

Committee on Communications, Energy, and Public Utilities

CS/SB 90 — Natural Gas Rebate Program

by Appropriations Committee and Senator Simpson

The bill amends s. 377.810, F.S., to authorize the Department of Agriculture and Consumer Services (department) to receive additional applications between June 1 and June 30 from applicants that have met the program maximum of \$250,000 per fiscal year.

Government applicants will have preference and remaining funds may be used by commercial applicants. Eligible applicants may apply for additional funds for vehicles that have not received a rebate, for a maximum rebate of \$25,000 per vehicle up to a total of \$250,000, awarded on a first-come, first-served basis until all appropriated funds are expended.

Any unencumbered funds remaining in the natural gas fuel fleet vehicle rebate program after June 30 of each fiscal year will revert to the General Revenue Fund.

The department will not require additional resources to implement the provisions in this bill.

If approved by the Governor, these provisions take effect July 1, 2016.

Vote: Senate 39-0; House 110-5

Committee on Communications, Energy, and Public Utilities

CS/HJR 193 — Solar or Renewable Energy Source Devices/Exemption from Certain Taxation and Assessment

by Regulatory Affairs Committee; and Reps. Rodrigues, R., Berman, and others (CS/CS/SJR 170 by Appropriations Committee; Finance and Tax Committee; and Senators Brandes and Hutson)

The Florida Constitution (Constitution) provides for local government ad valorem taxes on real property and tangible personal property, assessment of property for tax purposes, and exemptions to these taxes.

Currently, Article VII, section 4(i) of the Constitution provides that the legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the installation of a renewable energy source device in the determination of the assessed value of real property used for residential purposes.

The joint resolution proposes two amendments to the Florida Constitution, which will be submitted to the electors of the state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose (CS/HB 195 (see separate summary) provides that, pursuant to Section 5 of Article XI of the State Constitution, a special election will be held on August 30, 2016, concurrently with other statewide elections held on that date).

The first amendment authorizes the Legislature to exempt the assessed value of solar devices or renewable energy source devices from ad valorem taxation on tangible personal property.

The second amendment authorizes the Legislature to prohibit, by general law, a property appraiser from considering the installation of a solar device or a renewable energy source device in the determination of assessed value of real property for the purpose of ad valorem taxation. This expands the current constitutional provision by including both residential and nonresidential real property.

If approved by the Governor, these provisions take effect January 1, 2018.

Vote: Senate 37-0; House 117-0

Committee on Communications, Energy, and Public Utilities

CS/HB 195 — Special Election

by Regulatory Affairs Committee; and Reps. Rodrigues, R., Berman, and others (CS/CS/CS/SB 172 by Appropriations Committee; Finance and Tax Committee; Community Affairs Committee; and Senators Brandes and Hutson)

The bill provides that, pursuant to Section 5 of Article XI of the State Constitution, a special election will be held on August 30, 2016, concurrently with other statewide elections held on that date. At the special election, the electors of this state will vote on amendments to the State Constitution proposed in the Committee Substitute for House Joint Resolution No. 193, 2016 Regular Session. The subject matter of the joint resolution relates to legislative authority to provide personal property tax exemptions for solar and renewable energy source devices and to prohibit the consideration of the installation of such devices in determining the assessed value of residential and nonresidential real property for the purpose of ad valorem taxation.

The bill provides for publication of notice in accordance with Section 5 of Article XI of the State Constitution and that the special election be held as other special elections are held.

If approved by the Governor, these provisions take effect January 1, 2017.

Vote: Senate 33-6; House 108-0

Committee on Communications, Energy, and Public Utilities

CS/HB 347 — Utility Projects

by Finance and Tax Committee; and Rep. Sprowls and others (CS/CS/SB 324 by Communications, Energy, and Public Utilities Committee; Finance and Tax Committee; and Senators Legg and Simpson)

The bill establishes a new mechanism - utility cost containment bonds - available to a utility authority to finance projects related to water or wastewater service on behalf of a local agency. The bonds are secured by a utility project charge levied on the local agency's utility customers. This separate charge is designed to satisfy rating agency criteria to achieve a higher bond rating and, therefore, a lower interest rate and more favorable terms for bonds issued to fund eligible projects.

More specifically, the bill designates the following entities as those permitted to act as an "authority":

- a legal entity created under s. 163.01(7)(g), F.S.; or
- a legal entity created under s. 163.01, F.S., composed of at least two of the following:
 - o A public agency that provides retail water or wastewater services in two or more counties;
 - o A municipality; or
 - o A county.

The authority or at least one member of the authority must provide retail water or wastewater services to at least 75,000 customers.

The bill authorizes an authority to work with local agencies that request assistance to determine the most cost-effective manner of financing regional water projects, and, if the entities determine that the issuance of utility cost containment bonds will result in lower financing costs for a project, to cooperate with such local agencies and, if requested by them, to issue utility cost containment bonds. For these purposes, the bill designates the following entities as those permitted to seek issuance of utility cost containment bonds as a "local agency": a member of the authority, or an agency or subdivision of that member, which is sponsoring or refinancing a utility project, or any municipality, county, authority, special district, public corporation, regional water authority, or other governmental entity of the state that is sponsoring or refinancing a utility project.

The process of issuance of utility cost containment bonds is initiated by the governing body of the local agency holding a public meeting to determine:

- The project to be financed is a utility project;
- Based on the best information available, the utility rates charged to the local agency's retail customers, including the utility project charge resulting from the utility cost containment bonds, are expected to be lower than the rates that would be charged if the project was financed with bonds payable from revenues of the publicly owned utility.

After making these determinations, the local agency may apply to the utility authority to issue the utility cost containment bonds. The application must specify the utility project to be financed, the maximum principal amount, the maximum interest rate, and the maximum stated terms of the utility cost containment bonds.

The governing body of an authority that is financing the costs of an eligible utility project must adopt a financing resolution which includes:

- A description of the financial calculation method the authority will use to determine the utility project charge, including a periodic adjustment methodology to be applied at least annually to the utility project charge. The authority must establish the allocation of the utility project charge among classes of customers of the publicly owned utility. The decisions of the authority are final and conclusive.
- A requirement that each customer in the class or classes of customers specified in the financing resolution who receives water or wastewater service through the publicly owned utility pay the utility project charge.
- A requirement that the utility project charge be charged separately from other charges on the bill of each customer.
- A requirement that the authority enter into a servicing agreement with the local agency or its publicly owned utility to collect the utility project charge.

In the financing resolution, the authority must impose a utility project charge sufficient to ensure timely payment of all financing costs with respect to utility cost containment bonds. The charge must be based on estimates of water or wastewater service usage. The utility project charge is a nonbypassable charge on all present and future customers of the publicly owned utility in the class or classes of customers specified in the financing resolution at the time of its adoption. The timely and complete payment of all utility project charges by the customer is a condition of receiving water or wastewater service from the publicly owned utility.

Revenues from a utility project charge are deemed special revenues of the authority, not revenue of the local agency or its publicly owned utility for any purpose. The local agency or its publicly owned utility must act as a servicing agent for collecting the charge pursuant to a servicing agreement to be required by the financing resolution. The money collected must be held in trust for the exclusive benefit of the persons entitled to have the financing costs paid from the utility project charge.

If approved by the Governor, these provisions take effect July 1, 2016.

Vote: Senate 39-0; House 116-0

Committee on Communications, Energy, and Public Utilities

CS/CS/HB 1025 — Public Records/Utility Security Information

by State Affairs Committee; Energy and Utilities Subcommittee; and Reps. Antone and Cortes, B. (CS/CS/SB 776 by Governmental Oversight and Accountability Committee; Communication, Energy, and Public Utilities Committee; and Senator Bradley)

The bill creates a public record exemption for the following information held by a local government utility:

- Information related to the security of the technology, processes, or practices of a utility owned or operated by a unit of local government that are designed to protect the utility's networks, computers, programs, and data from attack, damage, or unauthorized access, which information, if disclosed, would facilitate the alteration, disclosure, or destruction of such data or information technology resources.
- Information related to the security of existing or proposed information technology systems or industrial control technology systems of a utility owned or operated by a unit of local government which, if disclosed, would facilitate unauthorized access to, and alteration or destruction of, such systems in a manner that would adversely impact the safe and reliable operation of the systems and the utility.

For the purposes of the chapter, the bill provides for retroactive application of the public record exemption. This public records exemption is subject to the Open Government Sunset Review Act in accordance with s. 119.15, F.S., and stands repealed on October 2, 2021, unless reviewed and saved from repeal through reenactment by the Legislature. The bill also provides a statement of public necessity as required by the Florida Constitution.

The bill defines the term “utility” to mean a person or entity that provides electricity, natural gas, telecommunications, water, chilled water, reuse water, or wastewater.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 36-0; House 113-0