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1	A bill to be entitled
2	An act relating to municipal utilities; amending s.
3	166.201, F.S.; authorizing a municipality to fund or
4	finance general government functions with a portion of
5	revenues from utility operations; establishing limits
6	on utility revenue transfers for municipal utilities;
7	amending s. 180.191, F.S.; modifying provisions
8	relating to permissible rates, fees, and charges
9	imposed by municipal water and sewer utilities on
10	customers located outside the municipal boundaries;
11	providing an effective date.
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13	Be It Enacted by the Legislature of the State of Florida:
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15	Section 1. Section 166.201, Florida Statutes, is amended
16	to read:
17	166.201 Taxes and charges
18	(1) A municipality may raise, by taxation and licenses
19	authorized by the constitution or general law, or by user
20	charges or fees authorized by ordinance, amounts of money which
21	are necessary for the conduct of municipal government and may
22	enforce their receipt and collection in the manner prescribed by
23	ordinance not inconsistent with law.
24	(2)(a) A municipality that owns and operates an electric,
25	natural gas, water, or wastewater utility may fund or finance
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26 general government functions using a portion of the revenues 27 generated from rates, fees, and charges for the provision of 28 such utility service. The portion of utility revenues that may 29 be used during a fiscal year to fund or finance general 30 government functions, after payment of all utility expenses, may 31 not exceed: 32 1. For revenues generated from electric utility operations, a transfer rate equal to the amount derived by 33 34 applying the average of the midpoints of the rates of return on 35 equity approved by the Public Service Commission for each 36 investor-owned electric utility in the state to the municipal 37 electric utility's revenues. 38 2. For revenues generated from natural gas utility 39 operations, a transfer rate equal to the amount derived by 40 applying the average of the midpoints of the rates of return on 41 equity approved by the Public Service Commission for each 42 investor-owned natural gas utility in the state to the municipal 43 natural gas utility's revenues. 44 3. For revenues generated from water or wastewater 45 operations, a transfer rate equal to the amount derived by 46 applying the rate of return on equity established by the Public 47 Service Commission under s. 367.081(4)(f) to the revenues of the 48 municipal water or wastewater utility. 49 (b) Except as provided in paragraph (c), the transfer rate 50 applied to municipal utility revenues under subparagraphs (a)1.-

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51 3. shall be reduced as follows: 52 1. If more than 15 percent of a municipal utility's retail 53 customers, as measured by total meters served, are located 54 outside the municipal boundaries, the transfer rate applied to 55 utility revenues shall be reduced by 150 basis points. 56 2. If more than 30 percent of a municipal utility's retail 57 customers, as measured by total meters served, are located outside the municipal boundaries, the transfer rate applied to 58 59 utility revenues shall be reduced by 300 basis points. 60 3. If more than 45 percent of a municipal utility's retail 61 customers, as measured by total meters served, are located outside the municipal boundaries, the transfer rate applied to 62 63 utility revenues shall be reduced by 450 basis points. 64 (c) The reductions specified in paragraph (b) do not apply 65 to a municipal utility service if the utility service is 66 governed by a utility authority board that, through the election 67 of voting members from outside the municipal boundaries, 68 provides for representation of retail customers located outside 69 the municipal boundaries approximately proportionate to the 70 percentage of such customers, as measured by total meters 71 served, that receive service from the utility. 72 Section 2. Subsection (1) of section 180.191, Florida 73 Statutes, is amended to read: 74 180.191 Limitation on rates charged consumer outside city 75 limits.-

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(1) Any municipality within 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 shall not require a public hearing except as may be
provided for service to consumers inside the municipality.

87 (b)1. It may charge rates, fees, and charges that are just 88 and equitable and which are based on the same factors used in 89 fixing the rates, fees, and charges for consumers inside the 90 municipal boundaries. In addition thereto, the municipality may 91 add a surcharge not to exceed 25 percent of such rates, fees, 92 and charges for said services to consumers outside the 93 boundaries. However, the total of all Such rates, fees, and 94 charges for the services to consumers outside the boundaries may 95 shall not exceed 25 be more than 50 percent in excess of the 96 total amount the municipality charges consumers served within 97 the municipality for corresponding service. No such rates, fees, 98 and charges shall be fixed until after a public hearing at which 99 all of the users of the water or sewer systems; owners, tenants, or occupants of property served or to be served thereby; and all 100

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101 others interested shall have an opportunity to be heard 102 concerning the proposed rates, fees, and charges. Any change or 103 revision of such rates, fees, or charges may be made in the same 104 manner as such rates, fees, or charges were originally 105 established, but if such change or revision is to be made 106 substantially pro rata as to all classes of service, both inside 107 and outside the municipality, no hearing or notice shall be 108 required. 109 2. Any municipality within the state operating a water or sewer utility that provides service to consumers within the 110 111 boundaries of a separate municipality through the use of a water 112 treatment plant or sewer treatment plant located within the 113 boundaries of that separate municipality may charge consumers in 114 the separate municipality no more than the rates, fees, and 115 charges imposed on consumers inside its own municipal 116 boundaries. 117 Section 3. This act shall take effect July 1, 2025.

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