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1
2 An act relating to utility services; amending s.
3 180.19, F.S.; requiring that a new agreement, or an
4 extension, renewal, or material amendment of an
5 existing agreement, made by a municipal utility to
6 certain entities to provide certain utility services
7 at retail be in writing; requiring that certain public
8 meetings be held as a condition precedent to the
9 effectiveness of a new or extended agreement under
10 which a municipality will provide specified utility
11 services in other municipalities or unincorporated
12 areas; specifying requirements for such public
13 meetings; requiring that rates, fees, and charges
14 imposed for water or sewer utility services comply
15 with specified provisions; requiring a representative
16 from certain municipalities to annually conduct public
17 customer meetings; providing requirements for such
18 meetings; defining the terms "appointed
19 representative" and "governing body"; amending s.
20 180.191, F.S.; revising provisions relating to
21 permissible rates, fees, and charges imposed by
22 municipal water and sewer utilities on consumers
23 located outside the municipal boundaries; authorizing
24 a municipality to continue to impose a surcharge on
25 certain consumers for a specified purpose; requiring

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26 | the phase-out of such surcharges by the earlier of a
 27 | specified date or the retirement, expiration, or
 28 | refinancing of the applicable debt obligation;
 29 | creating s. 180.192, F.S.; requiring municipalities
 30 | that provide specified utility services to report
 31 | certain information by a specified date, and annually
 32 | thereafter, to the Florida Public Service Commission;
 33 | providing requirements for such information; providing
 34 | penalties; requiring the commission to compile such
 35 | information and submit a report by a specified date,
 36 | and annually thereafter, to the Governor and the
 37 | Legislature; authorizing commission jurisdiction over
 38 | specified utilities; providing construction;
 39 | preempting to the state the subject of a regional
 40 | utilities authority; providing a declaration of an
 41 | important state interest; providing effective dates.

42 |

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

44 |

45 | Section 1. Subsection (3) is added to section 180.19,
 46 | Florida Statutes, to read:

47 | 180.19 Use by other municipalities and by individuals
 48 | outside corporate limits.—

49 | (3) (a) A new agreement, or an extension, renewal, or
 50 | material amendment of an existing agreement, to provide

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51 electric, water, natural gas, or sewer utility service by a
52 municipality to any other municipality or the owners or
53 association of owners of lots or lands outside of its corporate
54 limits or within the limits of any other municipality at retail
55 must be in writing. Such agreement may not become effective
56 before an appointed representative of the municipality that
57 provides the service or intends to provide the service, in
58 conjunction with the governing body of each municipality and
59 unincorporated area served or to be served, has participated in
60 a public meeting. Such meeting is not required to be a separate
61 public meeting, but it must be held within each municipality and
62 unincorporated area served or to be served for purposes of
63 providing information and soliciting public input on:

64 1. The nature of the services to be provided or changes to
65 the services being provided;

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

72 3. The extent to which revenues generated from the
73 provision of the services will be used to fund or finance
74 nonutility government functions or services; and

75 4. Any other matter deemed relevant by the parties to the

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76 | agreement.

77 | (b) Rates, fees, and charges imposed for water or sewer
78 | utility services provided pursuant to subsection (1) must comply
79 | with s. 180.191.

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

89 | (d) As used in this subsection, the term:

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

95 | 2. "Governing body" means:

96 | a. A governing body of a municipality in which services
97 | are provided or proposed to be extended; or

98 | b. A board of county commissioners of a county in which
99 | services are provided or proposed to be extended, if services
100 | are provided or proposed to be extended in an unincorporated

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101 area within the county.

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

104 180.191 Limitation on rates charged consumer outside city
105 limits.—

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

111 (a) It may charge the same rates, fees, and charges as
112 consumers inside the municipal boundaries. ~~However, in addition~~
113 ~~thereto, the municipality may add a surcharge of not more than~~
114 ~~25 percent of such rates, fees, and charges to consumers outside~~
115 ~~the boundaries.~~ Fixing of such rates, fees, and charges in this
116 manner may ~~shall~~ not require a public hearing except as may be
117 provided for service to consumers inside the municipality.

118 (b) It may charge rates, fees, and charges that are just
119 and equitable and which are based on the same factors used in
120 fixing the rates, fees, and charges for consumers inside the
121 municipal boundaries. ~~In addition thereto, the municipality may~~
122 ~~add a surcharge not to exceed 25 percent of such rates, fees,~~
123 ~~and charges for said services to consumers outside the~~
124 ~~boundaries. However, the total of all~~ Such rates, fees, and
125 charges for the services to consumers outside the boundaries may

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126 ~~shall~~ not be more than 25 ~~50~~ percent in excess of the rates,
 127 fees, and charges ~~total amount~~ the municipality charges
 128 consumers served within the municipality for corresponding
 129 service. ~~No~~ Such rates, fees, and charges may not ~~shall~~ be fixed
 130 until after a public hearing at which all of the users of the
 131 water or sewer systems; owners, tenants, or occupants of
 132 property served or to be served thereby; and all others
 133 interested shall have an opportunity to be heard concerning the
 134 proposed rates, fees, and charges. Any change or revision of
 135 such rates, fees, or charges may be made in the same manner as
 136 such rates, fees, or charges were originally established, but if
 137 such change or revision is to be made substantially pro rata as
 138 to all classes of service, both inside and outside the
 139 municipality, a ~~no~~ hearing or notice is not ~~shall be~~ required.

140 (c) In addition to the rates, fees, and charges authorized
 141 under this section, a municipality may continue to impose a
 142 surcharge on consumers outside the municipal boundaries if the
 143 surcharge was in effect before March 1, 2026, but only to the
 144 extent necessary to comply with the terms of bond covenants in
 145 effect as of July 1, 2024. Such surcharges must be phased out by
 146 July 1, 2029, or upon the retirement, expiration, or refinancing
 147 of the applicable debt obligation, whichever occurs earlier.

148 Section 3. Effective July 1, 2026, section 180.192,
 149 Florida Statutes, is created to read:

150 180.192 Reporting requirements related to municipal

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151 utility service.-

152 (1) By January 1, 2027, and annually thereafter, each
153 municipality that provides electric, water, natural gas, or
154 sewer utility services outside of its municipal boundaries shall
155 provide a report to the Florida Public Service Commission which
156 identifies, for each type of utility service provided by the
157 municipality:

158 (a) The number and percentage of customers that receive
159 utility services provided by the municipality at a location
160 outside the boundaries of the municipality;

161 (b) The volume and percentage of sales made to such
162 customers, and the gross revenues generated from such sales;

163 (c) Whether the rates, fees, and charges imposed on
164 customers that receive services at a location outside the
165 municipality's boundaries are different than the rates, fees,
166 and charges imposed on customers within the boundaries of the
167 municipality, and, if so, the amount and percentage of the
168 differential; and

169 (d) The percentage of revenues generated from the
170 provision of utility services that were used to fund or finance
171 nonutility government functions or services of the municipality,
172 and the percentage of the municipality's nonutility budget that
173 was funded by such revenues.

174

175 A municipality that fails to file the report required by this

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176 subsection is subject to the penalties provided in ss. 366.095
 177 and 367.161.

178 (2) By March 31, 2027, and annually thereafter, the
 179 commission shall compile the information provided pursuant to
 180 subsection (1) and submit a report containing that information
 181 to the Governor, the President of the Senate, and the Speaker of
 182 the House of Representatives.

183 (3) Notwithstanding s. 367.171, the commission shall have
 184 jurisdiction over all utilities identified in subsection (1) for
 185 the limited purpose of enforcing the requirements of this
 186 section. This section does not otherwise modify or extend the
 187 authority of the commission provided by law with respect to any
 188 municipal utility that is required to comply with subsection
 189 (1).

190 Section 4. (1) The subject of a regional utilities
 191 authority created by the Legislature through charter amendment
 192 after January 1, 2023, is expressly preempted to the state.

193 (2) This section shall take effect upon this act becoming
 194 a law.

195 Section 5. The Legislature finds and declares that this
 196 act fulfills an important state interest.

197 Section 6. Except as otherwise expressly provided in this
 198 act and except for this section, which shall take effect upon
 199 becoming a law, this act shall take effect July 1, 2027.