1988

Session Law 88-301

Florida Senate & House of Representatives

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LEGISLATIVE SUPPLEMENT "B" - SESSION LAW ABSTRACT

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COMMITTEE RECORDS

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Senate/House Journals

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Other Documentation

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A bill to be entitled
An act relating to municipal public works;
amending s. 180.191, F.S., relating to the
limitation on water and sewer rates charged
consumers outside city limits; revising
provisions which exempt certain home rule
counties from the operation of the section to
allow certain municipalities in said counties
to operate under the rate limitations and
restrictions of general law, rather than under
county regulation; providing conditions;
providing for construction; providing an
effective date.

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

Section 1. Subsection (4) of section 180.191, Florida
Statutes, is amended to read:

180.191 Limitation on rates charged consumer outside
city limits.--

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
manner:

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.

(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 such rates, fees, and charges for said services to consumers outside the boundaries shall not be more than 50 percent in excess of the total amount the municipality charges consumers served within the municipality for corresponding service. No such rates, fees and charges 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 be made substantially pro rata as to all classes of service, no hearing or notice shall be required.

(2) Whenever any municipality has engaged, or there are reasonable grounds to believe that any municipality is about to engage, in any act or practice prohibited by subsection (1), a civil action for preventive relief, including application for a permanent or temporary injunction, restraining order, or other order, may be instituted by the person or persons aggrieved.
(3) This section shall apply to municipally owned water and sewer utilities within the confines of a single county.

(4)(a) Except as provided in paragraph (b), this section shall not apply to a county operating under a home rule charter if said county has in operation under said charter an agency regulating water and sewer systems.

(b) The provisions of this section shall be applicable within a county as described in paragraph (a) with respect to any municipality operating a municipally owned water or sewer utility outside the boundaries of the municipality and within the confines of a single county, provided that:

1. The municipality was providing water or sewer service to consumers outside municipal boundaries prior to the date the county agency commenced regulation of the rates, fees, and/or charges for such water or sewer services;

2. The governing body of the municipality adopts an ordinance, under the authority of this section, modifying the current water and/or sewer system rate structure in such manner as may be necessary to bring the method of rate determination into compliance with the provisions of subsection (1) and declaring the municipality's exemption from county agency regulation of water and/or sewer rates, fees, and charges, which exemption shall take effect upon the effective date of said ordinance; and

3. The municipality remains in compliance with the provisions of subsection (1).

Nothing in this paragraph shall be construed to require eligible municipalities to so exempt themselves from county rate regulation or to subject municipal water or sewer utility...
See HB

rates, fees, and charges for services rendered within the boundaries of a municipality to regulation by a county agency, and any such rates, fees, and charges shall remain a matter of municipal determination in accordance with law.

(5) In any action commenced pursuant to this section, the court in its discretion may allow the prevailing party treble damages and, in addition, a reasonable attorney's fee as part of the cost.

Section 2. This act shall take effect upon becoming a law.

************************************************************

HOUSE SUMMARY

Modifies provisions of law exempting certain charter counties from limitations established by general law on the rates a municipal water and sewer utility may charge consumers outside city limits. Allows certain cities within said counties (those which were providing water/sewer services outside city limits prior to regulation by the county) to operate under the rate limitations and restrictions of general law, rather than under county rate regulations. Provides conditions.

CODING: Words stricken are deletions; words underlined are additions.
A bill to be entitled

An act relating to municipal public works;
amending s. 180.191, F.S., relating to the limitation on water and sewer rates charged consumers outside city limits; revising provisions which exempt certain home rule counties from the operation of the section to allow certain municipalities in said counties to operate under the rate limitations and restrictions of general law, rather than under county regulation; providing conditions; providing for construction; providing an effective date.

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

Section 1. Section 180.191, Florida Statutes, is amended to read:

180.191 Limitation on rates charged consumer outside city limits.--

(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.

(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 such rates,
fees, and charges for said services to consumers outside the
boundaries shall not be more than 50 percent in excess of the
total amount the municipality charges consumers served within
the municipality for corresponding service. No such rates,
fees, and charges 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 be made substantially pro rata as to all classes of
service, no hearing or notice shall be required.

(2) Whenever any municipality has engaged, or there
are reasonable grounds to believe that any municipality is
about to engage, in any act or practice prohibited by
subsection (1) or subsection (5), a civil action for
preventive relief, including application for a permanent or
temporary injunction, restraining order, or other order, may
be instituted by the person or persons aggrieved.

CODING: Words stricken are deletions; words underlined are additions.
(3) This section shall apply to municipally owned water and sewer utilities within the confines of a single county.

(4) This section shall not apply to a county operating under a home rule charter if said county has in operation under said charter an agency regulating water and sewer systems, except as provided in subsection (5).

(5)(a) Any municipality operating a municipally owned water and sewer utility and providing water and sewer service outside the boundaries of the municipality and within the confines of a single county, which municipality is eligible for and specifically exercises the exemption from county rate regulation as provided for in paragraph (b), shall charge consumers outside the boundaries the same rates, fees, and charges as consumers inside the municipal boundaries.

(b) The provisions of this section shall be applicable within a county who was regulating water and sewer rates on or before May 1, 1988, with respect to any municipality operating a municipally owned water and sewer utility outside the boundaries of the municipality and within the confines of a single county, provided that:

1. The municipality was providing water and sewer service to consumers outside municipal boundaries prior to the date the county agency commenced regulation of the rates, fees, and charges for such water or sewer services;

2. The governing body of the municipality adopts an ordinance, under the authority of this section, modifying the current water and sewer system rate structure in such manner as may be necessary to bring the method of rate determination into compliance with the provisions of this subsection and declaring the municipality's exemption from county agency regulation.
regulation of water and sewer rates, fees, and charges, which exemption shall take effect upon the effective date of said ordinance; and

3. The municipality remains in compliance with the provisions of this subsection.

Nothing in this subsection shall be construed to require eligible municipalities to so exempt themselves from county rate regulation or to subject municipal water or sewer utility rates, fees, and charges for services rendered within the boundaries of a municipality to regulation by a county agency, and any such rates, fees, and charges shall remain a matter of municipal determination in accordance with law.

In any action commenced pursuant to this section, the court in its discretion may allow the prevailing party treble damages and, in addition, a reasonable attorney's fee as part of the cost.

Section 2. This act shall take effect upon becoming a law.

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR Senate Bill 702

The bill allows a municipality, operating and providing municipally owned water and sewer services, within a county that was regulating water and sewer rates on or before May 1, 1988, to exercise an option to exempt itself from rate regulation in such counties. However, a municipality exercising the option to exempt itself from rate regulation shall charge consumers outside municipal boundaries the same rates, fees, and charges as consumers inside the municipal boundaries.

CODING: Words stricken are deletions; words underlined are additions.
I. SUMMARY:

A. Present Situation:

Presently, s.180.191, Florida Statutes, provides limitations on municipalities operating a water or sewer utility outside of the boundaries of such municipality, regarding the rates, fees, and charges which can be imposed on such consumers. In non-charter counties and those counties which do not operate an agency regulating water and sewer systems, municipalities may charge the same rates, fees, and charges to consumers outside its boundaries as to consumers inside its boundaries and may also charge up to an additional 25 percent of such rates, fees, and charges to consumers outside the boundaries. The purpose of such additional charge is to equalize ad valorem tax contributions made by municipal residents to support the utility system.

Subsection (4), however, states that the above does not apply to a county operating under a home rule charter if the county has in operation an agency regulating water and sewer. In that particular scenario, a municipality operating a water and sewer system both inside and outside municipal boundaries may not be able to establish equitable rates between those consumers located inside municipal boundaries and those located outside municipal boundaries. The municipality, in its charge to outside consumers, would be dependent on the posture of the county agency regulating water and sewer systems in the area. Thus, municipal consumers may be forced under certain circumstances to subsidize unincorporated consumers for water and sewer services.

B. Effect of Proposed Changes:

This bill modifies provisions of law exempting charter counties from limitations established by general law on the rates a municipally owned water or sewer utility may charge consumers outside city limits. The bill allows certain cities within said counties (those which were providing water/sewer services outside city limits prior to regulation by the county) to operate under the rate limitations and restrictions of general law (thereby allowing up to a 25 percent additional surcharge on rates charged to consumers in unincorporated areas), rather than under county rate regulations. The bill provides conditions.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

To the extent that municipalities are authorized to accomplish a more equitable rate structure, consumers both inside and outside of the municipal boundaries should benefit.
B. Government:

None

III. COMMENTS:

An identical HB 1035 has been filed for consideration during the 1988 legislative session.

IV. AMENDMENTS:

None.
I. SUMMARY:
A. Present Situation:

Presently, s.180.191, Florida Statutes, provides limitations on municipalities operating a water or sewer utility outside of the boundaries of such municipality, regarding the rates, fees, and charges which can be imposed on such consumers. In non-charter counties and those counties which do not operate an agency regulating water and sewer systems, municipalities may charge the same rates, fees, and charges to consumers outside its boundaries as to consumers inside its boundaries and may also charge up to an additional 25 percent of such rates, fees, and charges to consumers outside the boundaries. The purpose of such additional charge is to equalize ad valorem tax contributions made by municipal residents to support the utility system.

Subsection (4), however, states that the above does not apply to a county operating under a home rule charter if the county has in operation an agency regulating water and sewer. In that particular scenario, a municipality operating a water and sewer system both inside and outside municipal boundaries may not be able to establish equitable rates between those consumers located inside municipal boundaries and those located outside municipal boundaries. The municipality, in its charge to outside consumers, would be dependent on the posture of the county agency regulating water and sewer systems in the area. Thus, municipal consumers may be forced under certain circumstances to subsidize unincorporated consumers for water and sewer services.

B. Effect of Proposed Changes:

This bill modifies provisions of law exempting municipalities within charter counties from limitations established by general law on the rates a municipally owned water or sewer utility may charge consumers outside city limits. The bill allows a municipality, operating and providing municipally owned water and sewer services, within a county that was regulating water and sewer rates on or before May 1, 1988, to exercise an option to exempt itself from rate regulation in such counties. However, a municipality exercising the option to exempt itself from rate regulation shall charge consumers outside municipal boundaries the same rates, fees, and charges as consumers inside the municipal boundaries.

II. ECONOMIC IMPACT AND FISCAL NOTE:
A. Public:

To the extent that municipalities are authorized to accomplish a more equitable rate structure, consumers both inside and outside of the municipal boundaries should benefit.
B. Government:

None

III. COMMENTS:

An identical HB 1035 has been filed for consideration during the 1988 legislative session.

IV. AMENDMENTS:

None.
STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 702

The bill allows a municipality, operating and providing municipally owned water and sewer services, within a county that was regulating water and sewer rates on or before May 1, 1988, to exercise an option to exempt itself from rate regulation in such counties. However, a municipality exercising the option to exempt itself from rate regulation shall charge consumers outside municipal boundaries the same rates, fees, and charges as consumers inside the municipal boundaries.

Committee on Economic, Community and Consumer Affairs

[Signature]
Staff Director

(FILE THREE COPIES WITH THE SECRETARY OF THE SENATE)
I. SUMMARY:

Municipal utilities which operate within the confines of a single county are generally permitted to set higher rates for water and sewer service for outside customers than for city residents.

An exception to this is a municipal utility operating in a home rule county which has a county regulating authority. Such utilities may only charge outside customers those rates set by the regulatory authority. In some cases this is a rate below what municipal residents must pay for these services.

This bill allows some of these municipal utilities to charge customers outside of city limits the same rates for water and sewer service charged city customers.

A. PRESENT SITUATION:

The law presently allows many municipal public utilities to charge water and sewer customers who are outside city limits higher rates than those charged customers within the city.

A qualifying municipal utility can, without a public hearing, add a surcharge of as much as 25% for customers outside of city limits. With a public hearing, it can add a surcharge of as much as 50% for these customers.

There are two classes of municipal water or sewer utilities which do not qualify for this privilege. One excluded class
consists of those municipal utilities which do not operate within the confines of a single county. The other excluded utilities are those municipal utilities located in a county operating under a home rule charter when that county has an agency regulating water and sewer systems.

Dade County is under a home rule charter and has an agency regulating water and sewer systems. Therefore, municipal water and sewer utilities in Dade County which provide water or sewer services outside of their municipality are subject to the rates set for those customers by Dade County’s regulatory agency. That regulatory agency presently requires that the municipal utility of the City of North Miami provide its water and sewer services to its outside customers at rates below those it charges its municipal residents. City officials maintain that as a result of this its residents were subsidizing water and sewer services provided to other users.

B. EFFECT OF PROPOSED CHANGES:

This bill permits a municipally owned water and sewer system which provides both water and sewer service outside the boundaries of the municipality but within the boundaries of a single home rule county to charge its outside customers the same rates that it charges its city customers if:

1. The municipality was providing water and sewer service outside of city limits prior to the county authority commencing regulation in this area.

2. The county regulating authority, on or before May 1, 1988, regulated the rates which a municipal water and sewer company charged customers outside the boundaries of the municipality.

3. The municipal governing body adopts an ordinance declaring it exempt from rate regulation by the county authority and declaring that rates outside of city limits will equal rates charged customers within city limits.

The effect of this would be to allow the City of North Miami and perhaps other municipalities in the state to charge customers outside of their boundaries as much as they charge their city residents for these services.

However, this would not put these cities in a position equal to those municipalities which are presently able to charge customers outside of city limits a surcharge of as much as 25 or 50%.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:
1. Non-recurring or First Year Start-Up Effects:
   None.

2. Recurring or Annualized Continuation Effects:
   None.

3. Long Run Effects Other Than Normal Growth:
   None.

4. Appropriations Consequences:
   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:
   None.

2. Recurring or Annualized Continuation Effects:
   The City of North Miami estimates that its residents have been subsidizing outside customers by approximately $350,000 per year. This would cease under this bill.

3. Long Run Effects Other Than Normal Growth:
   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:
   Some of the impact of paying for various services provided by the city would shift from one group of customers to another. Customers outside of city limits would pay more of the costs. However, the total cost to the private sector should remain the same.

2. Direct Private Sector Benefits:
   Customers within city limits would benefit, but total private sector costs should remain the same.

3. Effects on Competition, Private Enterprise, and Employment Markets:
   None.

D. FISCAL COMMENTS:

   None.
III. LONG RANGE CONSEQUENCES:

None.

IV. COMMENTS:

Legislative History 1988 Session

A. Enacted Bill

SB 702 was filed by Senator Margolis on April 5, 1988. On April 14th it was introduced and referred to the Committee on Economic, Community and Consumer Affairs.

On April 27, 1988 the bill was reported as a committee substitute and placed on the calendar. As opposed to the version of the bill originally filed, which would have permitted the municipal utility to charge users outside municipal boundaries a 25% surcharge, the committee substitute only permits the utility to charge customers outside of the municipality the same rates as those charged municipal residents, the committee substitute narrowed the applicability of the bill to only those municipal utilities in charter counties operating both water and sewer utilities, rather than one or the other, outside the boundaries of the municipality.

On May 17, 1988 CS/SB 702 was passed by the Senate by a vote of 36-0. On May 23rd it was received by the House and placed on the Special Order Calendar. On June 2nd it was substituted for CS/HB 1035 and passed by the House by a vote of 104-6.

On July 6, 1988 it was approved by the Governor.

B. Disposition of Companion

HB 1035 was filed by Representative Gordon on April 5, 1988. On April 8th it was introduced and referred to the Regulated Industries & Licensing, Finance and Taxation, and Appropriations Committees. On April 12th Regulated Industries & Licensing subreferred it to the Subcommittee on Public Utilities. On April 20th the Subcommittee recommended it favorably as a proposed committee substitute.

On May 9th the Committee on Regulated Industries & Licensing reported it as a committee substitute. The reported CS contained the same modifications from the originally filed bill as were made in the Senate CS and described above.

On May 11th the CS was withdrawn from Finance and Taxation. On May 19th it was withdrawn from Appropriations and placed on the Calendar. On June 2nd CS/SB 702 was substituted for it and passed.

V. SIGNATURES:

SUBSTANTIVE COMMITTEE: 
Prepared by: 

Staff Director: 

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STANDARD FORM 5/88
Differences Between Proposed CS/SB 702 and SB 702
Relating to Municipal Public Works/Rate Limits

1. The proposed CS for SB 702 would change the allowable 25 percent surcharge increase to unincorporated consumers to a charge which is the same as the charge imposed on consumers inside municipal boundaries.

2. The bill would apply only to those municipalities in charter counties operating both water and sewer utilities outside the boundaries of the municipality and not those municipalities operating either water or sewer utilities.
Final Bill Summary for CS/SB 702

The bill passed the legislature and became law after approval by the Governor, chapter 88-301, Laws of Florida.

Presently, (and prior to passage of the bill) s.180.191, Florida Statutes, provides limitations on municipalities operating a water or sewer utility outside of the boundaries of such municipality, regarding the rates, fees, and charges which can be imposed on such consumers. In non-charter counties and those counties which do not operate an agency regulating water and sewer systems, municipalities may charge the same rates, fees, and charges to consumers outside its boundaries as to consumers inside its boundaries and may also charge up to an additional 25 percent of such rates, fees, and charges to consumers outside the boundaries. The purpose of such additional charge is to equalize ad valorem tax contributions made by municipal residents to support the utility system. Subsection (4), however, states that the above does not apply to a county operating under a home rule charter if the county has in operation an agency regulating water and sewer. In that particular scenario, a municipality operating a water and sewer system both inside and outside municipal boundaries may not be able to establish equitable rates between those consumers located inside municipal boundaries and those located outside municipal boundaries. The municipality, in its charge to outside consumers, would be dependent on the posture of the county agency regulating water and sewer systems in the area. Thus, municipal consumers may be forced under certain circumstances to subsidize unincorporated consumers for water and sewer services.

This bill modifies provisions of law exempting municipalities within charter counties from limitations established by general law on the rates a municipally owned water or sewer utility may charge consumers outside city limits. The bill allows a municipality, operating and providing municipally owned water and sewer services, within a county that was regulating water and sewer rates before May 1, 1988, to exercise an option to exempt itself from rate regulation in such counties. However, a municipality exercising the option to exempt itself from rate regulation shall charge consumers outside municipal boundaries the same rates, fees, and charges as consumers inside the municipal boundaries.

To the extent that municipalities are authorized to accomplish a more equitable rate structure, consumers both inside and outside of the municipal boundaries should benefit.
A bill to be entitled
An act relating to municipal public works;
amending s. 180.191, F.S., relating to the
limitation on water and sewer rates charged
consumers outside city limits; revising
provisions which exempt certain home rule
counties from the operation of the section to
allow certain municipalities in said counties
to operate under the rate limitations and
restrictions of general law, as provided
herein, rather than under county regulation;
providing conditions; providing for
construction; providing an effective date.

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

Section 1. Section 180.191, Florida Statutes, is
amended to read:

180.191 Limitation on rates charged consumer outside
city limits.--

(1) Except as provided in subsection (2), 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

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and charges in this manner 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 such rates, fees, and charges for said services to consumers outside the boundaries shall not be more than 50 percent in excess of the total amount the municipality charges consumers served within the municipality for corresponding service. No such rates, fees and charges 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 be made substantially pro rata as to all classes of service, no hearing or notice shall be required.

(2) Any municipality operating a municipally owned water and sewer utility and providing water and sewer service outside of the boundaries of the municipality and within the confines of a single county, which municipality is eligible for and specifically exercises the exemption from County rate regulation as provided for in Subsection (5)(b), shall charge
Proposed CS/SB 702

37-1187-88  SB 702

1. Consumers outside the boundaries the same rates, fees, and
   charges as consumers inside the municipal boundaries.

   (3)-(2) Whenever any municipality has engaged, or there
   are reasonable grounds to believe that any municipality is
   about to engage, in any act or practice prohibited by
   subsection (1) or (2), a civil action for preventive relief,
   including application for a permanent or temporary injunction,
   restraining order, or other order, may be instituted by the
   person or persons aggrieved.

   (4)-(3) This section shall apply to municipally owned
   water and sewer utilities within the confines of a single
   county.

   (5)-(4)(a) Except as provided in paragraph (b), this
   section shall not apply to a county operating under a home
   rule charter if said county has in operation under said
   charter an agency regulating water and sewer systems.

   (b) The provisions of this section shall be applicable
   within a county as described in paragraph (a) with respect to
   any municipality operating a municipally owned water and sewer
   utility outside the boundaries of the municipality and within
   the confines of a single county, provided that:

   1. The municipality was providing water and sewer
      service to consumers outside municipal boundaries prior to the
      date the county agency commenced regulation of the rates,
      fees, and/or charges for such water and sewer services;

   2. The governing body of the municipality adopts an
      ordinance, under the authority of this section, modifying the
      current water and sewer system rate structure in such manner
      as may be necessary to bring the method of rate determination
      into compliance with the provisions of subsection (2) and

CODING: Words stricken are deletions; words underlined are additions.
declaring the municipality's exemption from county agency
regulation of water and sewer rates, fees, and charges, which
exemption shall take effect upon the effective date of said
ordinance; and

1. The municipality remains in compliance with the
provisions of subsection (2).

Nothing in this paragraph shall be construed to require
eligible municipalities to so exempt themselves from county
rate regulation or to subject municipal water or sewer utility
rates, fees, and charges for services rendered within the
boundaries of a municipality to regulation by a county agency,
and any such rates, fees, and charges shall remain a matter of
municipal determination in accordance with law.

(6)(5) In any action commenced pursuant to this
section, the court in its discretion may allow the prevailing
party treble damages and, in addition, a reasonable attorney's
fee as part of the cost.

Section 2. This act shall take effect upon becoming a
law.
HOUSE SUMMARY

Modifies provisions of law exempting certain charter counties from limitations established by general law on the rates a municipal water and sewer utility may charge consumers outside city limits. Allows certain cities within said counties (those which were providing water/sewer services outside city limits prior to regulation by the county) to operate under the rate limitations and restrictions of general law, rather than under county rate regulations. Provides conditions.

CODING: Words struck are deletions; words underlined are additions.
A bill to be entitled

An act relating to municipal public works;

amending s. 180.191, F.S., relating to the

limitation on water and sewer rates charged

consumers outside city limits; revising

provisions which exempt certain home rule

counties from the operation of the section to

allow certain municipalities in said counties

to operate under rate limitations and

restrictions provided in said section, rather

than under county regulation, providing for

civil actions; providing conditions; providing

for construction; providing an effective date.

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

Section 1. Section 180.191, Florida Statutes, is

amended to read:

§180.191 Limitation on rates charged consumer outside
city limits.--

(1) Except as provided in subsection (2), 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

CODING: Words stricken are deletions; words underlined are additions.
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 such rates, fees, and charges for said services to consumers outside the boundaries shall not be more than 50 percent in excess of the total amount the municipality charges consumers served within the municipality for corresponding service. No such rates, fees and charges 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 be made substantially pro rata as to all classes of service, no hearing or notice shall be required.

(2) Any municipality operating a municipally owned water and sewer utility and providing water and sewer service outside of the boundaries of the municipality and within the confines of a single county, which municipality is eligible for and specifically exercises the exemption from county rate regulation as provided for in paragraph (5)(b), shall charge consumers outside the municipal boundaries the same rates.
Whenever any municipality has engaged, or there are reasonable grounds to believe that any municipality is about to engage, in any act or practice prohibited by subsection (1) or subsection (2), a civil action for preventive relief, including application for a permanent or temporary injunction, restraining order, or other order, may be instituted by the person or persons aggrieved.

This section shall apply to municipally owned water and sewer utilities within the confines of a single county.

Except as provided in paragraph (b), this section shall not apply to a county operating under a home rule charter if said county has in operation under said charter an agency regulating water and sewer systems.

The provisions of this section shall be applicable within a county as described in paragraph (a) with respect to any municipality operating a municipally owned water and sewer utility outside the boundaries of the municipality and within the confines of a single county, provided that:

1. The municipality was providing water and sewer service to consumers outside municipal boundaries prior to the date the county agency commenced regulation of the rates, fees, or charges for such water and sewer services;
2. The governing body of the municipality adopts an ordinance, under the authority of this section, modifying the current water and sewer system rate structure in such manner as may be necessary to bring the method of rate determination into compliance with the provisions of subsection (2) and declaring the municipality's exemption from county agency

CODING: Words stricken are deletions; words underlined are additions.
regulation of water and sewer rates, fees, and charges, which exemption shall take effect upon the effective date of said ordinance; and

3. The municipality remains in compliance with the provisions of subsection (2).

Nothing in this paragraph shall be construed to require eligible municipalities to so exempt themselves from county rate regulation or to subject municipal water or sewer utility rates, fees, and charges for services rendered within the boundaries of a municipality to regulation by a county agency, and any such rates, fees, and charges shall remain a matter of municipal determination in accordance with law.

In any action commenced pursuant to this section, the court in its discretion may allow the prevailing party treble damages and, in addition, a reasonable attorney's fee as part of the cost.

Section 2. This act shall take effect upon becoming a law.

CODING: Words stricken are deletions; words underlined are additions.
HOUSE SUMMARY

Modifies provisions of law exempting certain charter counties from limitations established by general law on the rates a municipal water and sewer utility may charge consumers outside city limits. Allows certain cities within said counties (those which were providing water/sewer services outside city limits prior to regulation by the county) to operate under rate limitations and restrictions provided by the act, rather than under county rate regulations. Provides for enforcement by civil action. Provides conditions.

CODING: Words stricken are deletions; words underlined are additions.
A bill to be entitled

An act relating to municipal public works; amending s. 180.191, F.S., relating to the limitation on water and sewer rates charged consumers outside city limits; revising provisions which exempt certain home rule counties from the operation of the section to allow certain municipalities in said counties to operate under the rate limitations and restrictions of general law, rather than under county regulation; providing conditions; providing for construction; providing an effective date.

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

Section 1. Subsection (4) of section 180.191, Florida Statutes, is amended to read:

180.191 Limitation on rates charged consumer outside city limits.--

(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.

(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 such rates,
fees, and charges for said services to consumers outside the
boundaries shall not be more than 50 percent in excess of the
total amount the municipality charges consumers served within
the municipality for corresponding service. No such rates,
fees and charges 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 be made substantially pro rata as to all classes of
service, no hearing or notice shall be required.

(2) Whenever any municipality has engaged, or there
are reasonable grounds to believe that any municipality is
about to engage, in any act or practice prohibited by
subsection (1), a civil action for preventive relief,
including application for a permanent or temporary injunction,
restraining order, or other order, may be instituted by the
person or persons aggrieved.
This section shall apply to municipally owned water and sewer utilities within the confines of a single county.

(a) Except as provided in paragraph (b), this section shall not apply to a county operating under a home rule charter if said county has in operation under said charter an agency regulating water and sewer systems.

(b) The provisions of this section shall be applicable within a county as described in paragraph (a) with respect to any municipality operating a municipally owned water or sewer utility outside the boundaries of the municipality and within the confines of a single county, provided that:

1. The municipality was providing water or sewer service to consumers outside municipal boundaries prior to the date the county agency commenced regulation of the rates, fees, and/or charges for such water or sewer services;

2. The governing body of the municipality adopts an ordinance, under the authority of this section, modifying the current water and/or sewer system rate structure in such manner as may be necessary to bring the method of rate determination into compliance with the provisions of subsection (1) and declaring the municipality's exemption from county agency regulation of water and/or sewer rates, fees, and charges, which exemption shall take effect upon the effective date of said ordinance, and

3. The municipality remains in compliance with the provisions of subsection (1).

Nothing in this paragraph shall be construed to require eligible municipalities to so exempt themselves from county rate regulation or to subject municipal water or sewer utility

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rates, fees, and charges for services rendered within the
boundaries of a municipality to regulation by a county agency,
and any such rates, fees, and charges shall remain a matter of
municipal determination in accordance with law.

(5) In any action commenced pursuant to this section,
the court in its discretion may allow the prevailing party
treble damages and, in addition, a reasonable attorney's fee
as part of the cost.

Section 2. This act shall take effect upon becoming a
law.

**************************************************

HOUSE SUMMARY

Modifies provisions of law exempting certain charter
counties from limitations established by general law on
the rates a municipal water and sewer utility may charge
consumers outside city limits. Allows certain cities
within said counties (those which were providing
water/sewer services outside city limits prior to
regulation by the county) to operate under the rate
limitations and restrictions of general law, rather than
under county rate regulations. Provides conditions.

This publication was produced at an average cost of 1.12 cents
per single page in compliance with the Rules and for
the information of members of the Legislature and the public.
This is a bill relating to municipal public works, amending § 180.191, F.S., relating to the limitation on water and sewer rates charged consumers outside city limits; revising provisions which exempt certain home rule counties from the operation of the section to allow certain municipalities in said counties to operate under rate limitations and restrictions provided in said section, rather than under county regulation; providing for civil actions; providing conditions; providing for construction; providing an effective date.

Be it enacted by the Legislature of the State of Florida:

Section 1. Section 180.191, Florida Statutes, is amended to read:

180.191 Limitation on rates charged consumers outside city limits.--

(1) Any municipality within the state operating a water or sewer utility outside 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.

CODING: Words stricken are deletions; words underlined are additions.
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 such rates, fees, and charges for said services to consumers outside the boundaries shall not be more than 50 percent in excess of the total amount the municipality charges consumers served within the municipality for corresponding service. No such rates, fees and charges 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 be made substantially pro rata as to all classes of service, no hearing or notice shall be required.

(2) Whenever any municipality has engaged, or there are reasonable grounds to believe that any municipality is about to engage, in any act or practice prohibited by subsection (1) or subsection (5), a civil action for preventive relief, including application for a permanent or temporary injunction, restraining order, or other order, may be instituted by the person or persons aggrieved.

CODING: Words stricken are deletions; words underlined are additions.
(3) This section shall apply to municipally owned water and sewer utilities within the confines of a single county.

(4) This section shall not apply to a county operating under a home rule charter if said county has in operation under said charter an agency regulating water and sewer systems, except as provided in subsection (5).

(5)(a) Any municipality operating a municipally owned water and sewer utility and providing water and sewer service outside of the boundaries of the municipality and within the confines of a single county, which municipality is eligible for and specifically exercises the exemption from county rate regulation as provided for in paragraph (b), shall charge consumers outside the boundaries the same rates, fees, and charges as consumers inside the municipal boundaries.

(b) The provisions of this subsection shall be applicable within a county which was regulating water and sewer rates on or before May 1, 1988, with respect to any municipality operating a municipally owned water and sewer utility outside the boundaries of the municipality and within the confines of a single county, provided that:

1. The municipality was providing water and sewer service to consumers outside municipal boundaries prior to the date the county agency commenced regulation of the rates, fees, or charges for such water and sewer services;

2. The governing body of the municipality adopts an ordinance, under the authority of this section, modifying the current water and sewer system rate structure in such manner as may be necessary to bring the method of rate determination into compliance with the provisions of this subsection and declaring the municipality's exemption from county agency

CODING: Words stricken are deletions; words underlined are additions.
regulation of water and sewer rates, fees, and charges, which
exemption shall take effect upon the effective date of said
ordinance; and

3. The municipality remains in compliance with the
provisions of this subsection.

Nothing in this subsection shall be construed to require
eligible municipalities to so exempt themselves from county
rate regulation or to subject municipal water or sewer utility
rates, fees, and charges for services rendered within the
boundaries of a municipality to regulation by a county agency;
and any such rates, fees, and charges shall remain a matter of
municipal determination in accordance with law.

(6) In any action commenced pursuant to this
section, the court in its discretion may allow the prevailing
party treble damages and, in addition, a reasonable attorney's
fee as part of the cost.

Section 2. This act shall take effect upon becoming a
law.

This publication was produced at an average cost of 1.12 cents
per single page in compliance with the Rules and for
the information of members of the Legislature and the public.

CODING: Words stricken are deletions; words underlined are additions.
I. SUMMARY:

A. PRESENT SITUATION:

Section 180.191 provides that many municipal public utilities can charge water and sewer customers who are outside city limits higher rates than those charged customers within the city.

Without a public hearing, the municipality can add a surcharge of as much as 25% for customers outside of city limits. With a public hearing, the municipality can add a surcharge of as much as 50% for these customers.

However, there are two exceptions. Municipal utilities within the confines of a single county do not have this privilege. Nor does it apply in counties operating under a home rule charter when the county has an agency regulating water and sewer systems.

Dade County is under a home rule charter and has an agency regulating water and sewer systems. That regulating agency has required that the municipal utility of the City of North Miami provide its water and sewer services to its outside customers at rates below those it charges its municipal residents. City officials maintain that as a result of this its residents are subsidizing water and sewer services provided to other users.

B. EFFECT OF PROPOSED CHANGES:

This bill would provide that a municipally owned water and sewer system which operates outside the boundaries of the municipality but within the boundaries of a single county may charge its outside users a surcharge of up to 25% over what it charges its municipal users without a public hearing if:
1. The municipality was providing these services to outside customers prior to the county agency assuming responsibility for this regulation, and

2. The governing body of the municipality adopts an ordinance bringing its billing in line with statutory provisions governing the assessment of the 25% surcharge and declaring its exemption from the authority of the county regulatory agency.

The effect of this would be to allow the City of North Miami, and perhaps other municipalities in the state, to join the group of municipalities which are presently permitted to charge customers outside of its boundaries a surcharge of as much as 25% over what it charges its city residents for these services.

However, unlike the municipalities which may presently assess this surcharge, this additional group would not be permitted to increase the surcharge to as much as 50% by conducting a public hearing.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:
   None.

2. Recurring or Annualized Continuation Effects:
   None.

3. Long Run Effects Other Than Normal Growth:
   None.

4. Appropriations Consequences:
   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:
   None.

2. Recurring or Annualized Continuation Effects:
   The City of North Miami estimates that its residents are presently subsidizing outside customers by approximately $350,000 per year. This would cease, and under this bill in present form the city utility could even obtain a surcharge from outside customers.

   It is not presently known to staff what other municipalities would be affected by the provisions in this bill.
3. Long Run Effects Other Than Normal Growth:
   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

   Some of the impact of paying for various services provided by
   the city would shift from one group of customers to another.
   Customers outside of city limits would pay more of the costs.
   However, the total cost to the private sector should remain
   the same.

2. Direct Private Sector Benefits:

   Customers within city limits would benefit, but total private
   sector costs should remain the same.

3. Effects on Competition, Private Enterprise, and Employment
   Markets:

   None.

D. FISCAL COMMENTS:

   None.

III. LONG RANGE CONSEQUENCES:

   None.

IV. COMMENTS:

V. AMENDMENTS:

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:
Prepared by: 
Robert B. Beitler
Staff Director: Wyatt T. Martin

FINANCE & TAXATION:
Prepared by: 
Staff Director: 

APPROPRIATIONS:
Prepared by: 
Staff Director: 

STANDARD FORM 3/88
I. SUMMARY:

Municipal utilities which operate within the confines of a single county are generally permitted to set higher rates for water and sewer service for outside customers than for city residents. An exception to this is a municipal utility operating in a home rule county which has a county regulating authority. Such utilities may only charge outside customers those rates set by the regulatory authority. In some cases this is a rate below what municipal residents must pay for these services.

This bill would allow some of these municipal utilities to charge customers outside of city limits the same rates for water and sewer service charged city customers.

A. PRESENT SITUATION:

The law presently allows many municipal public utilities to charge water and sewer customers who are outside city limits higher rates than those charged customers within the city.

A qualifying municipal utility can, without a public hearing, add a surcharge of as much as 25% for customers outside of city limits. With a public hearing, it can add a surcharge of as much as 50% for these customers.

There are two classes of municipal water or sewer utilities which do not qualify for this privilege. One excluded class consists of those municipal utilities which do not operate within the confines of a single county. The other excluded utilities are those municipal utilities located in a county operating under a home rule charter when that county has an agency regulating water and sewer systems.

Dade County is under a home rule charter and has an agency regulating water and sewer systems. Therefore, municipal water
and sewer utilities in Dade County which provide water or sewer services outside of their municipality are subject to the rates set for those customers by Dade County's regulatory agency. That regulatory agency presently requires that the municipal utility of the City of North Miami provide its water and sewer services to its outside customers at rates below those it charges its municipal residents. City officials maintain that as a result of this its residents are subsidizing water and sewer services provided to other users.

B. EFFECT OF PROPOSED CHANGES:

This bill would permit a municipally owned water and sewer system which provides both water and sewer service outside the boundaries of the municipality but within the boundaries of a single home rule county to charge its outside customers the same rates that it charges its city customers if:

1. The municipality was providing water and sewer service outside of city limits prior to the county authority commencing regulation in this area, and

2. The municipal governing body adopts an ordinance declaring it exempt from rate regulation by the county authority and declaring that rates outside of city limits will equal rates charged customers within city limits.

The effect of this would be to allow the City of North Miami and perhaps other municipalities in the state to charge customers outside of their boundaries as much as they charge their city residents for these services.

However, this would not put these cities in a position equal to those municipalities which are presently able to charge customers outside of city limits a surcharge of as much as 25 or 50%.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:
   None.

2. Recurring or Annualized Continuation Effects:
   None.

3. Long Run Effects Other Than Normal Growth:
   None.

4. Appropriations Consequences:
   None.
B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:
   None.

2. Recurring or Annualized Continuation Effects:
   The City of North Miami estimates that its residents are presently subsidizing outside customers by approximately $350,000 per year. This would cease under this bill.

   It is not presently known to staff what other municipalities throughout the state may be affected by the provisions in this bill.

3. Long Run Effects Other Than Normal Growth:
   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:
   Some of the impact of paying for various services provided by the city would shift from one group of customers to another. Customers outside of city limits would pay more of the costs. However, the total cost to the private sector should remain the same.

2. Direct Private Sector Benefits:
   Customers within city limits would benefit, but total private sector costs should remain the same.

3. Effects on Competition, Private Enterprise, and Employment Markets:
   None.

D. FISCAL COMMENTS:

   None.

III. LONG RANGE CONSEQUENCES:

   None.

IV. COMMENTS:

   Statement of Substantial Changes:

   The subcommittee rewrote the originally filed House bill to comport with the present Senate version. The effect of this was to limit the bill's applicability to city utilities which supply both water and sewer service to outside customers, rather than only one or the
other, and to allow the cities granted this exception to only charge outside customers the same rates charged city customers, rather than the 25% surcharge which the original version would have allowed.

V. AMENDMENTS:
None.

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:
Prepared by: Robert B. Beitler
Staff Director: Wyatt T. Martin

FINANCE & TAXATION:
Prepared by:

APPROPRIATIONS:
Prepared by:

Staff Director:
HOUSE OF REPRESENTATIVES
COMMITTEE ON REGULATED INDUSTRIES & LICENSING
STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 1035
RELATING TO: Municipal public works; rate limits
SPONSOR(S): Gordon
EFFECTIVE DATE: Upon becoming law
COMPANION BILL(S): SB 702
OTHER COMMITTEES OF REFERENCE: (1) Finance and Taxation
(2) Appropriations

I. SUMMARY:

Municipal utilities which operate within the confines of a single county are generally permitted to set higher rates for water and sewer service for outside customers than for city residents.

An exception to this is a municipal utility operating in a home rule county which has a county regulating authority. Such utilities may only charge outside customers those rates set by the regulatory authority. In some cases this is a rate below what municipal residents must pay for these services.

This bill would allow some of these municipal utilities to charge customers outside of city limits the same rates for water and sewer service charged city customers.

A. PRESENT SITUATION:

The law presently allows many municipal public utilities to charge water and sewer customers who are outside city limits higher rates than those charged customers within the city.

A qualifying municipal utility can, without a public hearing, add a surcharge of as much as 25% for customers outside of city limits. With a public hearing, it can add a surcharge of as much as 50% for these customers.

There are two classes of municipal water or sewer utilities which do not qualify for this privilege. One excluded class consists of those municipal utilities which do not operate within the confines of a single county. The other excluded utilities are those municipal utilities located in a county operating under a home rule charter when that county has an agency regulating water and sewer systems.

Dade County is under a home rule charter and has an agency regulating water and sewer systems. Therefore, municipal water

STANDARD FORM 3/88
and sewer utilities in Dade County which provide water or sewer services outside of their municipality are subject to the rates set for those customers by Dade County's regulatory agency. That regulatory agency presently requires that the municipal utility of the City of North Miami provide its water and sewer services to its outside customers at rates below those it charges its municipal residents. City officials maintain that as a result of this its residents are subsidizing water and sewer services provided to other users.

B. EFFECT OF PROPOSED CHANGES:

This bill would permit a municipally owned water and sewer system which provides both water and sewer service outside the boundaries of the municipality but within the boundaries of a single home rule county to charge its outside customers the same rates that it charges its city customers if:

1. The municipality was providing water and sewer service outside of city limits prior to the county authority commencing regulation in this area.

2. The county regulating authority, on or before May 1, 1988, regulated the rates which a municipal water and sewer company charged customers outside the boundaries of the municipality.

3. The municipal governing body adopts an ordinance declaring it exempt from rate regulation by the county authority and declaring that rates outside of city limits will equal rates charged customers within city limits.

The effect of this would be to allow the City of North Miami and perhaps other municipalities in the state to charge customers outside of their boundaries as much as they charge their city residents for these services.

However, this would not put these cities in a position equal to those municipalities which are presently able to charge customers outside of city limits a surcharge of as much as 25 or 50%.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:
   None.

2. Recurring or Annualized Continuation Effects:
   None.

3. Long Run Effects Other Than Normal Growth:
   None.
4. Appropriations Consequences:  
   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:  
   1. Non-recurring or First Year Start-Up Effects:  
      None.
   2. Recurring or Annualized Continuation Effects:  
      The City of North Miami estimates that its residents are presently subsidizing outside customers by approximately $350,000 per year. This would cease under this bill.
   3. Long Run Effects Other Than Normal Growth:  
      None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:  
   1. Direct Private Sector Costs:  
      Some of the impact of paying for various services provided by the city would shift from one group of customers to another. Customers outside of city limits would pay more of the costs. However, the total cost to the private sector should remain the same.
   2. Direct Private Sector Benefits:  
      Customers within city limits would benefit, but total private sector costs should remain the same.
   3. Effects on Competition, Private Enterprise, and Employment Markets:  
      None.

D. FISCAL COMMENTS:  
   None.

III. LONG RANGE CONSEQUENCES:  
   None.

IV. COMMENTS:  
   Statement of Substantial Changes:  
   This bill, as originally filed, had broader applicability than the present version and allowed a utility to charge outside customers up to 25% more than municipal residents.
V. **AMENDMENTS:**

None.

VI. **SIGNATURES:**

**SUBSTANTIVE COMMITTEE:**
Prepared by:  
Robert B. Beitler

**FINANCE & TAXATION:**
Prepared by:  

**APPROPRIATIONS:**
Prepared by:  

Staff Director:  
Wyatt T. Martin

Staff Director:  

Staff Director:  

STANDARD FORM 3/88
April 14, 1988

The Honorable Elaine Gordon
Florida State Representative
12100 N.E. 16 Avenue
North Miami, FL 33161

Dear Representative Gordon:

Nita Jacob has requested that we supply you with a brief explanation of the circumstances surrounding our request that you introduce HB 1035.

North Miami originally developed its water system in the 1930's and it has grown ever since. In the 1950's the City became one of the first communities in South Florida to install a sanitary sewer system. Since the inception of these utilities, various property owners outside the City's corporate limits have asked the City to allow them to hook into them. The City has agreed and today City utilities serve an area two or three times larger than the City's corporate limits.

In 1957 Dade County adopted a Home Rule Charter which gave it the authority to regulate utilities within its boundaries. Some time in the 1960's the County created a Water and Sewer Board for the purpose of regulating many of the small private utilities in the County. Over the years, the County Water and Sewer Department has taken over all of the private utilities so that the Water and Sewer Board has had its responsibilities reduced to regulating those cities in the County which provide utility services outside their own corporate limits. North Miami and North Miami Beach are the only two cities in the County which have significant utility services outside their corporate limits. Consequently, the Water and Sewer Board and its staff have nothing more to do than regulate the activities of the two municipal utilities.

All cities in the State of Florida that supply utilities outside their corporate limits are regulated by State Statutes except those in Home Rule Charter counties. State Statutes provide that cities can charge out-of-city customers up to 125% of the rates they charge their own city residents. Conversely, the Dade County Water and Sewer Board is forcing North Miami to provide water and sewer services to out-of-City customers at rates less than those charged to City residents. We estimate North Miami City residents are subsidizing County residents to the tune of $350,000 a year because of
The Honorable Elaine Gordon  
April 14, 1988  
Page Two

the Water and Sewer Board's regulation. This inequity would be eliminated if the City could charge the same rates to its outside the City customers as it does to its own residents.

To solve our problem, we have asked that the State Statutes be amended so that any city located in a Home Rule Charter county providing water and sewer services to unincorporated areas be exempted from local county Water and Sewer Board control, provided the utilities existed before the Water and Sewer Board was created. This seems only fair since the City would not have accepted the out-of-City customers had it known the County would unreasonably use its power to regulate and place City residents in such an untenable situation.

In summary, we are asking to be treated the same way cities which are not in Home Rule Charter counties are treated. We feel that HB 1035 is fair in that it applies only to those cities whose utilities were in existence prior to any county regulatory authority. Obviously, those cities that created utilities under the purview of a county Water and Sewer Board accepted such regulation and should not be exempted under HB 1035. I hope this explanation gives you some insight into our problem. If you desire any further information, please let me know and I will provide it immediately.

Respectfully yours,

[Signature]

Lawrence C. Casey  
City Manager

LCC:ss
SOME MUNICIPAL UTILITIES ARE PRESENTLY AUTHORIZED BY LAW TO CHARGE CUSTOMERS OUTSIDE OF CITY LIMITS HIGHER RATES FOR WATER AND SEWER SERVICE THAN THEY CHARGE CITY CUSTOMERS. THESE RATES CAN BE AS MUCH AS 25% HIGHER WITHOUT CONDUCTING A PUBLIC HEARING, AND 50% HIGHER UPON CONDUCTING A HEARING.

MUNICIPAL UTILITIES OPERATING IN MORE THAN ONE COUNTY OR IN A COUNTY UNDER A HOME RULE CHARTER WHICH HAS AN AGENCY REGULATING WATER AND SEWER SYSTEMS ARE EXCLUDED FROM THIS PRIVILEGE.

THE CITY OF NORTH MIAMI IS PRESENTLY AMONG THE MUNICIPALITIES EXCLUDED. THE UTILITY REGULATING AUTHORITY FOR DADE COUNTY HAS MANDATED THAT THIS CITY UTILITY PROVIDE WATER AND SEWER SERVICE TO ITS OUTSIDE CUSTOMERS AT RATES BELOW THOSE PRESENTLY CHARGED CITY RESIDENTS.

IN PRESENT FORM THIS BILL WOULD ALLOW SOME ADDITIONAL MUNICIPALITIES PROVIDING EITHER WATER OR SEWER SERVICE TO OUTSIDE CUSTOMERS TO CHARGE THOSE CUSTOMERS AS MUCH AS 25% MORE FOR SERVICES THAN IT CHARGES CITY RESIDENTS.

AN AMENDMENT BY THE SPONSOR WILL NARROW THIS PRIVILEGE CONSIDERABLY. UNDER THE AMENDMENT THE PRIVILEGE WILL APPLY ONLY TO THOSE UTILITIES OFFERING BOTH WATER AND SEWER SERVICE. ADDITIONALLY, IT WILL ONLY PERMIT THESE MUNICIPALITIES TO CHARGE OUTSIDE CUSTOMERS THE SAME RATES CHARGED CITY CUSTOMERS, RATHER THAN HIGHER RATES.
MUNICIPAL UTILITIES WHICH OPERATE WITHIN THE CONFINES OF A SINGLE COUNTY ARE GENERALLY PERMITTED TO SET HIGHER RATES FOR WATER AND SEWER SERVICE FOR OUTSIDE CUSTOMERS THAN FOR CITY RESIDENTS.

AN EXCEPTION TO THIS IS A MUNICIPAL UTILITY OPERATING IN A HOME RULE COUNTY WHICH HAS A COUNTY REGULATING AUTHORITY. SUCH UTILITIES MAY ONLY CHARGE OUTSIDE CUSTOMERS THOSE RATES SET BY THE REGULATORY AUTHORITY. IN SOME CASES THIS IS A RATE BELOW WHAT MUNICIPAL RESIDENTS MUST PAY FOR THESE SERVICES.

THIS BILL WOULD ALLOW SOME OF THESE MUNICIPAL UTILITIES TO CHARGE CUSTOMERS OUTSIDE OF CITY LIMITS THE SAME RATES FOR WATER AND SEWER SERVICE CHARGED CITY CUSTOMERS.

THE BILL WAS CHANGED BY THE SUBCOMMITTEE TO COMPORT WITH THE PRESENT SENATE VERSION. THE ORIGINAL VERSION WOULD HAVE PERMITTED A 25% SURCHARGE UPON OUTSIDE CUSTOMERS AND WOULD PROBABLY HAVE APPLIED TO MORE UTILITIES.
TALK SHEET: CS/HB 1035 -- MUNICIPAL PUBLIC WORKS; RATE LIMITS

MUNICIPAL UTILITIES WHICH OPERATE WITHIN THE CONFINES OF A SINGLE COUNTY ARE GENERALLY PERMITTED TO SET HIGHER RATES FOR WATER AND SEWER SERVICE FOR OUTSIDE CUSTOMERS THAN FOR CITY RESIDENTS.

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**PRIME BILL TITLE (short title)**

Municipal Public Works / Rate Limits

**SIMILAR/IDENTICAL BILL SUBSTITUTED BY PRIME BILL:** 88/H1035

**DOCUMENTATION REPRODUCED**

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**NOTE:** Consult the Final Legislative Bill Information (from Joint Legislative Management Committee, Division of Legislative Information, 1988) for more detailed bill history data. If prime bill number above is followed by an asterisk (*), it was amended on the floor, and the staff analysis for that bill may not be in accordance with the enacted law. The analyses reproduced here were supplied by the appropriate committee, who is solely responsible for their accuracy and completeness.

**ADDITIONAL INFORMATION:**