

## Council Substitute for House Bill No. 589

An act relating to local government utilities assistance; providing a short title; providing legislative findings; providing definitions; establishing a pilot Local Government Utilities Assistance Program; providing for administration by the Department of Environmental Protection; providing for criteria for acquiring certain private water-wastewater utilities; requiring the Department of Environmental Protection to submit a report on the pilot program to the Governor and Legislature; providing an appropriation to the Department of Environmental Protection to develop a model to analyze infrastructure costs; providing an effective date.

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

Section 1. Short title.—This act may be cited as the “Local Government Utilities Assistance Act.”

Section 2. Legislative findings; intent.—The Legislature finds that in many areas of the state the condition or operation of privately owned water-wastewater utility systems and facilities create a present or potential threat to the environment or to the health of the utility customers. It is therefore the intent of the Legislature to establish a pilot program to assist local governments in acquiring privately owned water-wastewater utilities. It is the further intent of the Legislature that the Department of Environmental Protection evaluate and report to the President of the Senate and the Speaker of the House of Representatives on this pilot program and on the need to expand the program to address the acquisition or consolidation of publicly owned water-wastewater utilities that threaten the environment or public health.

Section 3. Definitions.—As used in this act:

(1) “Community standards” means, with respect to water and sewer utility rates, rates that are on a par with other rates in the county, or similar utility jurisdictions in surrounding counties, after accounting for relative household incomes or other measures of affordability and size of customer base, all as may be further defined by department rule.

(2) “Department” means the Department of Environmental Protection.

(3) “Privately owned water-wastewater utility” means a water or wastewater utility whose utility assets are privately owned.

Section 4. Local Government Utilities Assistance Program; state assistance.—The Local Government Utilities Assistance Program is established in the department. The department may award financial assistance to a local government in the form of a grant for the purpose of acquiring privately owned water-wastewater utilities. A local government may qualify for financial assistance if the local government documents to the department that the

privately owned water-wastewater utility the local government intends to acquire meets the following criteria:

(1) The quality of water or wastewater service provided by the privately owned water-wastewater utility is consistently inadequate to meet public health or water quality standards.

(2)(a) The privately owned water-wastewater utility cannot make the improvements necessary to alleviate the public health or water quality threats through its own resources without increasing its rates for services to an amount beyond that which is commensurate with community standards;

(b) Operation of the privately owned water-wastewater utility represents a public health or water quality threat that would be more effectively addressed through public management or ownership, as demonstrated through a feasibility determination provided by the applicant for financial assistance to the department, that takes into account economic, managerial, and administrative considerations; or

(c) The private utility desires to sell.

Section 5. Acquisition of privately owned water-wastewater utility.—If the applicant for financial assistance demonstrates, based on documentation acceptable to the department, that acquisition of a privately owned water-wastewater utility qualifies under section 4, the department may authorize financial assistance for such acquisition.

Section 6. By January 1, 2004, the department shall provide to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report on the Pasco County pilot program. The report also shall evaluate the need to expand the Local Government Utilities Assistance Program to address the acquisition or consolidation of publicly owned water-wastewater utilities that threaten water quality or public health. The report shall recommend any statutory changes necessary to implement the Local Government Utilities Assistance Program and identify any rules that would be useful in implementing the program.

Section 7. The sum of \$500,000 in nonrecurring revenue is appropriated from the General Revenue Fund to the Department of Environmental Protection to facilitate the development of a uniform fiscal impact analysis model to assist local governments to evaluate the cost of infrastructure to support development.

Section 8. This act shall take effect July 1, 2001.

Approved by the Governor June 13, 2001.

Filed in Office Secretary of State June 13, 2001.