

By the Committees on Community Affairs; and Regulated Industries; and Senator Martin

578-02732-26

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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

578-02732-26

20261724c2

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, natural gas, 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 the 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;

578-02732-26

20261724c2

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

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

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

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

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

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

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

578-02732-26

20261724c2

88 2. "Governing body" means a:

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

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

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

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

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

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

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

578-02732-26

20261724c2

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

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

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

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

143 (1) By January 1, 2028, and annually thereafter, each
144 municipality that provides electric, water, natural gas, or
145 sewer utility services outside of its municipal boundaries shall

578-02732-26

20261724c2

146 provide a report to the Florida Public Service Commission which
147 identifies, for each type of utility service provided by the
148 municipality:

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

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

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

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

165 (3) Notwithstanding s. 367.171, the commission shall have
166 jurisdiction over all utilities identified in subsection (1) for
167 the limited purpose of enforcing the requirements of this
168 section. This section does not otherwise modify or extend the
169 authority of the commission 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.