

By Senator Martin

33-01421-26

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A bill to be entitled
An act relating to utility services; amending s.
180.19, F.S.; requiring certain public meetings as a
condition precedent to the effectiveness of a new or
extended agreement under which a municipality will
provide specified utility services in other
municipalities or unincorporated areas; requiring that
such agreements be written; specifying the matters to
be addressed at such public meetings; requiring annual
public customer meetings; defining the terms
"appointed representative" and "governing body";
limiting the portion of certain utility revenues which
a municipality may use to fund or finance general
government functions; requiring that excess revenues
be reinvested into the municipal utility or returned
to customers; amending s. 180.191, F.S.; revising
provisions relating to permissible rates, fees, and
charges imposed by municipal water and sewer utilities
on customers located outside the municipal boundaries;
creating s. 180.192, F.S.; requiring municipalities
that provide specified utility services to report
certain information by a specified date, and annually
thereafter, to the Florida Public Service Commission;
requiring the commission to compile such information
and submit a report by a specified date, and annually
thereafter, to the Governor and the Legislature;
providing construction; providing effective dates.

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

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Section 1. Subsections (3) and (4) are added to section 180.19, Florida Statutes, to read:

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

(3) (a) A new agreement, or an extension, renewal, or material amendment of an existing agreement, to provide electric, natural gas, water, or sewer utility service at retail pursuant to subsection (1) must be written. Such agreement may not become effective before an appointed representative of the municipality that provides the service or intends to provide service, in conjunction with the governing body of each municipality and unincorporated area served or to be served, has participated in a public meeting, which is not required to be a separate public meeting, within each municipality and unincorporated area served or to be served for purposes of providing information and soliciting public input on:

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

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

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

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

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59 agreement.

60 (b) Rates, fees, and charges imposed for water or sewer
61 utility services provided pursuant to subsection (1) must comply
62 with s. 180.191.

63 (c) A representative of each municipality that provides
64 electric, natural gas, water, or sewer utility services pursuant
65 to subsection (1), in conjunction with the governing body of
66 each municipality and unincorporated area in which it provides
67 services, shall annually conduct a public customer meeting,
68 which is not required to be a separate public meeting, within
69 each municipality and unincorporated area for purposes of
70 soliciting public input on utility-related matters, including
71 fees, rates, charges, and services.

72 (d) For purposes of this subsection, the term:

73 1. "Appointed representative" means an executive-level
74 leadership employee of a municipality, or of such municipality's
75 related and separate utility authority, board, or commission,
76 specifically appointed by the governing body to serve as its
77 representative for the purposes of this subsection.

78 2. "Governing body" means a:

79 a. Governing body of a municipality in which services are
80 provided or proposed to be extended; or

81 b. Board of county commissioners of a county in which
82 services are provided or proposed to be extended, if services
83 are provided or proposed to be extended in an unincorporated
84 area within the county.

85 (4) A municipality that generates revenue from the
86 provision of electric, natural gas, water, or sewer utility
87 services to locations beyond its corporate limits may not use

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more than 10 percent of the gross revenues generated from such services to fund or finance general government functions. After the transfer of such revenues to fund or finance general government functions, if any revenues generated from such services remain after payment of the municipal utility's costs to provide services, these excess revenues must be reinvested into the municipal utility or returned to customers who received service at locations beyond the municipality's corporate limits.

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

180.191 Limitation on rates charged consumer outside city limits.—

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

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

(b)1. It may charge rates, fees, and charges that are just and equitable and which are based on the same factors used in fixing the rates, fees, and charges for consumers inside the municipal boundaries. ~~In addition thereto, the municipality may add a surcharge not to exceed 25 percent of such rates, fees,~~

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

134 2. Any municipality within this state operating a water or
135 sewer utility that provides services to consumers within the
136 boundaries of a separate municipality through the use of a water
137 treatment plant or sewer treatment plant located within the
138 boundaries of that separate municipality may charge consumers in
139 the separate municipality no more than the rates, fees, and
140 charges imposed on consumers inside its own municipal
141 boundaries.

142 Section 3. Effective July 1, 2027, section 180.192, Florida
143 Statutes, is created to read:

144 180.192 Reporting requirements related to municipal utility
145 service.—

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146 (1) By January 1, 2028, and annually thereafter, each
147 municipality that provides electric, natural gas, water, or
148 sewer utility services pursuant to s. 180.191(1) shall provide a
149 report to the Florida Public Service Commission which
150 identifies, for each type of utility service provided by the
151 municipality:

152 (a) The number and percentage of customers that receive
153 utility services provided by the municipality at a location
154 outside the boundaries of the municipality;

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

157 (c) Whether the rates, fees, and charges imposed on
158 customers that receive services at a location outside the
159 municipality's boundaries are different than the rates, fees,
160 and charges imposed on customers within the boundaries of the
161 municipality, and, if so, the amount and percentage of the
162 differential.

163 (2) By March 31, 2028, and annually thereafter, the
164 commission shall compile the information provided pursuant to
165 subsection (1) and submit a report containing this information
166 to the Governor, the President of the Senate, and the Speaker of
167 the House of Representatives.

168 (3) This section does not modify or extend the authority of
169 the commission otherwise provided by law with respect to any
170 municipal utility that is required to comply with subsection
171 (1).

172 Section 4. Except as otherwise expressly provided in this
173 act, this act shall take effect July 1, 2026.