Public Service Commission (PSC), however, the PSC does have jurisdiction over municipal electric utilities for matters related to rate structure, power plant transmission line site certification, general reporting

³ "De novo," is a Latin term that means "anew," "from the beginning," or "afresh." A court that hears a case de novo decides the issues without reference to any conclusions or findings made by a lower or previous court. *See e.g.*, Cornell Law School, Legal Information Institute, *de novo*, https://www.law.cornell.edu/wex/de_novo (last visited Jan. 16, 2026).

⁴ 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.

⁵ Pursuant to [s. 166.021\(3\), F.S.](#), 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.

⁶ Florida Public Service Commission, *Facts and Figures of the Florida Utility Industry (2025)*, at pages 1, 12, available at <https://www.floridapsc.com/pscfiles/website-files/PDF/Publications/Reports/General/FactsAndFigures/April%202025.pdf> (last visited Jan. 16, 2025).

jurisdiction, service territory and territory disputes, energy efficiency reporting, ten-year site plans, reporting on system hardening and resiliency, reporting on net metering, audits related to regulatory assessment fees, monitoring renewable energy, reporting on facilities inspection and vegetation management, and ensuring a reliable, coordinated power grid.⁷ Many of these utilities provide service to customers located outside of the municipality's boundaries.

Municipalities are authorized by general law to provide water and sewer utility services.⁸ With respect to public works projects, including water and sewer utility services,⁹ 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.”¹⁰ A municipality may not extend or apply these corporate powers within the corporate limits of another municipality.¹¹ In general, however, local governments may enter into mutually advantageous agreements to provide services or facilities to other localities.¹² Further, the law specifically authorizes a municipality to negotiate [agreement to terms and conditions](#) upon which any other municipality and the owners of lands outside its corporate limits or within the limits of another municipality may connect with its utility services.¹³ Municipal water and sewer utility systems are exempt from PSC jurisdiction.

Florida law authorizes a municipality that operates a water or sewer utility outside of its municipal boundaries to impose [higher rates, fees, and charges](#) on customers receiving service outside of its corporate boundaries compared those imposed on customers within its boundaries. The municipality can accomplish this in two ways:

- It may add a surcharge of up to 25 percent of the rates, fees, and charges imposed on customers within its boundaries. This mechanism does not require a public hearing.¹⁴
- It may set separate rates, fees, and charges for customers outside its boundaries based on the same factors used to set rates for customers within its boundaries. It may then 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 customers outside its boundaries may not exceed the total charges to customers within its boundaries by more than 50 percent for corresponding service. Rates set in this manner require a public hearing at which all users served or to be served by the water or sewer utilities and all other interested persons will have an opportunity to be heard concerning the proposed rates.¹⁵

Trial Courts

The State Constitution establishes a two-tier system of trial courts granting distinct jurisdiction to county courts and to circuit courts.¹⁶ County courts have limited jurisdiction set by statute and hear matters such as traffic offenses, landlord-tenant disputes, small claims cases up to \$8,000, misdemeanor criminal matters, local

⁷ Presentation on *Florida Public Power*, Florida Municipal Electric Association (Feb. 9, 2023), slide 3, available at <https://www.flhouse.gov/Sections/Documents/publications.aspx?CommitteeId=3226&PublicationType=Committees&DocumentType=All&SessionId=99> (last visited Jan. 16, 2026).

⁸ Pursuant to [s. 180.06, F.S.](#), a municipality may “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” to accomplish these purposes.

⁹ 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.

¹⁰ [S. 180.02\(2\), F.S.](#)

¹¹ *Id.*

¹² See [s. 163.01, F.S.](#)

¹³ [S. 180.19, F.S.](#)

¹⁴ [S. 180.191\(1\)\(a\), F.S.](#)

¹⁵ [S. 180.191\(1\)\(b\), F.S.](#)

¹⁶ Art. V, ss. 5 and 6, Fla. Const.

government ordinance violations, and monetary disputes up to \$50,000.¹⁷ There are 67 county courts, one for each county in the state.¹⁸ [Circuit courts](#), meanwhile, have general jurisdiction to hear all matters not within the county courts' jurisdiction, including dissolution of marriage and other "family law" proceedings, felony criminal matters, juvenile delinquency and dependency proceedings, probate proceedings, guardianship matters, and monetary disputes over \$50,000.¹⁹ There are 20 circuit courts in Florida, one for each judicial circuit.²⁰

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/SENATE SPONSOR(S)	OTHER INFORMATION
2025	CS/CS/HB 1523 - Utility Services	Busatta	Died in Senate

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Economic Infrastructure Subcommittee	14 Y, 1 N	1/28/2026	Keating	Rubottom
Intergovernmental Affairs Subcommittee				
Commerce Committee				

¹⁷ Office of the State Courts Administrator, *Trial Courts – County*, <https://www.flcourts.gov/Courts-System/Court-Structure/Trial-Courts-County> (last visited Jan. 16, 2026).

¹⁸ *Id.*

¹⁹ Office of the State Courts Administrator, *Trial Courts - Circuit*, <https://www.flcourts.gov/Courts-System/Court-Structure/Trial-Courts-Circuit> (last visited Jan. 16, 2026).

²⁰ *Id.*