

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Resolution 2023-219

Introducer/Sponsor(s): Council Members Priestly Jackson, Clark-Murray, Carlucci and Morgan

Date of Introduction: March 28, 2023

Committee(s) of Reference: R

Date of Analysis: March 30, 2023

Type of Action: Expression of Council sentiment regarding pending state legislation; direction of Chief of Legislative Services

Bill Summary: The bill expresses the City Council's strong opposition to the passage by the Florida Legislature of House Bill 1331 and Senate Bill 1380 that would provide for a not-to-exceed cap on the transfers of municipal electric, natural gas, water, or wastewater revenues to a municipal general fund to finance general government functions. It directs the Chief of Legislative Services to the members of the Duval County Legislative Delegation and the members of the Florida Legislature, including the President of the Senate and Speaker of the House.

Background Information: The state bills place limits on the portion of municipal utility revenues that may be used to fund or finance a municipality's non-utility related general government functions by limiting the rate of transfer for municipal electric, natural gas, and water or wastewater utilities. Under the bills, the greater the proportion of customers outside of the city boundaries that a municipal utility serves, the lower the cap is on transfers. However, if a municipal utility is governed by a utility authority board that provides for representation of retail customers located outside the municipal boundaries approximately proportionate to the percentage of such customers, then transfers of revenue are not subject to a reduced cap.

The bills remove a provision allowing water or sewer utilities to add, for consumers outside of its boundaries, a surcharge of up to 25 percent of the rates, fees, and charges imposed on consumers within its boundaries. Furthermore, the bills change the limit on the rates, fees, and charges such utility can impose on customers outside of municipal boundaries to no more than 25 percent above the total amount the municipal water or sewer utility charges customers within the municipal boundaries, provided rates for outside customers are set in a public hearing using the same methods as rates for other customers.

Policy Impact Area: JEA finances

Fiscal Impact: The JEA contribution to the City's general fund for fiscal year 2022-2023 totaled \$122,424,496.

Analyst: Clements