

By the Committee on Regulated Industries; and Senator Martin

580-02457-26

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A bill to be entitled

An act relating to utility services; amending s. 180.19, F.S.; requiring that a new agreement, or an extension, renewal, or material amendment of an existing agreement, to provide certain utility services at retail be in writing; requiring that certain public meetings be held 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; specifying requirements for such public meetings; requiring rates, fees, and charges imposed for water or sewer utility services to comply with specified provisions; requiring a representative from certain municipalities to annually conduct public customer meetings; providing requirements for such meetings; defining the terms "appointed representative" and "governing body"; amending s. 180.191, F.S.; revising provisions relating to permissible rates, fees, and charges imposed by municipal water and sewer utilities on consumers located outside the municipal boundaries; authorizing a municipality to continue to impose a surcharge on certain consumers for a specified purpose; requiring the phase-out of such surcharges upon retirement, expiration, or refinancing of the applicable debt obligation; creating s. 180.192, F.S.; requiring municipalities that provide specified utility services to report certain information by a specified date, and

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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; authorizing commission jurisdiction over specified utilities; providing construction; providing effective dates.

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

Section 1. Subsection (3) is 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, water, or sewer utility service at retail pursuant to subsection (1) must be in writing. 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. Such meeting is not required to be a separate public meeting, but it must be held 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

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

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

67 4. Any other matter deemed relevant by the parties to the  
68 agreement.

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

72 (c) A representative of each municipality that provides  
73 electric, water, or sewer utility services pursuant to  
74 subsection (1), in conjunction with the governing body of each  
75 municipality and unincorporated area in which it provides  
76 services, shall annually conduct a public customer meeting. Such  
77 meeting is not required to be a separate public meeting, but  
78 must be held within each municipality and unincorporated area  
79 for purposes of soliciting public input on utility-related  
80 matters, including fees, rates, charges, and services.

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

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

87 2. "Governing body" means a:

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

90        b. Board of county commissioners of a county in which  
91 services are provided or proposed to be extended, if services  
92 are provided or proposed to be extended in an unincorporated  
93 area within the county.

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

96        180.191 Limitation on rates charged consumer outside city  
97 limits.—

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

103        (a) It may charge the same rates, fees, and charges as  
104 consumers inside the municipal boundaries. ~~However, in addition~~  
105 ~~thereto, the municipality may add a surcharge of not more than~~  
106 ~~25 percent of such rates, fees, and charges to consumers outside~~  
107 ~~the boundaries.~~ Fixing of such rates, fees, and charges in this  
108 manner may ~~shall~~ not require a public hearing except as may be  
109 provided for service to consumers inside the municipality.

110        (b) It may charge rates, fees, and charges that are just  
111 and equitable and which are based on the same factors used in  
112 fixing the rates, fees, and charges for consumers inside the  
113 municipal boundaries. ~~In addition thereto, the municipality may~~  
114 ~~add a surcharge not to exceed 25 percent of such rates, fees,~~  
115 ~~and charges for said services to consumers outside the~~  
116 ~~boundaries. However, the total of all~~ Such rates, fees, and

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

132 (c) Notwithstanding paragraphs (a) and (b), a municipality  
133 may continue to impose a surcharge on consumers outside the  
134 municipal boundaries only to the extent necessary to comply with  
135 the terms of bond covenants in effect as of July 1, 2024. Such  
136 surcharges must be phased out upon retirement, expiration, or  
137 refinancing of the applicable debt obligation.

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

140 180.192 Reporting requirements related to municipal utility  
141 service.—

142 (1) By January 1, 2028, and annually thereafter, each  
143 municipality that provides electric, water, or sewer utility  
144 services outside of its municipal boundaries shall provide a  
145 report to the Florida Public Service Commission which

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146 identifies, for each type of utility service provided by the  
147 municipality:

148 (a) The number and percentage of customers that receive  
149 utility services provided by the municipality at a location  
150 outside the boundaries of the municipality;

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

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

159 (2) By March 31, 2028, and annually thereafter, the  
160 commission shall compile the information provided pursuant to  
161 subsection (1) and submit a report containing that information  
162 to the Governor, the President of the Senate, and the Speaker of  
163 the House of Representatives.

164 (3) Notwithstanding s. 367.171, the commission shall have  
165 jurisdiction over all utilities identified in subsection (1) for  
166 the limited purpose of enforcing the requirements of this  
167 section. This section does not otherwise modify or extend the  
168 authority of the commission provided by law with respect to any  
169 municipal utility that is required to comply with subsection  
170 (1).

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