

CHAPTER 2026-135

Committee Substitute for Committee Substitute for House Bill No. 1451

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, made by a municipal utility to certain entities 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 that rates, fees, and charges imposed for water or sewer utility services 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 by the earlier of a specified date or the 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 annually thereafter, to the Florida Public Service Commission; providing requirements for such information; providing penalties; 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; preempting to the state the subject of a regional utilities authority; providing a declaration of an important state interest; 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 by a municipality to any other municipality or the owners or association of owners of lots or lands outside of its corporate limits or within the limits of any other municipality at retail 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;

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

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

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

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

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

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

1. “Appointed representative” means an executive-level leadership employee of a municipality, or of such municipality’s related and separate utility authority, board, or commission, specifically appointed by the governing body to serve as its representative for the purposes of this subsection.

2. “Governing body” means:

a. A governing body of a municipality in which services are provided or proposed to be extended; or

b. A board of county commissioners of a county in which services are provided or proposed to be extended, if services are provided or proposed to be extended in an unincorporated area within the county.

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

180.191 Limitation on rates charged consumer outside city limits.—

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

(b) It may charge rates, fees, and charges that are just and equitable and which are based on the same factors used in fixing the rates, fees, and charges for consumers inside the municipal boundaries. ~~In addition thereto, the municipality may add a surcharge not to exceed 25 percent of such rates, fees, and charges for said services to consumers outside the boundaries. However, the total of all Such rates, fees, and charges for the services to consumers outside the boundaries may shall not be more than 25 50 percent in excess of the rates, fees, and charges total amount the municipality charges consumers served within the municipality for corresponding service. No Such rates, fees, and charges may not shall be fixed until after a public hearing at which all of the users of the water or sewer systems; owners, tenants, or occupants of property served or to be served thereby; and all others interested shall have an opportunity to be heard concerning the proposed rates, fees, and charges. Any change or revision of such rates, fees, or charges may be made in the same manner as such rates, fees, or charges were originally established, but if such change or revision is to be made substantially pro rata as to all classes of service, both inside and outside the municipality, a hearing or notice is not shall be required.~~

(c) In addition to the rates, fees, and charges authorized under this section, a municipality may continue to impose a surcharge on consumers outside the municipal boundaries if the surcharge was in effect before March 1, 2026, but only to the extent necessary to comply with the terms of bond covenants in effect as of July 1, 2024. Such surcharges must be phased out by July 1, 2029, or upon the retirement, expiration, or refinancing of the applicable debt obligation, whichever occurs earlier.

Section 3. Effective July 1, 2026, section 180.192, Florida Statutes, is created to read:

180.192 Reporting requirements related to municipal utility service.—

(1) By January 1, 2027, and annually thereafter, each municipality that provides electric, water, natural gas, or sewer utility services outside of its municipal boundaries shall provide a report to the Florida Public Service Commission which identifies, for each type of utility service provided by the municipality:

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

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

(c) Whether the rates, fees, and charges imposed on customers that receive services at a location outside the municipality’s boundaries are different than the rates, fees, and charges imposed on customers within the boundaries of the municipality, and, if so, the amount and percentage of the differential; and

(d) The percentage of revenues generated from the provision of utility services that were used to fund or finance nonutility government functions or services of the municipality, and the percentage of the municipality’s nonutility budget that was funded by such revenues.

A municipality that fails to file the report required by this subsection is subject to the penalties provided in ss. 366.095 and 367.161.

(2) By March 31, 2027, and annually thereafter, the commission shall compile the information provided pursuant to subsection (1) and submit a report containing that information to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

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

Section 4. (1) The subject of a regional utilities authority created by the Legislature through charter amendment after January 1, 2023, is expressly preempted to the state.

(2) This section shall take effect upon this act becoming a law.

Section 5. The Legislature finds and declares that this act fulfills an important state interest.

Section 6. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon becoming a law, this act shall take effect July 1, 2027.

Approved by the Governor June 11, 2026.

Filed in Office Secretary of State June 11, 2026.