

By Senator DiCeglie

18-01330-26

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A bill to be entitled

An act relating to local utility revenues; creating ss. 125.483 and 180.1901, F.S.; defining the term "utility"; providing legislative intent; prohibiting counties and municipalities, respectively, from transferring for specified purposes revenues collected from providing utility services; requiring counties and municipalities, respectively, to reinvest such revenues back into a utility for specified purposes; requiring revenue surpluses to be returned to the ratepayers; requiring county and municipal utilities, respectively, to develop budget forecasts and strategies that meet certain requirements; prohibiting counties and municipalities, respectively, from charging a higher rate or adding a surcharge to certain customers; providing that violations may subject a utility to the withholding of certain state funds; amending s. 180.191, F.S.; deleting an authorization for municipalities to add a surcharge to certain customers outside the municipal boundaries; providing an effective date.

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

Section 1. Section 125.483, Florida Statutes, is created to read:

125.483 County utility revenues.-

(1) As used in this section, the term "utility" includes
public entities providing water, wastewater, stormwater,

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30 electric, and gas utilities.

31 (2) The Legislature intends for a county that provides
32 utility services to its residents to provide such services in an
33 affordable, transparent, and reliable manner that protects
34 public health and this state's natural resources.

35 (3) Notwithstanding any law to the contrary, a county that
36 generates revenue from providing utility services to customers
37 may not transfer any revenues collected for providing utility
38 services to finance general governmental functions or special
39 projects, to purchase bonds to finance general governmental
40 functions, or to lend money to finance general governmental
41 functions within the local government which are not for the
42 ongoing utility service or a part of the utility. A revenue
43 surplus must be returned to the ratepayers. Such returns may
44 include rebates, credits, or new appliances or services.

45 (4) A county shall reinvest utility service revenues back
46 into the utility for purposes of operational integrity. Such
47 investments may include building, maintaining, renovating, or
48 otherwise improving the infrastructure of its utility
49 facilities. The utility must, every 5 years, develop a budget
50 forecast and strategies that ensure continuous maintenance, as
51 well as strategic improvements to provide optimal service
52 performance at consistent rates. The budget forecast and
53 strategies must anticipate increasing service demand due to
54 population growth and new commercial industries, expenditures on
55 advanced technologies, and costs incurred from damages and
56 complications arising from intensifying storms, floods, and
57 water shortages.

58 (5) A county may not charge a higher rate or add a

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59 surcharge to customers outside of jurisdictional boundaries
60 which is greater than the actual costs of providing services at
61 locations more distal from central utility operations.

62 (6) A violation of this section shall be cause for the
63 withholding from the county's utility of any portion of any
64 state funds to which the utility may be entitled.

65 Section 2. Section 180.1901, Florida Statutes, is created
66 to read:

67 180.1901 Municipal utility revenues.—

68 (1) As used in this section, the term "utility" includes
69 water, wastewater, stormwater, electric, and gas utilities.

70 (2) The Legislature intends for a municipality that
71 provides utility services to its residents to provide such
72 services in an affordable, transparent, and reliable manner that
73 protects public health and this state's natural resources.

74 (3) Notwithstanding any law to the contrary, a municipality
75 that generates revenue from providing utility services to
76 customers may not transfer any revenues collected for providing
77 utility services to finance general governmental functions or
78 special projects, to purchase bonds to finance general
79 governmental functions, or to lend money to finance general
80 governmental functions within the local government which are not
81 for the ongoing utility service or part of the utility. A
82 revenue surplus must be returned to the ratepayers. Such returns
83 may include rebates, credits, or new appliances or services.

84 (4) A municipality shall reinvest utility service revenues
85 back into the utility for purposes of operational integrity.
86 Such investments may include building, maintaining, renovating,
87 or otherwise improving the infrastructure of its utility

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88 facilities. The utility must, every 5 years, develop a budget
89 forecast and strategies that ensure continuous maintenance, as
90 well as strategic improvements to provide optimal service
91 performance at consistent rates. The budget forecast and
92 strategies must anticipate increasing service demand due to
93 population growth and new commercial industries, expenditures on
94 advanced technologies, and costs incurred from damages and
95 complications arising from intensifying storms, floods, and
96 water shortages.

97 (5) A municipality may not charge a higher rate or add a
98 surcharge to customers outside of jurisdictional boundaries
99 which is greater than the actual costs of providing services at
100 locations more distal from central utility operations.

101 (6) A violation of this section shall be cause for the
102 withholding from the municipality's utility of any portion of
103 any state funds to which the utility may be entitled.

104 Section 3. Subsection (1) of section 180.191, Florida
105 Statutes, is amended to read:

106 180.191 Limitation on rates charged consumer outside city
107 limits.—

108 (1) Any municipality within this ~~the~~ state operating a
109 water or sewer utility outside of the boundaries of such
110 municipality shall charge consumers outside the boundaries
111 rates, fees, and charges determined in one of the following
112 manners:

113 (a) It may charge the same rates, fees, and charges as
114 consumers inside the municipal boundaries. ~~However, in addition~~
115 ~~thereto, the municipality may add a surcharge of not more than~~
116 ~~25 percent of such rates, fees, and charges to consumers outside~~

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117 ~~the boundaries.~~ Fixing of such rates, fees, and charges in this
118 manner may ~~shall~~ not require a public hearing except as may be
119 provided for service to consumers inside the municipality.

120 (b) It may charge rates, fees, and charges that are just
121 and equitable and which are based on the same factors used in
122 fixing the rates, fees, and charges for consumers inside the
123 municipal boundaries. ~~In addition thereto, the municipality may~~
124 ~~add a surcharge not to exceed 25 percent of such rates, fees,~~
125 ~~and charges for said services to consumers outside the~~
126 ~~boundaries. However, the total of all such rates, fees, and~~
127 charges for the services to consumers outside the boundaries may
128 ~~shall~~ not be more than 50 percent in excess of the rates, fees,
129 and charges ~~total amount~~ the municipality charges consumers
130 served within the municipality for corresponding service. ~~No~~
131 Such rates, fees, and charges may not ~~shall~~ be fixed until after
132 a public hearing at which all of the users of the water or sewer
133 systems; owners, tenants, or occupants of property served or to
134 be served thereby; and all others interested shall have an
135 opportunity to be heard concerning the proposed rates, fees, and
136 charges. Any change or revision of such rates, fees, or charges
137 may be made in the same manner as such rates, fees, or charges
138 were originally established, but if such change or revision is
139 to be made substantially pro rata as to all classes of service,
140 both inside and outside the municipality, no hearing or notice
141 shall be required.

142 Section 4. This act shall take effect July 1, 2026.