

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
COMMUNICATIONS, ENERGY, AND PUBLIC UTILITIES
Senator Grimsley, Chair
Senator Hukill, Vice Chair

MEETING DATE: Tuesday, March 24, 2015
TIME: 4:00 —6:00 p.m.
PLACE: 301 Senate Office Building

MEMBERS: Senator Grimsley, Chair; Senator Hukill, Vice Chair; Senators Abruzzo, Bradley, Dean, Evers, Garcia, Gibson, and Sachs

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 1102 Legg (Identical H 617)	Utility Projects; Creating the "Utility Cost Containment Bond Act"; authorizing certain local government entities to finance the costs of a utility project by issuing utility cost containment bonds upon application by a local agency; authorizing an authority to issue utility cost containment bonds for specified purposes related to utility projects; requiring the local agency or its publicly owned utility to collect the utility project charge, etc. CU 03/24/2015 Fav/CS FT AP	Fav/CS Yeas 9 Nays 0
2	SB 1538 Simpson (Compare CS/H 1141)	Natural Gas Rebate Program; Creating the heavy transportation industry natural gas rebate program within the Department of Agriculture and Consumer Services; providing rebate eligibility requirements; providing limits on rebate awards, etc. CU 03/24/2015 Fav/CS AGG AP	Fav/CS Yeas 9 Nays 0

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Communications, Energy, and Public Utilities

BILL: CS/SB 1102

INTRODUCER: Communications, Energy, and Public Utilities Committee and Senator Legg

SUBJECT: Utility Projects

DATE: March 24, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Fav/CS
2.			FT	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1102 establishes a new mechanism – utility cost containment bonds – available to an intergovernmental authority to finance projects related to water or wastewater service on behalf of a municipality, county, special district, public corporation, regional water authority, or other governmental entity. Among the requirements for use of this financing mechanism is a requirement that a utility project charge be created, levying a charge on utility customers that is used as security for payment of the bonds. This requirement 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.

Briefly, the financing mechanism created by the bill operates as follows:

- A local agency applies to the intergovernmental utility authority to finance the costs of an eligible project using utility cost containment bonds.
- The intergovernmental utility authority adopts a financing resolution, setting forth certain requirements for issuance of the bonds. (To finance the project, the intergovernmental utility authority may form a single-purpose limited liability company or, together with two or more of its members or other public agencies, may create a new single-purpose entity to perform the duties and responsibilities of the authority under the bill.)
- The bonds are secured by the revenues from a separate utility project charge stated on the bill of each present and future customer of the services specified in the financing resolution.
- This charge is imposed by the intergovernmental utility authority, but, pursuant to a servicing agreement, is collected by the local government.

- The moneys from the charge are transferred to the intergovernmental utility authority and held in trust for the benefit of the bondholders. These moneys are not considered revenues of the local government but are treated as revenues of the intergovernmental utility authority.

The Florida Governmental Utility Authority (FGUA) is the only intergovernmental authority that currently meets the criteria to provide financing under the bill. Thus, the bill expands FGUA's original purpose of owning and operating a public utility system.

II. Present Situation:

Financing Authority of Local Government Entities for Public Works Projects

Local governments are authorized under current law to issue bonds, revenue certificates, and other forms of indebtedness related to the provision of public works projects.

Upon a resolution, a county may issue water revenue bonds, sewer revenue bonds, or general obligation bonds to pay all or part of the cost to purchase, construct, improve, extend, enlarge, or reconstruct water supply systems or sewage disposal systems.¹ Water revenue bonds are payable solely from water service charges.² Sewer revenue bonds are payable solely from sewer service charges.³ Neither type of revenue bond pledges the property, credit, or general tax revenue of the county. General obligation bonds are payable from ad valorem taxes alone or from ad valorem taxes with an additional secured pledge of water service charges, sewer service charges, special assessments, or a combination of these sources.⁴ Issuance of general obligation bonds, as required by the State Constitution,⁵ requires approval by referendum, and a county is required to levy annually a special tax upon all taxable property within the county to pay the principle and interest as it becomes due.⁶ Counties may also create special water and sewer districts to serve unincorporated areas, and the district's board may issue revenue bonds to finance all or part of the cost of a water system, sewer system, or both. Such bonds are payable from the revenues derived from operation of the utility system as provided by law and the authorizing resolution of the district's board.⁷

Upon approval of a municipality's governing body, a municipality may issue revenue bonds, general obligation bonds, ad valorem bonds, or improvement bonds to finance capital expenditures made for a public purpose. Revenue bonds are payable from sources other than ad valorem taxes and are not secured by a pledge of the property, credit, or general tax revenue of the municipality. General obligation bonds are payable from any special taxes levied for the purpose of repayment and any other sources as provided by the authorizing ordinance or

¹ Section 153.03(1) and (2), F.S.

² Section 153.02(9), F.S.

³ Section 153.02(10), F.S.

⁴ Section 153.02(11), F.S.

⁵ Section 12, Article VII, of the State Constitution (providing that counties, school districts, municipalities, special districts and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness or any form of tax anticipation certificates, payable from ad valorem taxation only "to finance or refinance capital projects authorized by law and only when approved by vote of the electors who are owners of freeholds therein not wholly exempt from taxation.")

⁶ Section 153.07, F.S.

⁷ Section 153.63(1), F.S. Such bonds may also be secured by the pledge of special assessments or the full faith and credit of the district.

resolution. Such bonds are secured by the full faith and credit and taxing power of the municipality and may require approval by referendum. Ad valorem bonds are payable from the proceeds of ad valorem taxes and, as required by the State Constitution,⁸ require approval by referendum. Improvement bonds are special obligations payable solely from the proceeds of special assessments levied for a project.⁹

Further, a municipality may issue mortgage revenue certificates or debentures to acquire, construct, or extend public works, including, among other things, water and alternative water supply facilities, sewage collection and disposal facilities, gas plants and distribution systems, and stormwater projects.¹⁰ These instruments constitute a lien only against the property and revenue of the utility. These instruments may not impose any tax liability upon any real or personal property in the municipality and may not constitute a debt against the issuing municipality.¹¹

The Division of Bond Finance (DBF) of the State Board of Administration provides information to, and collects information from, units of local government¹² concerning the issuance of bonds by such entities.¹³ Each unit of local government must provide DBF a complete description of its new general obligation bonds and revenue bonds and must provide advanced notice of the impending sale of a new issue of bonds.¹⁴ According to DBF, a public utility generally finances projects with revenue bonds, securing the debt with a pledge of net revenues of the utility system. These net revenues consist of the income of the public utility remaining after paying expenses necessary to operate and maintain the utility. DBF notes that this current practice requires the efficient operation of the utility system to assure that sufficient net revenues are available to pay debt service.

Creation and Financing Authority of Intergovernmental Utility Authorities

The Florida Interlocal Cooperation Act of 1969 (Act) is intended to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage.¹⁵ The Act provides that local governmental entities may jointly exercise their powers by entering into a contract in the form of an interlocal agreement.¹⁶ Under such an agreement, the local governmental units may create a separate legal or administrative entity “to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and

⁸ *Supra*, note 5.

⁹ Section 166.101, F.S., et seq.

¹⁰ Sections 180.06 and 180.08, F.S.

¹¹ Section 180.08, F.S.

¹² “Unit of local government” is defined in s. 218.369, F.S., as “a county, municipality, special district, district school board, local agency, authority, or consolidated city-county government or any other local governmental body or public body corporate and politic authorized or created by general or special law and granted the power to issue general obligation or revenue bonds.”

¹³ Section 218.37, F.S.

¹⁴ *Id.* DBF is authorized only to collect information concerning these bonds; it does not exercise any substantive authority to review or approve these transactions.

¹⁵ Section 163.01(2), F.S.

¹⁶ Section 163.01(5), F.S.

other factors influencing the needs and development of local communities.”¹⁷ A separate entity created by an interlocal agreement possesses the authority specified in the agreement.¹⁸ Among the authority granted such an entity is the power to authorize, issue, and sell bonds.¹⁹

The Act specifically addresses the establishment of such entities to provide water service or sewer service (hereinafter referred to as “intergovernmental utility authorities” or “IGUAs”). The Act authorizes the creation of IGUAs to acquire, own, construct, improve, operate, and manage public facilities relating to a governmental function or purpose, including water and alternative water supply facilities, wastewater facilities, and water reuse facilities.²⁰ An IGUA created under this provision may also finance such facilities on behalf of any person. The membership of an IGUA created under this provision is limited to two or more special districts, municipalities, or counties of the state. The IGUA’s facilities may serve populations “within or outside of the members of the entity” but not within the service area of an existing utility system. IGUAs are not subject to regulation by the Public Service Commission.²¹

An IGUA created under section 163.07(g), F.S., may finance or refinance the acquisition, construction, expansion, and improvement of facilities through the issuance of bonds, notes, or other obligations. Except as may be limited by the interlocal agreement under which the entity is created, all of the privileges, benefits, powers, and terms of the statutes relating to counties²² and municipalities²³ are fully applicable to the IGUA. Bonds, notes, and other obligations issued by the IGUA are issued on behalf of the public agencies that are members of the IGUA.²⁴

The Florida Governmental Utility Authority (FGUA) was formed in 1999 pursuant to s. 163.01(7)(g), F.S. As noted on its website, FGUA is a separate legal entity created by interlocal agreement with the limited purpose of owning and operating a public utility system. It provides retail water and wastewater utility services in several portions of the state. The FGUA consists of 14 counties: Alachua, Citrus, Collier, Hardee, Hillsborough, Lake, Lee, Marion, Orange, Pasco, Polk, Putnam, Seminole, and Volusia counties have systems in the FGUA.²⁵ FGUA’s governing board is comprised of seven members representing Citrus, DeSoto, Hendry, Lee, Marion, Pasco, and Polk counties.²⁶ Each board member is a county employee appointed by their local government.²⁷

Utility Securitization Financing in Florida

Following the severe tropical storm seasons that Florida faced in 2004 and 2005, the Legislature created a new financing mechanism, referred to as securitization, by which investor-owned electric utilities could petition the Public Service Commission for issuance of a financing order

¹⁷ Section 163.01(2), F.S.

¹⁸ Section 163.01(7)(b), F.S.

¹⁹ Section 163.01(7)(d), F.S.

²⁰ Section 163.01(7)(g), F.S.

²¹ Section 367.022(2), F.S.

²² Section 125.01, F.S.

²³ Section 166.021, F.S.

²⁴ Section 163.01(7)(g)7., F.S.

²⁵ <http://www.fgua.com/fgua-history> (last accessed March 18, 2015).

²⁶ <http://www.fgua.com/the-board> (last accessed March 18, 2015).

²⁷ *Id.*

authorizing the utility to issue bonds through a separate legal entity.²⁸ If granted, the financing order was required to establish a nonbypassable charge to the utility's customers in order to provide a secure stream of revenues to the separate legal entity from which the bonds would be paid. The purpose of this mechanism was to allow the utilities access to low-cost financing to cover storm recovery costs and replenishment of depleted storm reserve funds. This mechanism has been implemented in only one instance.²⁹

III. Effect of Proposed Changes:

Summary

The bill establishes a new mechanism – utility cost containment bonds – available to an intergovernmental authority to finance projects related to water or wastewater service on behalf of a municipality, county, special district, public corporation, regional water authority, or other governmental entity. Among the requirements for use of this financing mechanism is a requirement that a utility project charge be created, levying a charge on utility customers that is used as security for payment of the bonds. This 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.

Briefly, the financing mechanism created by the bill operates as follows:

- A local agency applies to the intergovernmental utility authority to finance the costs of an eligible project using utility cost containment bonds.
- The intergovernmental utility authority adopts a financing resolution, setting forth certain requirements for issuance of the bonds. (To finance the project, the intergovernmental utility authority may form a single-purpose limited liability company or, together with two or more of its members or other public agencies, may create a new single-purpose entity to perform the duties and responsibilities of the authority under the bill.)
- The bonds are secured by the revenues from a separate utility project charge stated on the bill of each present and future customer of the services specified in the financing resolution.
- This charge is imposed by the intergovernmental utility authority, but, pursuant to a servicing agreement, is collected by the local government.
- The moneys from the charge are transferred to the intergovernmental utility authority and held in trust for the benefit of the bondholders. These moneys are not considered revenues of the local government but are treated as revenues of the intergovernmental utility authority.

The FGUA is the only intergovernmental authority that currently meets the criteria to provide financing under the bill. Thus, the bill expands FGUA's original purpose of owning and operating a public utility system.

Definitions

The bill provides the following definitions:

²⁸ Section 366.8260, F.S.

²⁹ Docket No. 060038-EI, Florida Public Service Commission.

“Authority” means an entity, including a successor to the powers and functions of such entity, created pursuant to s. 163.01(7)(g), F.S., that provides public utility services and whose membership consists of at least three counties.³⁰ The term includes any successor to the powers and functions of such an entity.

“Cost,” as applied to a utility project or portion of a utility project financed under this section, means any of the following:

- Any part of the expense of constructing, renovating, or acquiring lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a utility project;
- The expense of demolishing or removing any buildings or structures on acquired land, including the expense of acquiring any lands to which the buildings or structures may be moved, and the cost of all machinery and equipment used for the demolition or removal;
- Finance charges;
- Interest, as determined by the authority;
- Provisions for working capital and debt service reserves;
- Expenses for extensions, enlargements, additions, replacements, renovations, and improvements;
- Expenses for architectural, engineering, financial, accounting, and legal services, and for plans, specifications, estimates, and administration; and
- Any other expenses necessary or incidental to determining the feasibility of constructing a utility project or incidental to the construction, acquisition, or financing of a utility project.

“Customer” means a person receiving water or wastewater service from a publicly owned utility.

“Financing cost” means any of the following:

- Interest and redemption premiums that are payable on utility cost containment bonds;
- The cost of retiring the principal of utility cost containment bonds, whether at maturity, including acceleration of maturity upon an event of default, or upon redemption, including sinking fund redemption;
- The cost related to issuing or servicing utility cost containment bonds, including payment under an interest rate swap agreement, and any types of fee;
- A payment or expense associated with a bond insurance policy; financial guaranty; contract, agreement, or other credit or liquidity enhancement for bonds; or contract, agreement, or other financial agreement entered into in connection with utility cost containment bonds;
- Any coverage charges; and
- The funding of one or more reserve accounts related to utility cost containment bonds.

“Finance” or “financing” includes refinancing.

“Financing resolution” means a resolution adopted by the governing body of an authority that finances or refinances a utility project with utility cost containment bonds and that imposes a utility project charge in connection with the utility cost containment bonds. A financing resolution may be separate from a resolution authorizing the issuance of the bonds.

³⁰ Only the Florida Governmental Utility Authority currently meets this definition.

“Governing body” means the body that governs a local agency.

“Local agency” means a member of the authority, or an agency or subdivision of that member, that 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.³¹

“Public utility services” means water or wastewater services provided by a publicly owned utility. The term does not include communications services as defined in s. 202.11, F.S., Internet, or cable services.

“Publicly owned utility” means a utility furnishing retail or wholesale water or wastewater services that is owned and operated by a local agency. The term includes any successor to the powers and functions of such a utility.

“Revenue” means income and receipts of the authority related to the financing of utility projects and issuance of utility cost containment bonds, including any of the following:

- Bond purchase agreements;
- Bonds acquired by the authority;
- Installment sale agreements and other revenue-producing agreements entered into by the authority;
- Utility projects financed or refinanced by the authority;
- Grants and other sources of income;
- Moneys paid by a local agency;
- Interlocal agreements with a local agency, including all service agreements;
- Interest or other income from any investment of money in any fund or account established for the payment of principal, interest, or premiums on utility cost containment bonds, or the deposit of proceeds of utility cost containment bonds.

“Utility cost containment bonds” means bonds, notes, commercial paper, variable rate securities, and any other evidences of indebtedness issued by an authority, the proceeds of which are used directly or indirectly to pay or reimburse a local agency or its publicly owned utility for the costs of a utility project and which are secured by a pledge of, and are payable from, utility project property.

“Utility project” means the acquisition, construction, installation, retrofitting, rebuilding, or other addition to or improvement of any equipment, device, structure, process, facility, technology, rights, or property located in or out of the state that is used in connection with the operations of a publicly owned utility.

³¹ Because FGUA provides “public utility services” (water and wastewater services) that may be supported by a financeable “utility project,” it appears to qualify as an authority or other governmental entity of the state and would meet the definition of a “local agency.” Thus, FGUA could be both an “authority” and a “local agency” under the bill.

“Utility project charge” means a charge levied on customers of a publicly owned utility to pay the financing costs of utility cost containment bonds issued pursuant to the bill. The term includes any authorized adjustment to the utility project charge.

“Utility project property” means the property right created by the bill. The term does not include any interest in a customer’s real or personal property, but does include the right, title, and interest of an authority in any of the following:

- The financing resolution, the utility project charge, and any adjustment to the utility project charge;
- The financing costs of the utility cost containment bonds and all revenues, and all collections, claims, payments, moneys, or proceeds for, or arising from, the utility project charge; and
- All rights to obtain adjustments to the utility project charge pursuant to the bill.

Local Agency Authority

The bonding process is initiated by the governing body of the local agency holding a public meeting and determining:

- The project to be financed is a utility project;³²
- The local agency will finance costs of the utility project and the associated financing costs will be paid from utility project property (i.e., the charge to utility customers);
- Based on the best information available, the rates charged to the local agency’s retail customers by the publicly owned utility, including the utility project charge resulting from the financing of the utility project with 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 such meeting and determinations, the local agency may apply to the intergovernmental utility authority to finance the costs of a utility project using the proceeds of utility cost containment bonds. In its application, the local agency 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 Intergovernmental Utility Authority

The bill authorizes an intergovernmental utility authority to issue utility cost containment bonds to finance or refinance utility projects; to refinance debt of a local agency previously issued to finance or refinance such projects, if the refinancing results in present value savings; or, upon approval of a local agency, to refinance previously issued utility cost containment bonds.

To finance a utility project, the authority may form a single-purpose limited liability company and authorize the company to adopt the financing resolution. Alternatively the authority and two or more of its members or other public agencies may create a new single-purpose entity by interlocal agreement. Either type of entity may be created by the authority solely for the purposes of performing the duties and responsibilities of the authority and is treated as an authority for purposes of the bill.

³² Under the bill, this determination is deemed “final and conclusive.”

With respect to regional water projects, the authority must work with local agencies that request assistance to determine the most cost-effective manner of financing. If these entities determine that issuance of utility cost containment bonds will result in lower financing costs for a project, the authority must issue the bonds at the request of the local agencies.

The governing body of an authority that is financing the costs of an eligible utility project must adopt a financing resolution and impose a utility project charge. All provisions of the financing resolution are binding on the authority. The financing resolution must include the following:

- A description of the financial calculation method the authority will use to determine the utility project charge. The calculation method must include a periodic adjustment methodology to be applied at least annually to the utility project charge. The adjustment methodology may not be changed. 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 must pay the utility project charge, regardless of whether the customer has an agreement to receive water or wastewater service from a person other than the publicly owned utility.
- A requirement that the utility project charge be charged separately from other charges on the bill of each customer of the utility that is in the class or classes of customers specified in the financing resolution.
- 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.

The authority may require in the financing resolution that, in the event of default by the local agency or its publicly owned utility, the authority must order the sequestration and payment to the beneficiaries of the revenues arising from the utility project property (discussed in detail, below) if the beneficiaries apply for payment of the revenues under a lien. This may apply to a successor entity as well. If a local agency that has outstanding utility cost containment bonds ceases to operate a water or wastewater utility, directly or through its publicly owned utility, any successor entity must assume and perform all obligations of the local agency and its publicly owned utility and assume the servicing agreement with the authority while the utility cost containment bonds remain outstanding.

Utility Project Charges

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 authority may require information from the local agency or its publicly owned utility to establish the charge.

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. If a customer who is subject to the charge enters into an agreement to purchase water or wastewater service from a supplier other than the publicly owned utility, the

customer remains liable for payment of the charge if the customer received any service or benefit from the utility after the date the charge was imposed (for example, if the customer gets a well or if a competitor were allowed to also serve the area).

At least annually, and at any other interval specified in the financing resolution and related documents, the authority must determine whether adjustments to the utility project charge are required and, if so, make the necessary adjustments to correct for any overcollection or undercollection of financing costs from the charge or to otherwise ensure timely payment of the financing costs of the bonds, including payment of any required debt service coverage. The authority may require information from the local agency or its publicly owned utility to adjust the charge. If an adjustment is deemed necessary, it must be made using the methodology specified in the financing resolution. An adjustment may not impose the charge upon a class of customers not previously subject to the charge under the financing resolution.

Revenues from a utility project charge are deemed special revenues of the authority and do not constitute 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 local agency or its publicly owned utility is authorized to use its established collection policies and remedies under law to enforce collection of the charge. 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.

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. A customer liable for a utility project charge is not permitted to withhold payment of any portion of the charge.

The pledge of a utility project charge to secure payment of utility cost containment bonds is irrevocable, and the state or any other entity is not permitted to reduce, impair, or otherwise adjust the utility project charge, except for the periodic adjustments that the authority is required to make pursuant to the financing resolution.

Utility Project Property

The utility project charge constitutes utility project property when a financing resolution authorizing the charge becomes effective. Utility project property constitutes property, including contracts that secure utility cost containment bonds, whether or not the revenues and proceeds arising with respect to the utility project property have accrued. The utility project property continuously exists as property for all purposes for the period provided in the financing resolution or until all financing costs with respect to the related utility cost containment bonds are paid in full, whichever occurs first.

Upon the effective date of the financing resolution, the utility project property is subject to a first priority statutory lien to secure the payment of the utility cost containment bonds. The lien secures the payment of all financing costs that exist at that time or that subsequently arise to the holders of the bonds, the trustee or representative for the holders of the bonds, and any other entity specified in the financing resolution or the documents relating to the bonds. The lien

attaches to the utility project property regardless of the current ownership of the utility project property, including any local agency or its publicly owned utility, the authority, or other person.

Upon the effective date of the financing resolution, the lien is valid and enforceable against the owner of the utility project property and all third parties, and additional public notice is not required. The lien is a continuously perfected lien on all revenues and proceeds generated from the utility project property, regardless of whether the revenues or proceeds have accrued.

All revenues with respect to utility project property related to utility cost containment bonds, including payments of the utility project charge, must first be applied to the payment of the financing costs of the bonds then due, including the funding of reserves for the bonds. Any excess revenues will be applied as determined by the authority for the benefit of the utility for which the bonds were issued.

Utility Cost Containment Bonds

The proceeds of utility cost containment bonds made available to the local agency or its publicly owned utility must be used for the utility project identified in the application for financing of the project or used to refinance indebtedness of the local agency that financed or refinanced the project. The bonds must be issued pursuant to the provisions of the bill and the procedures specified for intergovernmental utility authorities under s. 163.01(7)(g)8., F.S., and may be validated pursuant to existing procedures for such entities under s. 163.01(7)(g)9., F.S.

The authority must pledge all utility project property as security for payment of the bonds. All rights of the authority with respect to the pledged property are for the benefit of and enforceable by the beneficiaries of the pledge as provided in the related financing documents.

If utility project property is pledged as security for the payment of utility cost containment bonds, the local agency or its publicly owned utility must enter into a contract with the authority which requires that the local agency or its utility:

- Continue to operate the utility, including the utility project that is being financed or refinanced;
- Collect the utility project charge from customers for the benefit and account of the authority and the beneficiaries of the pledge of the charge, and
- Separately account for and remit revenue from the utility project charge to, or for the account of, the authority.

The utility cost containment bonds are nonrecourse to the credit or any assets of the local agency or the publicly owned utility but are payable from, and secured by a pledge of, the utility project property relating to the bonds and any additional security or credit enhancement specified in the documents relating to the bonds. If the authority is financing the project through a single-purpose limited liability company, the bonds are payable from, and secured by, a pledge of amounts paid by the company to the authority from the applicable utility project property. This represents the exclusive method of perfecting a pledge of utility project property by the company.

The issuance of utility cost containment bonds does not obligate the state or any political subdivision of the state to levy or to pledge any form of taxation to pay the bonds or to make any

appropriation for their payment. Each bond must contain on its face the following statement or a similar statement: “Neither the full faith and credit nor the taxing power of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of, or interest on, this bond.”

The authority may not rescind, alter, or amend any resolution or document that pledges utility cost charges for payment of utility cost containment bonds.

Subject to the terms of the pledge document, the validity and relative priority of a pledge is not defeated or adversely affected by the commingling of revenues generated by the utility project property with other funds of the local agency or the publicly owned utility collecting a utility project charge on behalf of an authority.

Financing costs in connection with utility cost containment bonds are a special obligation of the authority and do not constitute a liability of the state or any political subdivision of the state. Financing costs are not a pledge of the full faith and credit of the state or any political subdivision, including the authority, but are payable solely from the funds identified in the documents relating to the bonds. This does not preclude guarantees or credit enhancements in connection with the bonds.

Except as provided in the bill with respect to adjustments to a utility project charge, recovery of the financing costs for utility cost containment bonds from the utility project charge is irrevocable. Further, the authority is prohibited from: rescinding, altering, or amending the applicable financing resolution to revalue or revise the financing costs of the bonds for ratemaking purposes; determining that the financing costs for the related bonds or the utility project charge is unjust or unreasonable; or in any way reducing or impairing the value of utility project property that includes the charge. The amount of revenues arising with respect to the financing costs for the related bonds or the charge are not subject to reduction, impairment, postponement, or termination for any reason until all financing costs to be paid from the charge are fully met and discharged.

Further, except as provided in the bill with respect to adjustments to a utility project charge, the bill establishes a pledge that the state may not limit or alter the financing costs or the utility project property, including the utility project charge associated with the bonds, or any rights related to the utility project property until all financing costs with respect to the bonds are fully discharged. This provision does not preclude limitation or alteration if adequate provision is made by law to protect the owners of the bonds. The state’s pledge may be included by the authority in the governing documents for the bonds.

Bankruptcy Prohibition

Notwithstanding any other law, an authority that has issued utility cost containment bonds may not become a debtor under the United States Bankruptcy Code or become the subject of any similar case or proceeding under any other state or federal law if any payment obligation from utility project property remains with respect to the bonds. Further, a governmental officer or organization may not authorize the authority to become such a debtor or become subject to such a case or proceeding in this circumstance.

Construction

The bill provides for its liberal construction to effectively carry out its intent and purposes. Further, the bill expressly grants and confers upon public entities all incidental powers necessary to carry the bill into effect.

The bill takes effect July 1, 2015.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Customers may benefit from lower financing costs for local agency utility projects, if the resulting savings are passed through to customers. The bill does not require that savings be passed through to customers.

Once utility cost containment bonds are issued, a customer will be obligated to pay the charge for as long as he or she resides on property within the service territory.

C. Government Sector Impact:

The bill may reduce local government expenditures by reducing financing costs for water or wastewater utility projects for utilities owned and operated by a local agency, including any municipality, county, special district, public corporation, regional water authority, or other governmental entity sponsoring or refinancing a utility project.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates an as-yet unnumbered section of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Communications, Energy, and Public Utilities on March 24, 2015:

- Removes all reference to stormwater projects;
- Inserts a cross-reference to clarify what communications services are referred to in defining “public utility services”; and
- Provides that the definition of the term “utility project property” does not include any interest in a customer’s real or personal property.

- B. **Amendments:**

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/24/2015	.	
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	.	

The Committee on Communications, Energy, and Public Utilities
(Hukill) recommended the following:

Senate Amendment

Delete lines 101 - 367

and insert:

(c) "Customer" means a person receiving water or wastewater
service from a publicly owned utility.

(d) "Finance" or "financing" includes refinancing.

(e) "Financing cost" means:

1. Interest and redemption premiums that are payable on
utility cost containment bonds;



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11 2. The cost of retiring the principal of utility cost
12 containment bonds, whether at maturity, including acceleration
13 of maturity upon an event of default, or upon redemption,
14 including sinking fund redemption;

15 3. The cost related to issuing or servicing utility cost
16 containment bonds, including any payment under an interest rate
17 swap agreement and any type of fee;

18 4. A payment or expense associated with a bond insurance
19 policy; financial guaranty; contract, agreement, or other credit
20 or liquidity enhancement for bonds; or contract, agreement, or
21 other financial agreement entered into in connection with
22 utility cost containment bonds;

23 5. Any coverage charges; or

24 6. The funding of one or more reserve accounts relating to
25 utility cost containment bonds.

26 (f) "Financing resolution" means a resolution adopted by
27 the governing body of an authority that provides for the
28 financing or refinancing of a utility project with utility cost
29 containment bonds and that imposes a utility project charge in
30 connection with the utility cost containment bonds in accordance
31 with subsection (4). A financing resolution may be separate from
32 a resolution authorizing the issuance of the bonds.

33 (g) "Governing body" means the body that governs a local
34 agency.

35 (h) "Local agency" means a member of the authority, or an
36 agency or subdivision of that member, that is sponsoring or
37 refinancing a utility project, or any municipality, county,
38 authority, special district, public corporation, regional water
39 authority, or other governmental entity of the state that is



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40 sponsoring or refinancing a utility project.

41 (i) "Public utility services" means water or wastewater
42 services provided by a publicly owned utility. The term does not
43 include communications services, as defined in s. 202.11,
44 Florida Statutes, Internet access services, or information
45 services.

46 (j) "Publicly owned utility" means a utility providing
47 retail or wholesale water or wastewater services that is owned
48 and operated by a local agency. The term includes any successor
49 to the powers and functions of such a utility.

50 (k) "Revenue" means income and receipts of the authority
51 related to the financing of utility projects and issuance of
52 utility cost containment bonds, including any of the following:

53 1. Bond purchase agreements;
54 2. Bonds acquired by the authority;
55 3. Installment sales agreements and other revenue-producing
56 agreements entered into by the authority;

57 4. Utility projects financed or refinanced by the
58 authority;

59 5. Grants and other sources of income;

60 6. Moneys paid by a local agency;

61 7. Interlocal agreements with a local agency, including all
62 service agreements; or

63 8. Interest or other income from any investment of money in
64 any fund or account established for the payment of principal,
65 interest, or premiums on utility cost containment bonds, or the
66 deposit of proceeds of utility cost containment bonds.

67 (l) "Utility cost containment bonds" means bonds, notes,
68 commercial paper, variable rate securities, and any other



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69 evidence of indebtedness issued by an authority the proceeds of
70 which are used directly or indirectly to pay or reimburse a
71 local agency or its publicly owned utility for the costs of a
72 utility project and which are secured by a pledge of, and are
73 payable from, utility project property.

74 (m) "Utility project" means the acquisition, construction,
75 installation, retrofitting, rebuilding, or other addition to or
76 improvement of any equipment, device, structure, process,
77 facility, technology, rights, or property located within or
78 outside this state which is used in connection with the
79 operations of a publicly owned utility.

80 (n) "Utility project charge" means a charge levied on
81 customers of a publicly owned utility to pay the financing costs
82 of utility cost containment bonds issued under subsection (4).
83 The term includes any adjustments to the utility project charge
84 under subsection (5).

85 (o) "Utility project property" means the property right
86 created pursuant to subsection (6). The term does not include
87 any interest in a customer's real or personal property but
88 includes the right, title, and interest of an authority in any
89 of the following:

90 1. The financing resolution, the utility project charge,
91 and any adjustment to the utility project charge established in
92 accordance with subsection (5);

93 2. The financing costs of the utility cost containment
94 bonds and all revenues, and all collections, claims, payments,
95 moneys, or proceeds for, or arising from, the utility project
96 charge; or

97 3. All rights to obtain adjustments to the utility project



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98 charge pursuant to subsection (5).

99 (3) UTILITY PROJECTS.—

100 (a) A local agency that owns and operates a publicly owned
101 utility may apply to an authority to finance the costs of a
102 utility project using the proceeds of utility cost containment
103 bonds. In its application to the authority, the local agency
104 shall specify the utility project to be financed by the utility
105 cost containment bonds and the maximum principal amount, the
106 maximum interest rate, and the maximum stated terms of the
107 utility cost containment bonds.

108 (b) A local agency may not apply to an authority for the
109 financing of a utility project under this section unless the
110 governing body has determined, in a duly noticed public meeting,
111 all of the following:

112 1. The project to be financed is a utility project.

113 2. The local agency will finance costs of the utility
114 project, and the costs associated with the financing will be
115 paid from utility project property, including the utility
116 project charge for the utility cost containment bonds.

117 3. Based on the best information available to the governing
118 body, the rates charged to the local agency's retail customers
119 by the publicly owned utility, including the utility project
120 charge resulting from the financing of the utility project with
121 utility cost containment bonds, are expected to be lower than
122 the rates that would be charged if the project were financed
123 with bonds payable from revenues of the publicly owned utility.

124 (c) A determination by the governing body that a project to
125 be financed with utility cost containment bonds is a utility
126 project is final and conclusive, and the utility cost



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127 containment bonds issued to finance the utility project and the
128 utility project charge shall be valid and enforceable as set
129 forth in the financing resolution and the documents relating to
130 the utility cost containment bonds.

131 (d) If a local agency that has outstanding utility cost
132 containment bonds ceases to operate a water or wastewater
133 utility, directly or through its publicly owned utility,
134 references in this section to the local agency or to its
135 publicly owned utility shall be to the successor entity. The
136 successor entity shall assume and perform all obligations of the
137 local agency and its publicly owned utility required by this
138 section and shall assume the servicing agreement required under
139 subsection (4) while the utility cost containment bonds remain
140 outstanding.

141 (4) FINANCING UTILITY PROJECTS.—

142 (a) An authority may issue utility cost containment bonds
143 to finance or refinance utility projects; refinance debt of a
144 local agency incurred in financing or refinancing utility
145 projects, provided such refinancing results in present value
146 savings to the local agency; or, with the approval of the local
147 agency, refinance previously issued utility cost containment
148 bonds.

149 1. To finance a utility project, the authority may:

150 a. Form a single-purpose limited liability company and
151 authorize the company to adopt the financing resolution of such
152 utility project; or

153 b. Create a new single-purpose entity by interlocal
154 agreement under s. 163.01, Florida Statutes, the membership of
155 which shall consist of the authority and two or more of its



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156 members or other public agencies.

157 2. A single-purpose limited liability company or a single-
158 purpose entity may be created by the authority solely for the
159 purpose of performing the duties and responsibilities of the
160 authority specified in this section and shall constitute an
161 authority for all purposes of this section. Reference to the
162 authority includes a company or entity created under this
163 paragraph.

164 (b) The governing body of an authority that is financing
165 the costs of a utility project shall adopt a financing
166 resolution and shall impose a utility project charge as
167 described in subsection (5). All provisions of a financing
168 resolution adopted pursuant to this section are binding on the
169 authority.

170 1. The financing resolution must:

171 a. Provide a brief description of the financial calculation
172 method the authority will use in determining the utility project
173 charge. The calculation method shall include a periodic
174 adjustment methodology to be applied at least annually to the
175 utility project charge. The authority shall establish the
176 allocation of the utility project charge among classes of
177 customers of the publicly owned utility. The decision of the
178 authority shall be final and conclusive, and the method of
179 calculating the utility project charge and the periodic
180 adjustment may not be changed;

181 b. Require each customer in the class or classes of
182 customers specified in the financing resolution who receives
183 water or wastewater service through the publicly owned utility
184 to pay the utility project charge regardless of whether the



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185 customer has an agreement to receive water or wastewater service
186 from a person other than the publicly owned utility;

187 c. Require that the utility project charge be charged
188 separately from other charges on the bill of customers of the
189 publicly owned utility in the class or classes of customers
190 specified in the financing resolution; and

191 d. Require that the authority enter into a servicing
192 agreement with the local agency or its publicly owned utility to
193 collect the utility project charge.

194 2. The authority may require in the financing resolution
195 that, in the event of a default by the local agency or its
196 publicly owned utility with respect to revenues from the utility
197 project property, the authority, upon application by the
198 beneficiaries of the statutory lien as set forth in subsection
199 (6), shall order the sequestration and payment to the
200 beneficiaries of revenues arising from utility project property.
201 This subparagraph does not limit any other remedies available to
202 the beneficiaries by reason of default.

203 (c) An authority has all the powers provided in this
204 section and s. 163.01(7)(g), Florida Statutes.

205 (d) Each authority shall work with local agencies that
206 request assistance to determine the most cost-effective manner
207 of financing regional water projects. If the entities determine
208 that the issuance of utility cost containment bonds will result
209 in lower financing costs for a project, the authority shall
210 cooperate with such local agencies and, if requested by the
211 local agencies, issue utility cost containment bonds as provided
212 in this section.

213 (5) UTILITY PROJECT CHARGE.-



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214 (a) The authority shall impose a sufficient utility project
215 charge, based on estimates of water or wastewater service usage,
216 to ensure timely payment of all financing costs with respect to
217 utility cost containment bonds. The local agency or its publicly
218 owned utility shall provide the authority with information
219 concerning the publicly owned utility which may be required by
220 the authority in establishing the utility project charge.

221 (b) The utility project charge is a nonbypassable charge to
222 all present and future customers of the publicly owned utility
223 in the class or classes of customers specified in the financing
224 resolution upon its adoption. If a customer of a publicly owned
225 utility that is subject to a utility project charge enters into
226 an agreement to purchase water or wastewater service from a
227 supplier other than the publicly owned utility, the customer
228 remains liable for the payment of the utility project charge if
229 the customer has received any service or benefit from the
230 publicly owned utility after the date the utility project charge
231 was imposed.

232 (c) The authority shall determine at least annually and at
233 such additional intervals as provided in the financing
234 resolution and documents related to the applicable utility cost
235 containment bonds whether adjustments to the utility project
236 charge are required. The authority shall use the adjustment to
237 correct for any overcollection or undercollection of financing
238 costs from the utility project charge or to make any other
239 adjustment necessary to ensure the timely payment of the
240 financing costs of the utility cost containment bonds, including
241 adjustment of the utility project charge to pay any debt service
242 coverage requirement for the utility cost containment bonds. The



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243 local agency or its publicly owned utility shall provide the
244 authority with information concerning the publicly owned utility
245 which may be required by the authority in adjusting the utility
246 project charge.

247 1. If the authority determines that an adjustment to the
248 utility project charge is required, the adjustment shall be made
249 using the methodology specified in the financing resolution.

250 2. The adjustment may not impose the utility project charge
251 on a class of customers that was not subject to the utility
252 project charge pursuant to the financing resolution imposing the
253 utility project charge.

254 (d) Revenues from a utility project charge are special
255 revenues of the authority and do not constitute revenue of the
256 local agency or its publicly owned utility for any purpose,
257 including any dedication, commitment, or pledge of revenue,
258 receipts, or other income that the local agency or its publicly
259 owned utility has made or will make for the security of any of
260 its obligations.

261 (e) The local agency or its publicly owned utility shall
262 act as a servicing agent for collecting the utility project
263 charge throughout the duration of the servicing agreement
264 required by the financing resolution. The local agency or its
265 publicly owned utility shall hold the money collected in trust
266 for the exclusive benefit of the persons entitled to have the
267 financing costs paid from the utility project charge, and the
268 money does not lose its designation as revenues of the authority
269 by virtue of possession by the local agency or its publicly
270 owned utility.

271 (f) The customer must make timely and complete payment of



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272 all utility project charges as a condition of receiving water or
273 wastewater service from the publicly owned



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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/23/2015	.	
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The Committee on Communications, Energy, and Public Utilities
(Hukill) recommended the following:

Senate Amendment

Delete line 102
and insert:
or stormwater service from a publicly owned utility. The term
does not include school districts as it relates to stormwater
fees or service.



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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/24/2015	.	
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The Committee on Communications, Energy, and Public Utilities
(Hukill) recommended the following:

Senate Amendment

Delete lines 137 - 139

and insert:

(i) "Public utility services" means water, wastewater, or stormwater services provided by a publicly owned utility. The term does not include communications services, as defined in s. 202.11, Florida Statutes, Internet access services, or information services.

By Senator Legg

17-00585A-15

20151102__

1 A bill to be entitled
2 An act relating to utility projects; providing a short
3 title; providing definitions; authorizing certain
4 local government entities to finance the costs of a
5 utility project by issuing utility cost containment
6 bonds upon application by a local agency; specifying
7 application requirements; requiring a successor entity
8 of a local agency to assume and perform the
9 obligations of the local agency with respect to the
10 financing of a utility project; providing procedures
11 for local agencies to use when applying to finance a
12 utility project using utility cost containment bonds;
13 authorizing an authority to issue utility cost
14 containment bonds for specified purposes related to
15 utility projects; authorizing an authority to form
16 alternate entities to finance utility projects;
17 requiring the governing body of the authority to adopt
18 a financing resolution and impose a utility project
19 charge on customers of a publicly owned utility as a
20 condition of utility project financing; specifying
21 required and optional provisions of the financing
22 resolution; specifying powers of the authority;
23 requiring the local agency or its publicly owned
24 utility to assist the authority in the establishment
25 or adjustment of the utility project charge; requiring
26 that customers of the public utility specified in the
27 financing resolution pay the utility project charge;
28 providing for adjustment of the utility project
29 charge; establishing ownership of the revenues of the

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30 utility project charge; requiring the local agency or
31 its publicly owned utility to collect the utility
32 project charge; conditioning a customer's receipt of
33 public utility services on payment of the utility
34 project charge; authorizing a local agency or its
35 publicly owned utility to use available remedies to
36 enforce collection of the utility project charge;
37 providing that the pledge of the utility project
38 charge to secure payment of bonds issued to finance
39 the utility project is irrevocable and cannot be
40 reduced or impaired except under certain conditions;
41 providing that a utility project charge constitutes
42 utility project property; providing that utility
43 project property is subject to a lien to secure
44 payment of costs relating to utility cost containment
45 bonds; establishing payment priorities for the use of
46 revenues of the utility project property; providing
47 for the issuance and validation of utility cost
48 containment bonds; securing the payment of utility
49 cost containment bonds and related costs; providing
50 that utility cost containment bonds do not obligate
51 the state or any political subdivision and are not
52 backed by their full faith and credit and taxing
53 power; requiring that certain disclosures be printed
54 on utility cost containment bonds; providing that
55 financing costs related to utility cost containment
56 bonds are an obligation of the authority only;
57 providing limitations on the state's ability to alter
58 financing costs or utility project property under

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20151102__

59 certain circumstances; prohibiting an authority with
 60 outstanding payment obligations on utility cost
 61 containment bonds from becoming a debtor under certain
 62 federal or state laws; providing for construction;
 63 endowing public entities with certain powers;
 64 providing an effective date.

65

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

67

68 Section 1. Utility Cost Containment Bond Act.—

69 (1) SHORT TITLE.—This section may be cited as the “Utility
 70 Cost Containment Bond Act.”

71 (2) DEFINITIONS.—As used in this section, the term:

72 (a) “Authority” means an entity created under s.
 73 163.01(7)(g), Florida Statutes, that provides public utility
 74 services and whose membership consists of at least three
 75 counties. The term includes any successor to the powers and
 76 functions of such an entity.

77 (b) “Cost,” as applied to a utility project or a portion of
 78 a utility project financed under this section, means:

79 1. Any part of the expense of constructing, renovating, or
 80 acquiring lands, structures, real or personal property, rights,
 81 rights-of-way, franchises, easements, and interests acquired or
 82 used for a utility project;

83 2. The expense of demolishing or removing any buildings or
 84 structures on acquired land, including the expense of acquiring
 85 any lands to which the buildings or structures may be moved, and
 86 the cost of all machinery and equipment used for the demolition
 87 or removal;

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- 88 3. Finance charges;
89 4. Interest, as determined by the authority;
90 5. Provisions for working capital and debt service
91 reserves;
92 6. Expenses for extensions, enlargements, additions,
93 replacements, renovations, and improvements;
94 7. Expenses for architectural, engineering, financial,
95 accounting, and legal services, plans, specifications,
96 estimates, and administration; or
97 8. Any other expenses necessary or incidental to
98 determining the feasibility of constructing a utility project or
99 incidental to the construction, acquisition, or financing of a
100 utility project.
- 101 (c) "Customer" means a person receiving water, wastewater,
102 or stormwater service from a publicly owned utility.
- 103 (d) "Finance" or "financing" includes refinancing.
- 104 (e) "Financing cost" means:
- 105 1. Interest and redemption premiums that are payable on
106 utility cost containment bonds;
- 107 2. The cost of retiring the principal of utility cost
108 containment bonds, whether at maturity, including acceleration
109 of maturity upon an event of default, or upon redemption,
110 including sinking fund redemption;
- 111 3. The cost related to issuing or servicing utility cost
112 containment bonds, including any payment under an interest rate
113 swap agreement and any type of fee;
- 114 4. A payment or expense associated with a bond insurance
115 policy; financial guaranty; contract, agreement, or other credit
116 or liquidity enhancement for bonds; or contract, agreement, or

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117 other financial agreement entered into in connection with
118 utility cost containment bonds;

119 5. Any coverage charges; or

120 6. The funding of one or more reserve accounts relating to
121 utility cost containment bonds.

122 (f) "Financing resolution" means a resolution adopted by
123 the governing body of an authority that provides for the
124 financing or refinancing of a utility project with utility cost
125 containment bonds and that imposes a utility project charge in
126 connection with the utility cost containment bonds in accordance
127 with subsection (4). A financing resolution may be separate from
128 a resolution authorizing the issuance of the bonds.

129 (g) "Governing body" means the body that governs a local
130 agency.

131 (h) "Local agency" means a member of the authority, or an
132 agency or subdivision of that member, that is sponsoring or
133 refinancing a utility project, or any municipality, county,
134 authority, special district, public corporation, regional water
135 authority, or other governmental entity of the state that is
136 sponsoring or refinancing a utility project.

137 (i) "Public utility services" means water, wastewater, or
138 stormwater services provided by a publicly owned utility. The
139 term does not include Internet or cable services.

140 (j) "Publicly owned utility" means a utility providing
141 retail or wholesale water, wastewater, or stormwater services
142 that is owned and operated by a local agency. The term includes
143 any successor to the powers and functions of such a utility.

144 (k) "Revenue" means income and receipts of the authority
145 related to the financing of utility projects and issuance of

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20151102__

146 utility cost containment bonds, including any of the following:

147 1. Bond purchase agreements;

148 2. Bonds acquired by the authority;

149 3. Installment sales agreements and other revenue-producing
150 agreements entered into by the authority;

151 4. Utility projects financed or refinanced by the
152 authority;

153 5. Grants and other sources of income;

154 6. Moneys paid by a local agency;

155 7. Interlocal agreements with a local agency, including all
156 service agreements; or

157 8. Interest or other income from any investment of money in
158 any fund or account established for the payment of principal,
159 interest, or premiums on utility cost containment bonds, or the
160 deposit of proceeds of utility cost containment bonds.

161 (l) "Utility cost containment bonds" means bonds, notes,
162 commercial paper, variable rate securities, and any other
163 evidence of indebtedness issued by an authority the proceeds of
164 which are used directly or indirectly to pay or reimburse a
165 local agency or its publicly owned utility for the costs of a
166 utility project and which are secured by a pledge of, and are
167 payable from, utility project property.

168 (m) "Utility project" means the acquisition, construction,
169 installation, retrofitting, rebuilding, or other addition to or
170 improvement of any equipment, device, structure, process,
171 facility, technology, rights, or property located within or
172 outside this state which is used in connection with the
173 operations of a publicly owned utility.

174 (n) "Utility project charge" means a charge levied on

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175 customers of a publicly owned utility to pay the financing costs
176 of utility cost containment bonds issued under subsection (4).
177 The term includes any adjustments to the utility project charge
178 under subsection (5).

179 (o) "Utility project property" means the property right
180 created pursuant to subsection (6), including the right, title,
181 and interest of an authority in any of the following:

182 1. The financing resolution, the utility project charge,
183 and any adjustment to the utility project charge established in
184 accordance with subsection (5);

185 2. The financing costs of the utility cost containment
186 bonds and all revenues, and all collections, claims, payments,
187 moneys, or proceeds for, or arising from, the utility project
188 charge; or

189 3. All rights to obtain adjustments to the utility project
190 charge pursuant to subsection (5).

191 (3) UTILITY PROJECTS.-

192 (a) A local agency that owns and operates a publicly owned
193 utility may apply to an authority to finance the costs of a
194 utility project using the proceeds of utility cost containment
195 bonds. In its application to the authority, the local agency
196 shall specify the utility project to be financed by the utility
197 cost containment bonds and the maximum principal amount, the
198 maximum interest rate, and the maximum stated terms of the
199 utility cost containment bonds.

200 (b) A local agency may not apply to an authority for the
201 financing of a utility project under this section unless the
202 governing body has determined, in a duly noticed public meeting,
203 all of the following:

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204 1. The project to be financed is a utility project.

205 2. The local agency will finance costs of the utility
206 project, and the costs associated with the financing will be
207 paid from utility project property, including the utility
208 project charge for the utility cost containment bonds.

209 3. Based on the best information available to the governing
210 body, the rates charged to the local agency's retail customers
211 by the publicly owned utility, including the utility project
212 charge resulting from the financing of the utility project with
213 utility cost containment bonds, are expected to be lower than
214 the rates that would be charged if the project were financed
215 with bonds payable from revenues of the publicly owned utility.

216 (c) A determination by the governing body that a project to
217 be financed with utility cost containment bonds is a utility
218 project is final and conclusive, and the utility cost
219 containment bonds issued to finance the utility project and the
220 utility project charge shall be valid and enforceable as set
221 forth in the financing resolution and the documents relating to
222 the utility cost containment bonds.

223 (d) If a local agency that has outstanding utility cost
224 containment bonds ceases to operate a water, wastewater, or
225 stormwater utility, directly or through its publicly owned
226 utility, references in this section to the local agency or to
227 its publicly owned utility shall be to the successor entity. The
228 successor entity shall assume and perform all obligations of the
229 local agency and its publicly owned utility required by this
230 section and shall assume the servicing agreement required under
231 subsection (4) while the utility cost containment bonds remain
232 outstanding.

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233 (4) FINANCING UTILITY PROJECTS.-

234 (a) An authority may issue utility cost containment bonds
235 to finance or refinance utility projects; refinance debt of a
236 local agency incurred in financing or refinancing utility
237 projects, provided such refinancing results in present value
238 savings to the local agency; or, with the approval of the local
239 agency, refinance previously issued utility cost containment
240 bonds.

241 1. To finance a utility project, the authority may:

242 a. Form a single-purpose limited liability company and
243 authorize the company to adopt the financing resolution of such
244 utility project; or

245 b. Create a new single-purpose entity by interlocal
246 agreement under s. 163.01, Florida Statutes, the membership of
247 which shall consist of the authority and two or more of its
248 members or other public agencies.

249 2. A single-purpose limited liability company or a single-
250 purpose entity may be created by the authority solely for the
251 purpose of performing the duties and responsibilities of the
252 authority specified in this section and shall constitute an
253 authority for all purposes of this section. Reference to the
254 authority includes a company or entity created under this
255 paragraph.

256 (b) The governing body of an authority that is financing
257 the costs of a utility project shall adopt a financing
258 resolution and shall impose a utility project charge as
259 described in subsection (5). All provisions of a financing
260 resolution adopted pursuant to this section are binding on the
261 authority.

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262 1. The financing resolution must:

263 a. Provide a brief description of the financial calculation
264 method the authority will use in determining the utility project
265 charge. The calculation method shall include a periodic
266 adjustment methodology to be applied at least annually to the
267 utility project charge. The authority shall establish the
268 allocation of the utility project charge among classes of
269 customers of the publicly owned utility. The decision of the
270 authority shall be final and conclusive, and the method of
271 calculating the utility project charge and the periodic
272 adjustment may not be changed;

273 b. Require each customer in the class or classes of
274 customers specified in the financing resolution who receives
275 water, wastewater, or stormwater service through the publicly
276 owned utility to pay the utility project charge regardless of
277 whether the customer has an agreement to receive water,
278 wastewater, or stormwater service from a person other than the
279 publicly owned utility;

280 c. Require that the utility project charge be charged
281 separately from other charges on the bill of customers of the
282 publicly owned utility in the class or classes of customers
283 specified in the financing resolution; and

284 d. Require that the authority enter into a servicing
285 agreement with the local agency or its publicly owned utility to
286 collect the utility project charge.

287 2. The authority may require in the financing resolution
288 that, in the event of a default by the local agency or its
289 publicly owned utility with respect to revenues from the utility
290 project property, the authority, upon application by the

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291 beneficiaries of the statutory lien as set forth in subsection
292 (6), shall order the sequestration and payment to the
293 beneficiaries of revenues arising from utility project property.
294 This subparagraph does not limit any other remedies available to
295 the beneficiaries by reason of default.

296 (c) An authority has all the powers provided in this
297 section and s. 163.01(7)(g), Florida Statutes.

298 (d) Each authority shall work with local agencies that
299 request assistance to determine the most cost-effective manner
300 of financing regional water projects. If the entities determine
301 that the issuance of utility cost containment bonds will result
302 in lower financing costs for a project, the authority shall
303 cooperate with such local agencies and, if requested by the
304 local agencies, issue utility cost containment bonds as provided
305 in this section.

306 (5) UTILITY PROJECT CHARGE.—

307 (a) The authority shall impose a sufficient utility project
308 charge, based on estimates of water, wastewater, or stormwater
309 service usage, to ensure timely payment of all financing costs
310 with respect to utility cost containment bonds. The local agency
311 or its publicly owned utility shall provide the authority with
312 information concerning the publicly owned utility which may be
313 required by the authority in establishing the utility project
314 charge.

315 (b) The utility project charge is a nonbypassable charge to
316 all present and future customers of the publicly owned utility
317 in the class or classes of customers specified in the financing
318 resolution upon its adoption. If a customer of a publicly owned
319 utility that is subject to a utility project charge enters into

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320 an agreement to purchase water, wastewater, or stormwater
321 service from a supplier other than the publicly owned utility,
322 the customer remains liable for the payment of the utility
323 project charge if the customer has received any service or
324 benefit from the publicly owned utility after the date the
325 utility project charge was imposed.

326 (c) The authority shall determine at least annually and at
327 such additional intervals as provided in the financing
328 resolution and documents related to the applicable utility cost
329 containment bonds whether adjustments to the utility project
330 charge are required. The authority shall use the adjustment to
331 correct for any overcollection or undercollection of financing
332 costs from the utility project charge or to make any other
333 adjustment necessary to ensure the timely payment of the
334 financing costs of the utility cost containment bonds, including
335 adjustment of the utility project charge to pay any debt service
336 coverage requirement for the utility cost containment bonds. The
337 local agency or its publicly owned utility shall provide the
338 authority with information concerning the publicly owned utility
339 which may be required by the authority in adjusting the utility
340 project charge.

341 1. If the authority determines that an adjustment to the
342 utility project charge is required, the adjustment shall be made
343 using the methodology specified in the financing resolution.

344 2. The adjustment may not impose the utility project charge
345 on a class of customers that was not subject to the utility
346 project charge pursuant to the financing resolution imposing the
347 utility project charge.

348 (d) Revenues from a utility project charge are special

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349 revenues of the authority and do not constitute revenue of the
350 local agency or its publicly owned utility for any purpose,
351 including any dedication, commitment, or pledge of revenue,
352 receipts, or other income that the local agency or its publicly
353 owned utility has made or will make for the security of any of
354 its obligations.

355 (e) The local agency or its publicly owned utility shall
356 act as a servicing agent for collecting the utility project
357 charge throughout the duration of the servicing agreement
358 required by the financing resolution. The local agency or its
359 publicly owned utility shall hold the money collected in trust
360 for the exclusive benefit of the persons entitled to have the
361 financing costs paid from the utility project charge, and the
362 money does not lose its designation as revenues of the authority
363 by virtue of possession by the local agency or its publicly
364 owned utility.

365 (f) The customer must make timely and complete payment of
366 all utility project charges as a condition of receiving water,
367 wastewater, or stormwater service from the publicly owned
368 utility. The local agency or its publicly owned utility may use
369 its established collection policies and remedies provided under
370 law to enforce collection of the utility project charge. A
371 customer liable for a utility project charge may not withhold
372 payment, in whole or in part, thereof.

373 (g) The pledge of a utility project charge to secure
374 payment of utility cost containment bonds is irrevocable, and
375 the state, or any other entity, may not reduce, impair, or
376 otherwise adjust the utility project charge, except that the
377 authority shall implement the periodic adjustments to the

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378 utility project charge as provided under this subsection.

379 (6) UTILITY PROJECT PROPERTY.—

380 (a) A utility project charge constitutes utility project
381 property on the effective date of the financing resolution
382 authorizing such utility project charge. Utility project
383 property constitutes property, including for contracts securing
384 utility cost containment bonds, regardless of whether the
385 revenues and proceeds arising with respect to the utility
386 project property have accrued. Utility project property shall
387 continuously exist as property for all purposes with all of the
388 rights and privileges of this section through the end of the
389 period provided in the financing resolution or until all
390 financing costs with respect to the related utility cost
391 containment bonds are paid in full, whichever occurs first.

392 (b) Upon the effective date of the financing resolution,
393 the utility project property is subject to a first-priority
394 statutory lien to secure the payment of the utility cost
395 containment bonds.

396 1. The lien secures the payment of all financing costs then
397 existing or subsequently arising to the holders of the utility
398 cost containment bonds, the trustees or representatives of the
399 holders of the utility cost containment bonds, and any other
400 entity specified in the financing resolution or the documents
401 relating to the utility cost containment bonds.

402 2. The lien attaches to the utility project property
403 regardless of the current ownership of the utility project
404 property, including any local agency or its publicly owned
405 utility, the authority, or any other person.

406 3. Upon the effective date of the financing resolution, the

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407 lien is valid and enforceable against the owner of the utility
408 project property and all third parties, and additional public
409 notice is not required.

410 4. The lien is a continuously perfected lien on all
411 revenues and proceeds generated from the utility project
412 property regardless of whether the revenues or proceeds have
413 accrued.

414 (c) All revenues with respect to utility project property
415 related to utility cost containment bonds, including payments of
416 the utility project charge, shall be applied first to the
417 payment of the financing costs of the utility cost containment
418 bonds then due, including the funding of reserves for the
419 utility cost containment bonds. Any excess revenues shall be
420 applied as determined by the authority for the benefit of the
421 utility for which the utility cost containment bonds were
422 issued.

423 (7) UTILITY COST CONTAINMENT BONDS.—

424 (a) Utility cost containment bonds shall be issued within
425 the parameters of the financing provided by the authority
426 pursuant to this section. The proceeds of the utility cost
427 containment bonds made available to the local agency or its
428 publicly owned utility shall be used for the utility project
429 identified in the application for financing of the utility
430 project or used to refinance indebtedness of the local agency
431 which financed or refinanced utility projects.

432 (b) Utility cost containment bonds shall be issued as set
433 forth in this section and s. 163.01(7)(g)8., Florida Statutes,
434 and may be validated pursuant to s. 163.01(7)(g)9., Florida
435 Statutes.

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436 (c) The authority shall pledge the utility project property
437 as security for the payment of the utility cost containment
438 bonds. All rights of an authority with respect to utility
439 project property pledged as security for the payment of utility
440 cost containment bonds shall be for the benefit of, and
441 enforceable by, the beneficiaries of the pledge to the extent
442 provided in the financing documents relating to the utility cost
443 containment bonds.

444 1. If utility project property is pledged as security for
445 the payment of utility cost containment bonds, the local agency
446 or its publicly owned utility shall enter into a contract with
447 the authority which requires, at a minimum, that the publicly
448 owned utility:

449 a. Continue to operate its publicly owned utility,
450 including the utility project that is being financed or
451 refinanced;

452 b. Collect the utility project charge from customers for
453 the benefit and account of the authority and the beneficiaries
454 of the pledge of the utility project charge; and

455 c. Separately account for and remit revenue from the
456 utility project charge to, or for the account of, the authority.

457 2. The pledge of a utility project charge to secure payment
458 of utility cost containment bonds is irrevocable, and the state
459 or any other entity may not reduce, impair, or otherwise adjust
460 the utility project charge, except that the authority shall
461 implement periodic adjustments to the utility project charge as
462 provided under subsection (5).

463 (d) Utility cost containment bonds shall be nonrecourse to
464 the credit or any assets of the local agency or the publicly

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465 owned utility but shall be payable from, and secured by a pledge
466 of the utility project property relating to the utility cost
467 containment bonds and any additional security or credit
468 enhancement specified in the documents relating to the utility
469 cost containment bonds. If, pursuant to subsection (4), the
470 authority is financing the project through a single-purpose
471 limited liability company, the utility cost containment bonds
472 shall be payable from, and secured by, a pledge of amounts paid
473 by the company to the authority from the applicable utility
474 project property. This paragraph shall be the exclusive method
475 of perfecting a pledge of utility project property by the
476 company securing the payment of financing costs under any
477 agreement of the company in connection with the issuance of
478 utility cost containment bonds.

479 (e) The issuance of utility cost containment bonds does not
480 obligate the state or any political subdivision thereof to levy
481 or to pledge any form of taxation to pay the utility cost
482 containment bonds or to make any appropriation for their
483 payment. Each utility cost containment bond must contain on its
484 face a statement in substantially the following form:

485
486 "Neither the full faith and credit nor the taxing power of the
487 State of Florida or any political subdivision thereof is pledged
488 to the payment of the principal of, or interest on, this bond."

489
490 (f) Notwithstanding any other law or this section, a
491 financing resolution or other resolution of the authority, or
492 documents relating to utility cost containment bonds, the
493 authority may not rescind, alter, or amend any resolution or

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494 document that pledges utility cost charges for payment of
495 utility cost containment bonds.

496 (g) Subject to the terms of any pledge document created
497 under this section, the validity and relative priority of a
498 pledge is not defeated or adversely affected by the commingling
499 of revenues generated by the utility project property with other
500 funds of the local agency or the publicly owned utility
501 collecting a utility project charge on behalf of an authority.

502 (h) Financing costs in connection with utility cost
503 containment bonds are a special obligation of the authority and
504 do not constitute a liability of the state or any political
505 subdivision thereof. Financing costs are not a pledge of the
506 full faith and credit of the state or any political subdivision
507 thereof, including the authority, but are payable solely from
508 the funds identified in the documents relating to the utility
509 cost containment bonds. This paragraph does not preclude
510 guarantees or credit enhancements in connection with utility
511 cost containment bonds.

512 (i) Except as otherwise provided in this section with
513 respect to adjustments to a utility project charge, the recovery
514 of the financing costs for the utility cost containment bonds
515 from the utility project charge shall be irrevocable, and the
516 authority does not have the power, by rescinding, altering, or
517 amending the applicable financing resolution, to revalue or
518 revise for ratemaking purposes the financing costs of utility
519 cost containment bonds; to determine that the financing costs
520 for the related utility cost containment bonds or the utility
521 project charge is unjust or unreasonable; or to in any way
522 reduce or impair the value of utility project property that

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523 includes the utility project charge, either directly or
524 indirectly. The amount of revenues arising with respect to the
525 financing costs for the related utility cost containment bonds
526 or the utility project charge are not subject to reduction,
527 impairment, postponement, or termination for any reason until
528 all financing costs to be paid from the utility project charge
529 are fully met and discharged.

530 (j) Except as provided in subsection (5) with respect to
531 adjustments to a utility project charge, the state pledges and
532 agrees with the owners of utility cost containment bonds that
533 the state may not limit or alter the financing costs or the
534 utility project property, including the utility project charge,
535 relating to the utility cost containment bonds, or any rights
536 related to the utility project property, until all financing
537 costs with respect to the utility cost containment bonds are
538 fully met and discharged. This paragraph does not preclude
539 limitation or alteration if adequate provision is made by law to
540 protect the owners. The authority may include the state's pledge
541 in the governing documents for utility cost containment bonds.

542 (8) LIMITATION ON DEBT RELIEF.—Notwithstanding any other
543 law, an authority that issued utility cost containment bonds may
544 not, and a governmental officer or organization may not
545 authorize the authority to, become a debtor under the United
546 States Bankruptcy Code or become the subject of any similar case
547 or proceeding under any other state or federal law if any
548 payment obligation from utility project property remains with
549 respect to the utility cost containment bonds.

550 (9) CONSTRUCTION.—This section and all grants of power and
551 authority in this section shall be liberally construed to

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552 effectuate their purposes. All incidental powers necessary to
553 carry this section into effect are expressly granted to, and
554 conferred upon, public entities.

555 Section 2. This act shall take effect July 1, 2015.

SUMMARY OF AMENDMENTS
TO
SB 1538

<p>Amendment # 1 By Senator Bradley Barcode 180202 Delete everything</p>	<p>The amendment inserts a new section amending s. 377.810, F.S., to authorize DACS to use unencumbered natural gas fuel fleet vehicle rebate program funds for additional or new rebates.</p> <p>The amendment also revises the provisions for the new heavy transportation industry natural gas rebate program, including:</p> <ul style="list-style-type: none">• in the definition of “eligible costs,” requiring that a lease be for at least 10 years (5 years in the original bill);• adding to the definition of “eligible vehicle” any vehicle with a “high horsepower engine”;• defining “high horsepower engine” as one providing more than 1,000 horsepower and used for nonhighway transportation purposes;• deleting the requirement that OPPAGA do an annual report analyzing the benefits to the state resulting from the program; and• inserting an appropriation section that simply states that, beginning in the 2015-2016 fiscal year and continuing through the 2019-2020 fiscal year, the General Appropriations Act may provide a specific appropriation from the General Revenue Fund to DACS for funding of this rebate program.
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The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Communications, Energy, and Public Utilities

BILL: CS/SB 1538

INTRODUCER: Communications, Energy, and Public Utilities Committee and Senator Simpson

SUBJECT: Natural Gas Rebate Program

DATE: March 24, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Fav/CS
2.			AGG	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1538 amends s. 377.810, F.S., to authorize the Department of Agriculture and Consumer Services (DACS or department) to use unencumbered natural gas fuel fleet vehicle rebate program funds for additional or new rebates.

It also creates a heavy transportation industry natural gas rebate program within DACS. The department is to award rebates for “eligible costs,” a term defined to mean the cost of conversion, purchase, or lease of a locomotive, ship, or high horsepower engines which uses natural gas fuel and which is placed into service on or after January 1, 2015.

The rebate:

- May not exceed 50 percent of the eligible costs of a natural gas locomotive or ship with a dedicated or bi-fuel natural gas fuel operating system placed into service on or after January 1, 2015;
- Is limited to a maximum of \$500,000 per vehicle;
- Is limited to a total of \$1,000,000 per applicant per fiscal year; and
- Is limited to fuel powered natural gas locomotives and ships that comply with applicable United States Environmental Protection Agency emission standards.

To receive a rebate, an applicant must submit to DACS an application which meets specified requirements as to content. The total amount of rebates in each fiscal year may not exceed the amount appropriated for the program in that fiscal year. Rebates are to be allocated to eligible

applicants on a first-come, first-served basis, determined by the date the application is received, until all appropriated funds for the fiscal year are expended or the program ends, whichever comes first. Incomplete applications will not be accepted and do not secure a place in the first-come, first-served application process. The department is to determine and publish on its website on an ongoing basis the amount of available funding for rebates remaining in each fiscal year.

The department is to adopt rules to implement and administer this section by January 1, 2016. By October 1, 2016, and each year thereafter that the rebate program is funded, DACS must provide an assessment of the rebate program during the previous fiscal year. The report must contain specified information and must be provided to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability.

The bill does not appropriate funding for the rebate program.

The bill takes effect July 1, 2015.

II. Present Situation:

Section 377.810, F.S., creates the natural gas fuel fleet vehicle rebate program within DACS for the purpose of helping to reduce transportation costs in this state and encourage freight mobility investments that contribute to the economic growth of the state.

Forty percent of the annual refund allocation is reserved for governmental applicants, with the remaining funds allocated for commercial applicants. A rebate may not exceed 50 percent of the eligible costs of a natural gas fuel fleet vehicle with a dedicated or bi-fuel natural gas fuel operating system placed into service on or after July 1, 2013. An applicant is eligible to receive a maximum rebate of \$25,000 per vehicle up to a total of \$250,000 per fiscal year. All natural gas fuel fleet vehicles eligible for the rebate must comply with applicable United States Environmental Protection Agency emission standards.

An applicant seeking to obtain a rebate must submit an application to DACS by a specified date each year as established by department rule. The application must include:

- A complete description of all eligible costs,
- Proof of purchase or lease of the vehicle for which the applicant is seeking a rebate,
- A copy of the vehicle registration certificate,
- A description of the total rebate sought by the applicant,
- An affidavit from the applicant certifying that all information contained in the application is true and correct; and
- Any other information deemed necessary by the department.

The total amount of rebates allocated to certified applicants in each fiscal year may not exceed the amount appropriated for the program in the fiscal year. Rebates are allocated to eligible applicants on a first-come, first-served basis, determined by the date the application is received, until all appropriated funds for the fiscal year are expended or the program ends, whichever comes first. Incomplete applications submitted to the department are not accepted and do not secure a place in the first-come, first-served application process.

The department was required to adopt rules to implement and administer this section by December 31, 2013.

The department is required to determine and publish on its website on an ongoing basis the amount of available funding for rebates remaining in each fiscal year.

By October 1 of each year that the program is funded, the department must provide an annual assessment of the use of the rebate program during the previous fiscal year to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability. The assessment must include, at a minimum, the following information:

- The name of each applicant awarded a rebate;
- The amount of the rebates awarded to each applicant;
- The type and description of each eligible vehicle for which each applicant applied for a rebate; and
- The aggregate amount of funding awarded for all applicants claiming rebates.

By January 31, 2016, the Office of Program Policy Analysis and Government Accountability must release a report reviewing the rebate program to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The review must include an analysis of the economic benefits resulting to the state from the program.

There is no state incentive for the conversion to, purchase, or lease of natural gas fuel powered heavy transportation assets such as locomotives, waterborne ships, and high horsepower transportation engines.

III. Effect of Proposed Changes:

The bill amends s. 377.810, F.S., to authorize DACS to use unencumbered natural gas fuel fleet vehicle rebate program funds for additional or new rebates. Any unencumbered funds remaining after May 1 of each fiscal year may be used by the department to award an additional rebate of up to \$250,000 for a governmental applicant. Any unencumbered funds remaining after June 1 of each fiscal year may be used by the department to award an additional or new rebate of up to \$250,000 for a governmental or commercial applicant.

The bill creates a heavy transportation industry natural gas rebate program within the department for the purpose of helping to reduce transportation costs in this state, encouraging the use of a domestic fuel source, and encouraging freight mobility investments that contribute to the economic growth of the state. The department is to award rebates for “eligible costs,” a term defined to mean the cost of conversion¹ or the incremental cost² incurred by an applicant in

¹ The bill defines the term “conversion costs” to mean the excess cost associated with retrofitting a diesel or gasoline powered locomotive or ship to a natural gas fuel powered motor vehicle.

² The bill defines the term “incremental costs” to mean the excess costs associated with the purchase or lease of a natural gas fuel powered locomotive or ship as compared to an equivalent diesel- or gasoline-powered locomotive or ship.

connection with an investment in the conversion, purchase, or lease lasting at least 10 years, of a locomotive, ship, or other high horsepower engine placed into service on or after July 1, 2015.³

The rebate:

- May not exceed 50 percent of the eligible costs of a natural gas locomotive or ship with a dedicated or bi-fuel natural gas fuel⁴ operating system placed into service on or after January 1, 2015;
- Is limited to a maximum of \$500,000 per vehicle;
- Is limited to a total of \$1,000,000 per applicant per fiscal year; and
- Is limited to fuel powered natural gas locomotives and ships that comply with applicable United States Environmental Protection Agency emission standards.

To receive a rebate, an applicant must submit an application to DACS by a date established by department rule. The application must include:

- A complete description of all eligible costs;
- Proof of purchase or lease of the locomotive or ship for which the applicant is seeking a rebate;
- A copy of the vehicle registration certificate;
- A description of the total rebate sought by the applicant;
- An affidavit from the applicant certifying that all information contained in the application is true and correct; and
- Any other information deemed necessary by the department and set forth in department rule.

The department is to determine the rebate eligibility of each applicant in accordance with the requirements of this section and department rule. The total amount of rebates allocated to certified applicants in each fiscal year may not exceed the amount appropriated for the program in the fiscal year. Rebates are to be allocated to eligible applicants on a first-come, first-served basis, determined by the date the application is received, until all appropriated funds for the fiscal year are expended or the program ends, whichever comes first. Incomplete applications submitted to the department will not be accepted and do not secure a place in the first-come, first-served application process. The department is to determine and publish on its website on an ongoing basis the amount of available funding for rebates remaining in each fiscal year.

The department is to adopt rules to implement and administer this section by December 31, 2015, including rules relating to the forms required to claim a rebate, the required documentation and basis for establishing eligibility for a rebate, procedures and guidelines for claiming a rebate, and the collection of economic impact data from applicants.

By December 1, 2016, and each year thereafter that the program is funded, DACS must provide an annual assessment of the use of the rebate program during the previous fiscal year. The report

³ The definition expressly excludes costs relating to fueling infrastructure.

⁴ The bill defines the term “natural gas fuel” to mean any liquefied petroleum gas product, compressed natural gas product, or combination thereof used in a motor vehicle as defined in s. 206.01(23). This term includes, but is not limited to, all forms of fuel commonly or commercially known or sold as natural gasoline, butane gas, propane gas, or any other form of liquefied petroleum gas, natural gas, or liquefied natural gas. This term does not include natural gas or liquefied petroleum placed in a separate tank of a motor vehicle for cooking, heating, water heating, or electric generation.

must be provided to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability. The assessment must include, at a minimum:

- The name of each applicant awarded a rebate under this section;
- The amount of the rebates awarded to each applicant;
- The type and description of each eligible locomotive or ship for which each applicant applied for a rebate; and
- The aggregate amount of funding awarded for all applicants claiming rebates under this section.

Beginning in the 2015-2016 fiscal year and each year thereafter through the 2019-2020 fiscal year, the General Appropriations Act may provide a specific appropriation in each fiscal year from the General Revenue Fund to the department for the purpose of funding the heavy transportation industry natural gas rebate program.

The bill takes effect July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

The bill provides that:

- Rebates are to be awarded for “eligible costs,” a term defined to mean the cost of conversion or the incremental cost incurred by an applicant in connection with an investment in the conversion, purchase, or lease lasting at least 5 years, of a locomotive or ship placed into service on or after January 1, 2015;
- Rebates are to be limited by four express restrictions or conditions;
- To receive a rebate, an application meeting specified requirements must be submitted to DACS;
- The department is to adopt rules to implement and administer the bill’s provisions, including rules relating to the basis for establishing eligibility for a rebate; and
- The department is to determine the rebate eligibility of each applicant in accordance with the bill’s requirements and department rule.

It is unclear what additional eligibility requirements the bill contemplates will be established by department rule, and what legislative guidance the bill provides for crafting such rules. Dependent upon how the department implements the eligibility provisions, the uncertainty of legislative direction may raise issues of unlawful delegation of legislative authority. For example, the bill’s provisions requiring that a vehicle have sufficient usage in Florida to be eligible for a rebate do not appear to apply to a vehicle used for nonhighway transportation purposes that has a high horsepower engine. If the rules created such a requirement, it may be subject to challenge.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may provide a rebate to those who own a locomotive or ship and convert it to natural gas fuel, or who purchase or lease a locomotive or ship that uses natural gas fuel.

Additionally, the bill may benefit importers and suppliers of natural gas fuel, and, to the extent that it creates additional demand for natural gas fuel, may encourage investments in fueling infrastructure in Florida.

C. Government Sector Impact:

The bill does not contain an appropriation to fund the rebate program.

DACS provided the following information on the fiscal impact to implement the bill.

Recurring Costs	
Salaries & Benefits – Government Analyst I (1)	\$53,296
Expenses	
• Professional Expense Pkg	\$6,166
• Admin-Travel Annual Rebate Sample Site Visit	\$1,340
Special Category – Human Resources Services (1)	\$344
Total Recurring Expenditures	\$61,146
Non-Recurring	
Expenses	
• Professional Expense Pkg (1)	\$3,882
• Admin-Travel Rulemaking Workshops	\$2,103
Total Non-Recurring Expenditures	\$5,985

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 377.810 of the Florida Statutes.

This bill creates the section 377.811 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Communications, Energy, and Public Utilities on March 24, 2015:

- Amends s. 377.810, F.S., to authorize DACS to use unencumbered natural gas fuel fleet vehicle rebate program funds for additional or new rebates;
- Amends the newly created new heavy transportation industry natural gas rebate program, including:
 - Requiring in the definition of “eligible costs” a lease be for at least 10 years (5 years in the original bill);
 - Adding to the definition of “eligible vehicle” any vehicle with a “high horsepower engine”;
 - Defining “high horsepower engine” as one providing more than 1,000 horsepower and used for nonhighway transportation purposes;
 - Deleting the requirement that OPPAGA do an annual report analyzing the benefits to the state resulting from the program; and
 - Inserting an appropriation section that states that, beginning in the 2015-2016 fiscal year and continuing through the 2019-2020 fiscal year, the General Appropriations Act may provide a specific appropriation from the General Revenue Fund to DACS for funding of this rebate program.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RS	.	
03/24/2015	.	
	.	
	.	
	.	

The Committee on Communications, Energy, and Public Utilities (Bradley) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsection (3) of section 377.810, Florida Statutes, is amended to read:

377.810 Natural gas fuel fleet vehicle rebate program.—

(3) NATURAL GAS FUEL FLEET VEHICLE REBATE.—The department shall award rebates for eligible costs as defined in this section. Forty percent of the annual allocation shall be



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11 reserved for governmental applicants, with the remaining funds
12 allocated for commercial applicants. A rebate may not exceed 50
13 percent of the eligible costs of a natural gas fuel fleet
14 vehicle with a dedicated or bi-fuel natural gas fuel operating
15 system placed into service on or after July 1, 2013. An
16 applicant is eligible to receive a maximum rebate of \$25,000 per
17 vehicle up to a total of \$250,000 per fiscal year. Any
18 unencumbered funds remaining after May 1 of each fiscal year may
19 be used by the department to award an additional rebate of up to
20 \$250,000 for a governmental applicant. Any unencumbered funds
21 remaining after June 1 of each fiscal year may be used by the
22 department to award an additional or new rebate of up to
23 \$250,000 for a governmental or commercial applicant. All natural
24 gas fuel fleet vehicles eligible for the rebate must comply with
25 applicable United States Environmental Protection Agency
26 emission standards.

27 Section 2. Section 377.811, Florida Statutes, is created to
28 read:

29 377.811 Heavy transportation industry natural gas rebate
30 program.—

31 (1) CREATION AND PURPOSE OF PROGRAM.—There is created
32 within the Department of Agriculture and Consumer Services a
33 heavy transportation industry natural gas rebate program. The
34 purpose of this program is to help reduce transportation costs
35 in this state, encourage the use of a domestic fuel source, and
36 encourage heavy transportation industry investments that
37 contribute to the economic growth of the state.

38 (2) DEFINITIONS.—As used in this section, the term:

39 (a) "Conversion costs" means the costs associated with



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40 retrofitting a diesel-, gasoline-, or heavy fuel oil- powered
41 locomotive, waterborne ship, or other high horsepower engine to
42 a natural gas powered eligible vehicle.

43 (b) "Department" means the Department of Agriculture and
44 Consumer Services.

45 (c) "Eligible costs" means the conversion costs or the
46 incremental costs incurred by an applicant in connection with an
47 investment in the conversion, purchase, or lease lasting at
48 least 10 years of a natural gas-powered eligible vehicle. The
49 term does not include costs for project development, fueling
50 stations, or other fueling infrastructure.

51 (d) "Eligible vehicle" means one or more locomotives,
52 waterborne ships, or other high horsepower engines used for
53 transportation purposes registered or licensed in this state and
54 used for commercial business or governmental purposes. Eligible
55 vehicles must be newly constructed or repowered and placed into
56 service on or after July 1, 2015. Waterborne ships must be built
57 and documented in the United States with a coastwise endorsement
58 under the Jones Act, 46 U.S.C. s. 55102, and used to provide
59 regular transportation of merchandise between one or more ports
60 in this state and other domestic ports. If the eligible vehicle
61 is registered with a federal regulatory body, the owner must
62 certify in writing that the eligible vehicle will be used the
63 majority of the time in this state or a waterborne ship that
64 uses a port in this state in its rotation, subject to department
65 review.

66 (e) "High horsepower engine" means any engine that provides
67 more than 1,000 horsepower and is used for nonhighway
68 transportation purposes.



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69 (f) "Incremental costs" means the excess costs associated
70 with the purchase or lease of a natural gas-powered eligible
71 vehicle as compared to an equivalent diesel-, gasoline-, or
72 heavy fuel oil- powered eligible vehicle.

73 (g) "Natural gas fuel" means any liquefied petroleum gas
74 product, compressed natural gas product, or combination thereof
75 used in an eligible vehicle. This term includes, but is not
76 limited to, all forms of fuel commonly or commercially known or
77 sold as natural gasoline, butane gas, propane gas, or any other
78 form of liquefied petroleum gas, compressed natural gas, or
79 liquefied natural gas. The term does not include natural gas or
80 liquefied petroleum placed in a separate tank for cooking,
81 heating, water heating, or electric generation.

82 (3) HEAVY TRANSPORTATION INDUSTRY NATURAL GAS REBATE.—The
83 department shall award rebates for eligible costs. A rebate may
84 not exceed 50 percent of the eligible costs of a natural gas
85 eligible vehicle with a dedicated or bi-fuel natural gas fuel
86 operating system placed into service on or after July 1, 2015.
87 An applicant is eligible to receive a maximum rebate of \$500,000
88 per eligible vehicle up to a total of \$1 million per fiscal
89 year. All eligible vehicles must comply with applicable United
90 States Environmental Protection Agency emission standards.

91 (4) APPLICATION PROCESS.—

92 (a) An applicant seeking to obtain a rebate shall submit an
93 application to the department by a specified date each year as
94 established by department rule. The application must require a
95 complete description of all eligible costs, proof of purchase or
96 lease of the eligible vehicle for which the applicant is seeking
97 a rebate, a copy of the vehicle registration certificate or



180202

98 equivalent documentation, a description of the total rebate
99 sought by the applicant, and any other information deemed
100 necessary by the department. The application form adopted by
101 department rule must include an affidavit from the applicant
102 certifying that all information contained in the application is
103 true and correct.

104 (b) The department shall determine the rebate eligibility
105 of each applicant in accordance with the requirements of this
106 section and department rule. The total amount of rebates
107 allocated to certified applicants in each fiscal year may not
108 exceed the amount appropriated for the program in a fiscal year.
109 Rebates shall be allocated to eligible applicants on a first-
110 come, first-served basis, determined by the date and time the
111 application is received, until all appropriated funds for the
112 fiscal year are expended or the program ends, whichever comes
113 first. Incomplete applications submitted to the department may
114 not be accepted and do not secure a place in the first-come,
115 first-served application process.

116 (5) RULES.—The department may adopt rules to implement and
117 administer this section by December 31, 2015, including rules
118 relating to the forms required to claim a rebate under this
119 section, the required documentation and basis for establishing
120 eligibility for a rebate, procedures and guidelines for claiming
121 a rebate, and the collection of economic impact data from
122 applicants.

123 (6) PUBLICATION.—The department shall determine and publish
124 on its website on an ongoing basis the amount of available
125 funding for rebates remaining in each fiscal year.

126 (7) ANNUAL ASSESSMENT.—By December 1, 2016, and each year



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127 thereafter that the program is funded, the department shall
128 provide an annual assessment of the use of the rebate program
129 during the previous fiscal year to the Governor, the President
130 of the Senate, the Speaker of the House of Representatives, and
131 the Office of Program Policy Analysis and Government
132 Accountability. The assessment shall include, at a minimum, the
133 following information:

134 (a) The name of each applicant awarded a rebate under this
135 section;

136 (b) The amount of the rebates awarded to each applicant;

137 (c) The type and description of each eligible vehicle for
138 which each applicant applied for a rebate; and

139 (d) The aggregate amount of funding awarded for all
140 applicants claiming rebates under this section.

141 (8) APPROPRIATION.—Beginning in the 2015-2016 fiscal year
142 and each year thereafter through the 2019-2020 fiscal year, the
143 General Appropriations Act may provide a specific appropriation
144 in each fiscal year from the General Revenue Fund to the
145 Department of Agriculture and Consumer Services for the purpose
146 of funding the heavy transportation industry natural gas rebate
147 program.

148 Section 3. This act shall take effect July 1, 2015.

149
150 ===== T I T L E A M E N D M E N T =====

151 And the title is amended as follows:

152 Delete everything before the enacting clause
153 and insert:

154 A bill to be entitled

155 An act relating to a natural gas rebate program;



180202

156 amending s. 377.810, F.S.; authorizing the Department
157 of Agriculture and Consumer Services to award
158 additional rebates for certain applicants using
159 unencumbered funds; creating s. 377.811, F.S.;
160 creating the heavy transportation industry natural gas
161 rebate program within the department; defining terms;
162 prescribing powers and duties of the department with
163 respect to the program; prescribing limits on rebate
164 awards; providing policies and procedures for
165 application approval; authorizing the department to
166 adopt rules by a specified date; requiring the
167 department to publish on its website the availability
168 of rebate funds; requiring the department to submit an
169 annual assessment to the Governor, the Legislature,
170 and the Office of Program Policy Analysis and
171 Government Accountability by a specified date;
172 authorizing an appropriation; providing an effective
173 date.

By Senator Simpson

18-00899A-15

20151538__

1 A bill to be entitled
2 An act relating to a natural gas rebate program;
3 creating s. 377.811, F.S.; creating the heavy
4 transportation industry natural gas rebate program
5 within the Department of Agriculture and Consumer
6 Services; defining terms; prescribing powers and
7 duties of the department with respect to the program;
8 providing rebate eligibility requirements; providing
9 limits on rebate awards; specifying policies and
10 procedures for the application process; requiring the
11 department to adopt rules by a specified date;
12 requiring the department to publish on its website the
13 availability of rebate funds; requiring the department
14 to submit an annual assessment to the Governor, the
15 Legislature, and the Office of Program Policy Analysis
16 and Government Accountability by a specified date;
17 requiring the office to submit a report to the
18 Governor and the Legislature by a specified date;
19 providing reporting requirements; providing an
20 effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Section 377.811, Florida Statutes, is created to
25 read:

26 377.811 Heavy transportation industry natural gas rebate
27 program.-

28 (1) CREATION AND PURPOSE OF PROGRAM.-A heavy transportation
29 industry natural gas rebate program is created within the

18-00899A-15

20151538__

30 department for the purpose of helping to reduce transportation
31 costs in this state and encouraging freight mobility investments
32 that contribute to the economic growth of the state.

33 (2) DEFINITIONS.—For purposes of this section, the term:

34 (a) "Conversion costs" means the excess cost associated
35 with retrofitting a diesel or gasoline powered locomotive or
36 ship to a natural gas fuel powered motor vehicle.

37 (b) "Department" means the Department of Agriculture and
38 Consumer Services.

39 (c) "Eligible costs" means the cost of conversion or the
40 incremental cost incurred by an applicant in connection with an
41 investment in the conversion, purchase, or lease lasting at
42 least 5 years, of a locomotive or ship placed into service on or
43 after January 1, 2015. The term does not include costs for
44 project development, fueling stations, or other fueling
45 infrastructure.

46 (d) "Fleet vehicles" means three or more locomotives or
47 ships registered in this state and used for commercial business
48 or governmental purposes.

49 (e) "Incremental costs" means the excess costs associated
50 with the purchase or lease of a natural gas fuel powered
51 locomotive or ship as compared to an equivalent diesel- or
52 gasoline-powered locomotive or ship.

53 (f) "Natural gas fuel" means any liquefied petroleum gas
54 product, compressed natural gas product, or combination thereof
55 used in a motor vehicle as defined in s. 206.01(23). This term
56 includes, but is not limited to, all forms of fuel commonly or
57 commercially known or sold as natural gasoline, butane gas,
58 propane gas, or any other form of liquefied petroleum gas,

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59 compressed natural gas, or liquefied natural gas. This term does
60 not include natural gas or liquefied petroleum placed in a
61 separate tank of a motor vehicle for cooking, heating, water
62 heating, or electric generation.

63 (3) HEAVY TRANSPORTATION INDUSTRY NATURAL GAS REBATE.—The
64 department shall award rebates for eligible costs. A rebate may
65 not exceed 50 percent of the eligible costs of a natural gas
66 locomotive or ship with a dedicated or bi-fuel natural gas fuel
67 operating system placed into service on or after January 1,
68 2015. An applicant is eligible to receive a maximum rebate of
69 \$500,000 per vehicle up to a total of \$1,000,000 per fiscal
70 year. All fuel powered natural gas locomotives and ships
71 eligible for the rebate must comply with applicable United
72 States Environmental Protection Agency emission standards.

73 (4) APPLICATION PROCESS.—

74 (a) An applicant seeking to obtain a rebate shall submit an
75 application to the department by a specified date each year as
76 established by department rule. The application shall require a
77 complete description of all eligible costs, proof of purchase or
78 lease of the locomotive or ship for which the applicant is
79 seeking a rebate, a copy of the vehicle registration
80 certificate, a description of the total rebate sought by the
81 applicant, and any other information deemed necessary by the
82 department. The application form adopted by department rule must
83 include an affidavit from the applicant certifying that all
84 information contained in the application is true and correct.

85 (b) The department shall determine the rebate eligibility
86 of each applicant in accordance with the requirements of this
87 section and department rule. The total amount of rebates

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88 allocated to certified applicants in each fiscal year may not
89 exceed the amount appropriated for the program in the fiscal
90 year. Rebates shall be allocated to eligible applicants on a
91 first-come, first-served basis, determined by the date the
92 application is received, until all appropriated funds for the
93 fiscal year are expended or the program ends, whichever comes
94 first. Incomplete applications submitted to the department will
95 not be accepted and do not secure a place in the first-come,
96 first-served application process.

97 (5) RULES.—The department shall adopt rules to implement
98 and administer this section by January 1, 2016, including rules
99 relating to the forms required to claim a rebate under this
100 section, the required documentation and basis for establishing
101 eligibility for a rebate, procedures and guidelines for claiming
102 a rebate, and the collection of economic impact data from
103 applicants.

104 (6) PUBLICATION.—The department shall determine and publish
105 on its website on an ongoing basis the amount of available
106 funding for rebates remaining in each fiscal year.

107 (7) ANNUAL ASSESSMENT.—By October 1, 2016, and each year
108 thereafter that the program is funded, the department shall
109 provide an annual assessment of the use of the rebate program
110 during the previous fiscal year to the Governor, the President
111 of the Senate, the Speaker of the House of Representatives, and
112 the Office of Program Policy Analysis and Government
113 Accountability. The assessment must include, at a minimum, the
114 following information:

115 (a) The name of each applicant awarded a rebate under this
116 section;

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117 (b) The amount of the rebates awarded to each applicant;
118 (c) The type and description of each eligible locomotive or
119 ship for which each applicant applied for a rebate; and
120 (d) The aggregate amount of funding awarded for all
121 applicants claiming rebates under this section.

122 (8) REPORT.—By January 31, 2017, the Office of Program
123 Policy Analysis and Government Accountability shall release a
124 report reviewing the rebate program to the Governor, the
125 President of the Senate, and the Speaker of the House of
126 Representatives. The review shall include an analysis of the
127 economic benefits resulting to the state from the program.

128 Section 2. This act shall take effect July 1, 2015.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Education Pre-K - 12, Chair
Ethics and Elections, Vice Chair
Appropriations Subcommittee on Education
Fiscal Policy
Government Oversight and Accountability
Higher Education

SENATOR JOHN LEGG

17th District

Legg.John.web@FLSenate.gov

March 5, 2015

The Honorable Denise Grimsley
Committee on Communications, Energy, and Public Utilities Chair
337 Knott Building
404 South Monroe Street
Tallahassee, FL 32399

RE: SB 1102 - Utility Projects

Dear Chair Grimsley:

SB 1102 - Utility Projects has been referred to your committee. I respectfully request that it be placed on the Committee on Communications, Energy, and Public Utilities Agenda, at your convenience. Your leadership and consideration are appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "John Legg".

John Legg
State Senator, District 17

cc: Diana Cadwell, Staff Director

JL/jb

REPLY TO:

- 262 Crystal Grove Boulevard, Lutz, Florida 33548 (813) 909-9919
- 316 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5017

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Education Pre-K - 12, Chair
Ethics and Elections, Vice Chair
Appropriations Subcommittee on Education
Fiscal Policy
Government Oversight and Accountability
Higher Education

SENATOR JOHN LEGG

17th District

Legg.John.web@FLSenate.gov

March 23, 2015

The Honorable Denise Grimsley
Senate Committee on Communications, Energy, and Public Utilities, Chair
337 Knott Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chair Grimsley:

Senate Bill 1102, related to Utility Projects, is on the Committee on Communications, Energy, and Public Utilities agenda March 24, 2015. I will be at the Committee on Ethics and Elections meeting and I will be unable to attend.

Please recognize my Legislative Assistant, Jim Browne, to present SB 1102 on my behalf. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John Legg", with a long horizontal stroke extending to the right.

John Legg
State Senator, District 17

cc: Diana Caldwell, Staff Director
Kim Bonn, Administrative Assistant

JL/jdb

REPLY TO:

- 262 Crystal Grove Boulevard, Lutz, Florida 33548 (813) 909-9919
- 316 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5017

Senate's Website: www.flSenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Community Affairs, *Chair*
Environmental Preservation and Conservation,
Vice Chair
Appropriations Subcommittee on General Government
Finance and Tax
Judiciary
Transportation

JOINT COMMITTEE:

Joint Legislative Auditing Committee

SENATOR WILTON SIMPSON

18th District

March 9, 2015

Honorable Denise Grimsley
Committee on Communications, Energy, and Public Utilities
337 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

Chairman Grimsley,

Please place Senate Bill 1538 on the Natural Gas Rebate Program, on the next Communications, Energy, and Public Utilities Committee.

Please contact my office with any questions. Thank you.

A handwritten signature in black ink, appearing to read "Wilton Simpson".

Wilton Simpson

Senator, 18th District

CC: Diana Caldwell, Staff Director

REPLY TO:

- 322 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5018
- Post Office Box 938, Brooksville, Florida 34605
- Post Office Box 787, New Port Richey, Florida 34656-0787 (727) 816-1120 FAX: (888) 263-4821

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Environmental Preservation and
Conservation, *Chair*
Agriculture, *Vice Chair*
Appropriations Subcommittee on General
Government
Children, Families, and Elder Affairs
Community Affairs
Ethics and Elections

SENATOR CHARLES S. DEAN, SR.

5th District

March 20, 2015

The Honorable Denise Grimsley
306 Senate Office Building
404 South Monroe St.
Tallahassee, FL 32399-1100

Dear Chair Grimsley,

The purpose of this letter is to notify you I will be late for the Communications, Energy, and Public Utilities Committee scheduled for March 24, 2015. I have a bill in another committee which I am presenting.

Should you have any questions concerning this matter, please do not hesitate to contact me personally.

Sincerely,

A handwritten signature in cursive script that reads "Charles S. Dean".

Charles S. Dean
State Senator District 5

Cc: Diana Caldwell, Staff Director

REPLY TO:

- 405 Tompkins Street, Inverness, Florida 34450 (352) 860-5175
- 311 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5005
- 315 SE 25th Avenue, Ocala, Florida 34471-2689 (352) 873-6513

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-24-15
Meeting Date

1102
Bill Number (if applicable)

663596
Amendment Barcode (if applicable)

Topic _____

Name Ron LaFace

Job Title _____

Address 101 E College Ave
Street

Phone 445-7258

Tall FL 32301
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Palm Beach School District

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-24-15

Meeting Date

SB-1102

Bill Number (if applicable)

Topic Utility Bonds

Amendment Barcode (if applicable)

Name Robert Sheets

Job Title Systems Manager

Address 1500 Mahan Dr.

Phone 850-681-3717

Street

Tallahassee FL 32308

City

State

Zip

Email rsheets@govserv.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FLA. Governmental Utility Authority

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

3/24/2015

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB-1102

Meeting Date

Bill Number (if applicable)

Topic Utility Bonds

Amendment Barcode (if applicable)

Name Junius Brown

Job Title Attorney

Address 1500 Main Drive, Suite 200

Phone 850.224.4020

Street

Tallahassee

FL

32308

City

State

Zip

Email jbrown@ngulaw.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Fla Governmental Utility Authority

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

03/24/2015

Meeting Date

SB 1102

Bill Number (if applicable)

Topic UTILITY BONDS

Amendment Barcode (if applicable)

Name HOWARD E. "GENE" ADAMS

Job Title ATTORNEY -

Address 215 South Monroe St., 2nd Floor

Phone 850-222-3533

Street

TALLAHASSEE

FLA.

32302-0

Email GENE@PENNINGTONLAW.COM

City

State

Zip

Speaking: [X] For [] Against [] Information

Waive Speaking: [] In Support [] Against (The Chair will read this information into the record.)

Representing FLA. GOVERNMENTAL UTILITY AUTHORITY

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

2

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/24/15

Meeting Date

SB 1538

Bill Number (if applicable)

Topic Natural Gas Rebate Program

Amendment Barcode (if applicable)

Name Jonathan Rees

Job Title Deputy Director, Legislative Affairs

Address 400 S. Monroe St.

Phone (850) 617-7700

Street

Tallahassee

FL

32399

Email Jonathan.Rees@freshfromflorida.com

City

State

Zip

Speaking: [X] For [] Against [] Information

Waive Speaking: [X] In Support [] Against (The Chair will read this information into the record.)

Representing Florida Department of Agriculture and Consumer Services

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB 1538

~~HB 144~~

~~HB 144~~

Bill Number (if applicable)

3-24-15

Meeting Date

Topic Natural Gas Rebate Program

Amendment Barcode (if applicable)

Name Adam Bridges

Job Title SVP - F.E.C. Railroad

Address 7411 Fullerton St.

Phone 904 588 6021

Street

Jacksonville FL 32082

Email adam.bridges@FECRA.org

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FEC

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-24-15

Meeting Date

1538

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Dale Calhoun

Job Title _____

Address Po Box 11026

Phone 850 681 0496

Tallahassee FL 32301

Email _____

City State Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Natural Gas Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/24/15

Meeting Date

1538

Bill Number (if applicable)

Topic Natural Gas Rebut Program

Amendment Barcode (if applicable)

Name Vince Montgomery

Job Title VP Market Development

Address 11207 White water Dr

Phone 612-669-5743

Street

Woodbury

City

MN

State

55129

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Fortress Energy

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

CourtSmart Tag Report

Room: SB 301
Caption: Senate Communications, Energy, and Public Utilities

Case:

Type:
Judge:

Started: 3/24/2015 4:04:12 PM

Ends: 3/24/2015 4:16:27 PM

Length: 00:12:16

4:04:18 PM Meeting Called to Order by Senator Grimsley
4:04:20 PM Roll Call
4:04:39 PM Tab 2 SB 1538
4:04:47 PM Senator Simpson on the bill
4:06:23 PM Amendment Barcode 180202
4:07:00 PM Amendment Adopted
4:07:10 PM CSSB 1538
4:07:16 PM Question from Senator Gibson
4:07:54 PM Response from Senator Simpson
4:08:16 PM Followup from Senator Gibson
4:08:48 PM Response from Senator Simpson
4:09:17 PM Followup from Senator Gibson
4:09:31 PM Response from Senator Simpson
4:10:28 PM Followup from Senator Gibson
4:10:34 PM Response from Senator Simpson
4:10:56 PM Vince Montgomery
4:11:05 PM Dale Calhoun
4:11:11 PM Adam Bridges
4:11:21 PM Jonathan Rees
4:11:32 PM Waive Close
4:11:42 PM Roll Call on CSSB 1538
4:11:53 PM CSSB 1539 reported favorably
4:12:08 PM Tab 1 SB 1102
4:12:15 PM Jim Brown on the Bill
4:13:55 PM Amendment Barcode 754978 withdrawn
4:14:10 PM LF amendment 663956
4:14:20 PM Amendment Introduced
4:14:24 PM Jim Brown on Amendment
4:14:45 PM Ron Laface
4:14:48 PM Waive Close
4:14:51 PM Roll Call
4:14:55 PM Amendment Adopted
4:14:59 PM CSSB 1102
4:15:04 PM Gene Adams
4:15:19 PM Junius Brown
4:15:24 PM Robert Sheets
4:15:42 PM Roll Call on CSSB 1102
4:15:53 PM CSSB 1102 Reporetd Favorably
4:16:13 PM Motion from Senator Dean
4:16:21 PM Meeting Adjourned