

1 A bill to be entitled
2 An act relating to municipal utilities; creating s.
3 366.16, F.S.; authorizing a municipality to transfer a
4 portion of its public utility earnings to its general
5 fund for specified purposes; setting forth the
6 percentages of such transfers based on whether the
7 public utilities are supplied to customers located
8 within or outside the municipality; requiring that
9 such percentages be established or reestablished by
10 local referendum, subject to majority vote; providing
11 an exception to percentage restrictions in the event
12 of a disaster or emergency; authorizing such
13 percentages to be established by passage of a
14 resolution, by four-fifths vote; requiring such
15 percentages to be repaid to the general fund within a
16 specified time period; prohibiting a municipality from
17 transferring a portion of its public utility earnings
18 in certain instances; prohibiting a municipality from
19 receiving certain state funds if such a prohibited
20 transfer is effected; requiring specified disclosure
21 in the budget and financial report of a municipality;
22 providing an effective date.

23
24 Be It Enacted by the Legislature of the State of Florida:
25

26 **Section 1. Section 366.16, Florida Statutes, is created to**
27 **read:**

28 366.16 Public utility earnings transfers by a
29 municipality; percentage of transfers; prohibition; disclosure
30 requirement.-

31 (1) A municipality or an agency thereof that is regulated
32 by this chapter pursuant to s. 366.04 may transfer a portion of
33 its public utility earnings to the general fund of the
34 municipality for public utility purposes.

35 (2) If the public utilities are supplied to customers
36 located within the municipality, the percentage of transfers
37 authorized by subsection (1) shall be in a fixed amount not to
38 exceed 10 percent of the municipality's or agency's general
39 fund. The amount shall be stated as a percentage of the
40 municipality's or agency's general fund that may be supported by
41 transfers.

42 (3) If the public utilities are supplied to customers
43 located outside the municipality, the percentage of transfers
44 authorized by subsection (1) shall be in a variable amount not
45 to exceed 10 percent of the municipality's or agency's general
46 fund. The amount shall be based on the percentage of customers
47 located outside the municipal boundaries and shall decrease as
48 the percentage of customers located outside the municipal
49 boundaries increases.

50 (4) The amount of percentage of transfers authorized by

51 subsection (1) shall be established or reestablished by local
52 referendum, subject to a majority vote of customers located
53 within and outside a municipality voting in the referendum.

54 (5) The restriction of 10 percent in subsection (2) and
55 subsection (3) does not apply in the event of a disaster or
56 emergency such that a state of emergency is declared by the
57 Governor pursuant to chapter 252. In such instances, the
58 governing body of a municipality may, by passage of a resolution
59 by four-fifths vote, adopt the amount of percentage of
60 transfers. Any such amount of percentage of transfers adopted
61 that exceeds the restriction of 10 percent in subsection (2) and
62 subsection (3) shall be repaid to the general fund within 3
63 fiscal years.

64 (6) A municipality or an agency thereof that is regulated
65 by this chapter pursuant to s. 366.04 may not transfer a portion
66 of its public utility earnings to the general fund of the
67 municipality or agency thereof for nonpublic utility purposes,
68 including, but not limited to:

69 (a) Any restricted revenues.

70 (b) Grant funds designated for specific capital or
71 operational purposes.

72 (c) Any revenues from impact fees.

73 (d) Any proceeds from debt, including bonds, notes, or
74 loans.

76 A municipality that transfers a portion of its public utility
77 earnings to the general fund of the municipality for nonpublic
78 utility purposes may not receive state funds for infrastructure
79 projects under chapter 216.

80 (7) A municipality, or an agency thereof, that transfers a
81 portion of its public utility earnings to the general fund of
82 the municipality pursuant to this section shall disclose in its
83 annual budget and financial report:

84 (a) The amount of percentage of transfers.

85 (b) The percentage such amount represents of public
86 utility earnings.

87 (c) The purpose of and reason for the transfer.

88 **Section 2.** This act shall take effect July 1, 2026.