

Representatives Attkisson and Russell offered the following:

Amendment (with title amendment)

Remove lines 1175 and 1176, and insert:

Section 29. Paragraph (g) of subsection (7) of section 163.01, Florida Statutes, is amended to read:

163.01 Florida Interlocal Cooperation Act of 1969.-- (7)

(g)1. Notwithstanding any other provisions of this section, any separate legal entity created under this section, the membership of which is limited to municipalities and counties of the state, may acquire, own, construct, improve, operate, and manage public facilities, or finance facilities on behalf of any person, relating to a governmental function or purpose, including, but not limited to, wastewater facilities, water or alternative water supply facilities, and water reuse facilities, which may serve populations within or outside of the members of the entity. Notwithstanding s. 367.171(7), any

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separate legal entity created under this paragraph is not subject to <u>Public Service</u> Commission jurisdiction, except when a <u>host government specifically requests binding arbitration</u> services through the commission under subparagraphs 4. and 5. and as is otherwise provided for in general law. The separate <u>legal entity</u> and may not provide utility services within the service area of an existing utility system unless it has received the consent of the utility.

2. For purposes of this paragraph, the term "utility" means a water or wastewater utility and includes every person, separate legal entity, lessee, trustee, or receiver owning, operating, managing, or controlling a system, or proposing construction of a system, who is providing, or proposes to provide, water or wastewater service to the public for compensation. For purposes of this paragraph, the term "system" means each separate water or wastewater facility providing service. For purposes of this paragraph, the term "host government" means either the governing body of the county, if the largest number of equivalent residential connections currently served by a system of the utility is located in the unincorporated area, or the governing body of a municipality, if the largest number of equivalent residential connections currently served by a system of the utility is located within that municipality's boundaries. For purposes of this paragraph, the term "separate legal entity" may mean any entity created by interlocal agreement the membership of which is limited to two or more municipalities or counties of the state, but which entity is legally separate and apart from any of its member governments. A separate legal entity that seeks to acquire any

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utility must notify the host government in writing by certified mail about the contemplated acquisition not less than 90 days before any proposed transfer of ownership, use, or possession of any utility assets by such separate legal entity. The potential acquisition notice must be provided to the legislative head of the governing body of the host government and to its chief administrative officer and must provide the name and address of a contact person for the separate legal entity and information identified in s. 367.071(4)(a) concerning the contemplated acquisition.

3. Within 90 days following receipt of the notice, the host government may adopt a resolution to become a member of the separate legal entity; adopt a resolution to approve the utility acquisition; adopt a resolution to prohibit the utility acquisition by the separate legal entity if the host government determines that the proposed acquisition is not in the public interest; request in writing an automatic 45-day extension of the 90-day period in order to allow sufficient time for the host government to evaluate the proposed acquisition; or take no action to agenda the proposed acquisition for discussion at a public meeting, which shall be construed as denial of the proposed acquisition. If a host government adopts a prohibition resolution, the separate legal entity may not acquire the utility within that host government's territory without specific consent of the host government by future resolution. If a host government adopts a membership resolution, the separate legal entity must accept the host government as a member before any transfer of ownership, use, or possession of the utility or the utility facilities on the same basis as its existing members. If

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a host government does not adopt a prohibition resolution or an approval resolution, does not provide a written request for an extension of the 90-day notice period, and takes no action to initiate judicial proceedings regarding the proposed acquisition, the separate legal entity may proceed to acquire the utility after the 90-day notice period without further notice, except as otherwise agreed upon by the separate legal entity and the host government. In utility acquisitions involving two or more host governments, the Public Service Commission shall consider whether the sale, assignment, or transfer of the utility is in the public interest pursuant to the provisions of s. 367.071(1).

4. In addition to the host government's right to review as fair and reasonable the rates, charges, customer classifications, and terms of service that will be in place at the time of acquisition, the host government has the right to review and approve as fair and reasonable any later changes proposed by the separate legal entity to the rates, charges, customer classifications, and terms of service, before adoption by the separate legal entity. In addition, the host government has the right to review and approve any changes to the financing of such facilities which may result in increased costs to customers. Such right of review and approval by the host government is subject to the obligation of the separate legal entity to establish rates and charges that comply with the requirements contained in any resolution or trust agreement relating to the issuance of bonds to acquire and improve the affected utility, and such right does not affect the obligation of the separate legal entity to set rates at a level sufficient

115 to pay debt service on its obligations issued in relation to the host government utility. In order to facilitate review of 116 117 proposed changes by such host government, the separate legal 118 entity must notify the host government in writing by certified 119 mail about the proposed changes not less than 90 days before it implements any changes. The notice of proposed changes must be 120 121 provided to the legislative head of the governing body of each 122 host government and to its chief administrative officer and must 123 provide the name and address of a contact person for the 124 separate legal entity and information identified in s. 367.081(2)(a)1. as it applies to publicly owned utilities about 125 126 the proposed changes. If after review the host government 127 believes that the proposed changes are in the public interest, 128 the host government may pass a resolution approving the proposed 129 changes. If, after review, the host government believes that the 130 proposed changes are not in the public interest, the host 131 government may enter into negotiation with the separate legal 132 entity to resolve those concerns. If no agreement is reached 133 within 30 days after the host government's determination that 134 the proposed changes are not in the public interest, the host 135 government may request and, if requested, shall receive binding 136 arbitration services through the Public Service Commission to 137 resolve the dispute with the separate legal entity. The 138 commission shall develop and adopt administrative rules 139 governing the arbitration process and establishing fees for this 140 dispute-resolution service. 141

5. After the acquisition or construction of any utility systems by a separate legal entity created under this subsection, revenues or any other income may not be transferred

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or paid to a member of a separate legal entity, or to any other county or municipality, from user fees or other charges or revenues generated from customers that are not physically located within the jurisdictional or service delivery boundaries of the member, county, or municipality receiving the transfer or payment. Any transfer or payment to a member or other local government must be solely from user fees or other charges or revenues generated from customers that are physically located within the jurisdictional or service delivery boundaries of the member or local government receiving the transfer or payment.

6. The host government is guaranteed the right to acquire any utility or utility system that it hosts owned by the separate legal entity. In those instances when the separate legal entity and the host government cannot agree on the terms and conditions of the acquisition, the host government may request and, if requested, shall receive binding arbitration services through the Public Service Commission to resolve the disputed acquisition terms. The commission shall develop and adopt administrative rules governing the arbitration process and establishing the fees for these services. In developing and adopting its rules governing the acquisition price for a given host government to acquire the utility or utility system located within its jurisdiction, the Public Service Commission shall, to the greatest extent possible, base the acquisition price on the same percentage to the total bonded indebtedness of the separate legal entity upon acquiring the utility as the acquired system's rate base was to the utility's total rate base at the time transferred from a regulated utility to the separate legal entity. This paragraph is an alternative provision otherwise

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provided by law as authorized in s. 4, Art. VIII of the State Constitution for any transfer of power as a result of an acquisition of a utility by a separate legal entity from a municipality, county, or special district.

7. The entity may finance or refinance the acquisition, construction, expansion, and improvement of such facilities relating to a governmental function or purpose through the issuance of its bonds, notes, or other obligations under this section or as otherwise authorized by law. Except as limited by the terms and conditions of the utility acquisition agreement, as approved by the applicable host government, the entity has all the powers provided by the interlocal agreement under which it is created or which are necessary to finance, own, operate, or manage the public facility, including, without limitation, the power to establish rates, charges, and fees for products or services provided by it, the power to levy special assessments, the power to sell or finance all or a portion of such facility, and the power to contract with a public or private entity to manage and operate such facilities or to provide or receive facilities, services, or products. Except as may be limited by the interlocal agreement under which the entity is created, all of the privileges, benefits, powers, and terms of s. 125.01, relating to counties, and s. 166.021, relating to municipalities, are fully applicable to the entity. However, neither the entity nor any of its members on behalf of the entity may exercise the power of eminent domain over the facilities or property of any existing water or wastewater plant utility system, nor may the entity acquire title to any water or wastewater plant utility facilities, other facilities, or

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property which was acquired by the use of eminent domain after the effective date of this act. Bonds, notes, and other obligations issued by the entity are issued on behalf of the public agencies that are members of the entity.

8.2. Except as limited by the terms and conditions of the utility acquisition agreement, as approved by the applicable host government, any entity created under this section may also issue bond anticipation notes in connection with the authorization, issuance, and sale of bonds. The bonds may be issued as serial bonds or as term bonds or both. Any entity may issue capital appreciation bonds or variable rate bonds. Any bonds, notes, or other obligations must be authorized by resolution of the governing body of the entity and bear the date or dates; mature at the time or times, not exceeding 40 years from their respective dates; bear interest at the rate or rates; be payable at the time or times; be in the denomination; be in the form; carry the registration privileges; be executed in the manner; be payable from the sources and in the medium or payment and at the place; and be subject to the terms of redemption, including redemption prior to maturity, as the resolution may provide. If any officer whose signature, or a facsimile of whose signature, appears on any bonds, notes, or other obligations ceases to be an officer before the delivery of the bonds, notes, or other obligations, the signature or facsimile is valid and sufficient for all purposes as if he or she had remained in office until the delivery. The bonds, notes, or other obligations may be sold at public or private sale for such price as the governing body of the entity shall determine. Pending preparation of the definitive bonds, the entity may issue

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interim certificates, which shall be exchanged for the definitive bonds. The bonds may be secured by a form of credit enhancement, if any, as the entity deems appropriate. The bonds may be secured by an indenture of trust or trust agreement. In addition, the governing body of the legal entity may delegate, to an officer, official, or agent of the legal entity as the governing body of the legal entity may select, the power to determine the time; manner of sale, public or private; maturities; rate of interest, which may be fixed or may vary at the time and in accordance with a specified formula or method of determination; and other terms and conditions as may be deemed appropriate by the officer, official, or agent so designated by the governing body of the legal entity. However, the amount and maturity of the bonds, notes, or other obligations and the interest rate of the bonds, notes, or other obligations must be within the limits prescribed by the governing body of the legal entity and its resolution delegating to an officer, official, or agent the power to authorize the issuance and sale of the bonds, notes, or other obligations.

9.3. Bonds, notes, or other obligations issued under this paragraph subparagraph 1. may be validated as provided in chapter 75. The complaint in any action to validate the bonds, notes, or other obligations must be filed only in the Circuit Court for Leon County. The notice required to be published by s. 75.06 must be published in Leon County and in each county that is a member of the entity issuing the bonds, notes, or other obligations, or in which a member of the entity is located, and the complaint and order of the circuit court must be served only on the State Attorney of the Second Judicial Circuit and on the

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state attorney of each circuit in each county that is a member of the entity issuing the bonds, notes, or other obligations or in which a member of the entity is located. Section 75.04(2) does not apply to a complaint for validation brought by the legal entity.

10.4. The accomplishment of the authorized purposes of a legal entity created under this paragraph is in all respects for the benefit of the people of the state, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions. Since the legal entity will perform essential governmental functions in accomplishing its purposes, the legal entity is not required to pay any taxes or assessments of any kind whatsoever upon any property acquired or used by it for such purposes or upon any revenues at any time received by it. The bonds, notes, and other obligations of an entity, their transfer and the income therefrom, including any profits made on the sale thereof, are at all times free from taxation of any kind by the state or by any political subdivision or other agency or instrumentality thereof. The exemption granted in this subparagraph is not applicable to any tax imposed by chapter 220 on interest, income, or profits on debt obligations owned by corporations.

Section 30. Subsection (1) of section 120.52, Florida Statutes, is amended to read:

120.52 Definitions. -- As used in this act:

- (1) "Agency" means:
- (a) The Governor in the exercise of all executive powers other than those derived from the constitution.
 - (b) Each:

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- 289 1. State officer and state department, and each 290 departmental unit described in s. 20.04.
 - 2. Authority, including a regional water supply authority.
 - 3. Board.
 - 4. Commission, including the Commission on Ethics and the Fish and Wildlife Conservation Commission when acting pursuant to statutory authority derived from the Legislature.
 - 5. Regional planning agency.
 - 6. Multicounty special district with a majority of its governing board comprised of nonelected persons.
 - 7. Educational units.
 - 8. Entity described in chapters 163, 373, 380, and 582 and s. 186.504.
 - (c) Each other unit of government in the state, including counties and municipalities, to the extent they are expressly made subject to this act by general or special law or existing judicial decisions.

This definition does not include any legal entity or agency created in whole or in part pursuant to chapter 361, part II, an expressway authority pursuant to chapter 348, any legal or administrative entity created by an interlocal agreement pursuant to s. 163.01(7), except those created pursuant to s. 163.01(7), unless any party to such agreement is otherwise an agency as defined in this subsection, or any multicounty special district with a majority of its governing board comprised of elected persons; however, this definition shall

include a regional water supply authority.

Section 31. Subsection (7) of section 367.021, Florida Statutes, is amended to read:

367.021 Definitions.--As used in this chapter, the following words or terms shall have the meanings indicated:

- (7) "Governmental authority" means a political subdivision, as defined by s. 1.01(8), a regional water supply authority created pursuant to s. 373.1962, or a nonprofit corporation formed for the purpose of acting on behalf of a political subdivision with respect to a water or wastewater facility; however, this definition shall exclude a separate legal entity created pursuant to s. 163.01(7)(g)1.
- Section 32. Subsections (1) and (4) of section 367.071, Florida Statutes, are amended to read:
- 367.071 Sale, assignment, or transfer of certificate of authorization, facilities, or control.--
- (1) A No utility may not shall sell, assign, or transfer its certificate of authorization, facilities or any portion thereof, or majority organizational control without determination and approval of the commission that the proposed sale, assignment, or transfer is in the public interest and that the buyer, assignee, or transferee will fulfill the commitments, obligations, and representations of the utility. However, a sale, assignment, or transfer of its certificate of authorization, facilities or any portion thereof, or majority organizational control may occur prior to commission approval if the contract for sale, assignment, or transfer is made contingent upon commission approval.
- (4) An application shall be disposed of as provided in s. 367.045, except that:

- (a) The sale of facilities, in whole or part, to a governmental authority, as defined in s. 367.021(7), shall be approved as a matter of right; however, the governmental authority shall, prior to taking any official action, obtain from the utility or commission with respect to the facilities to be sold the most recent available income and expense statement, balance sheet, and statement of rate base for regulatory purposes and contributions-in-aid-of-construction. Any request for rate relief pending before the commission at the time of sale is deemed to have been withdrawn. Interim rates, if previously approved by the commission, must be discontinued, and any money collected pursuant to interim rate relief must be refunded to the customers of the utility with interest.
- (b) When paragraph (a) does not apply, the commission shall amend the certificate of authorization as necessary to reflect the change resulting from the sale, assignment, or transfer.

Section 33. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable.

Section 34. Private property rights and regional reservoirs.--

(1) The Legislature finds that construction of a regional reservoir designed to store more than 10 billion gallons of water may inordinately burden nearby real property because of the proximity of the reservoir and may result in a loss of value

for the property owner. Therefore, a regional water supply authority, serving three or fewer counties, that is authorized to construct, operate, and maintain such a regional reservoir shall be deemed a governmental entity under section 70.001, Florida Statutes, the Bert J. Harris, Jr., Private Property Rights Protection Act, for purposes of this section.

- (2) This section provides a cause of action for the actions of a regional water supply authority, in siting and constructing a reservoir as described in subsection (1), that may not rise to the level of a taking under the State

 Constitution or the United States Constitution. This section may not necessarily be construed under the case law regarding takings if the action of a regional water supply authority does not rise to the level of a taking. The provisions of this section are cumulative and do not abrogate any other remedy lawfully available, including any remedy lawfully available for the actions of a regional water supply authority that rise to the level of a taking. However, a regional water supply authority may not be liable more than once for compensation due to an action of the regional water supply authority that results in a loss of value for a subject real property.
- (3) Each owner of real property located within 10,000 feet of the the center of the footprint of a regional reservoir, as described in subsection(1), or 5,500 feet from the exterior of the berm of such reservoir, may present a claim for compensation in writing to the head of the regional water supply authority on or before December 31, 2004, for a loss in property value resulting from the proximity of the reservoir. For each claim presented under this section, section 70.001, Florida Statutes,

405 applies, except when there is conflict with this section, the provisions of this section shall govern.

- (a) The property owner must submit along with the claim a bona fide, valid appraisal that supports the claim and demonstrates the loss in fair market value to the real property.
- (b) A claim under this section shall be presented only to the regional water supply authority that is authorized to construct, operate, and maintain the reservoir.
- (4) The Legislature recognizes that construction and maintenance of a regional reservoir may not necessarily interfere with allowable uses of real property near the reservoir. However, the siting and construction of the reservoir may result in an actual loss to the fair market value of real property located within 10,000 feet of the center of the footprint of the reservoir, or 5,500 feet from the exterior of the berm, because of the proximity of the reservoir. Therefore, any offer of compensation by the regional water supply authority shall be based solely on the loss of value for the property owner as a result of the proximity of the reservoir and not on the effects the reservoir has on existing uses or on a vested right to a specific use of real property.
- (a) Notwithstanding section 70.001, Florida Statutes, the regional water supply authority to whom a claim is presented shall, not later than 180 days after receiving such claim:
- 1. Make a written offer to purchase the real property if there is more than a 50-percent loss in value to the real property as a result of the proximity of the reservoir and if the property owner is a willing seller;

- 2. Make a written offer to purchase an interest in rights of use which may become transferable development rights to be held, sold, or otherwise disposed of by the regional water supply authority; or
 - 3. Terminate negotiations.
- (b) An offer by the regional water supply authority to purchase the property in fee or purchase an interest in rights of use under this section shall cover the cost of the appraisal required in subsection (3).
- (5) During the 180-day period, unless the property owner accepts a written offer for purchase pursuant to subparagraph (4)(a)1. or 2., the regional water supply authority shall issue a final decision stating that:
- (a) The real property has a loss in value due to an inordinate burden on the property resulting from the proximity of the reservoir and the regional water supply authority and property owner cannot reach agreement on the amount of compensation; or
- (b) The property owner has failed to establish a basis for relief under the provisions of this section and section 70.001, Florida Statutes.

Failure of the regional water supply authority to issue a final decision as required by this subsection shall cause the written offer or termination of negotiations required in subsection (4) to operate as a final decision. As a matter of law, this final decision constitutes the last prerequisite to judicial review of

the merits for the purposes of the judicial proceeding provided for in section 70.001, Florida Statutes.

- (6) The circuit court, for purposes of this section, shall determine whether, considering the written offer and final decision, the regional water supply authority has inordinately burdened the subject real property. Following a determination that the regional water supply authority has inordinately burdened the real property, the court shall impanel a jury to determine the total amount of compensation to the property owner for the loss in value due to the inordinate burden to the subject real property.
- (7) Pursuant to section 70.001, Florida Statutes, the court may award reasonable costs and attorney's fees and the court shall determine the amount. If the court awards the property owner reasonable costs and attorney's fees, the costs shall include the cost of the appraisal required in subsection(3).
- (8) This section shall take effect July 1, 2003, and is repealed effective January 1, 2005. However, the repeal of this section shall not affect a claim filed on or before December 31, 2004.

Section 35. Except as otherwise expressly provided in this act, this act shall take effect upon becoming a law and shall apply to all contracts pending on that date.

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

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Remove line(s) 109, and insert:

489 certain fees; amending s. 163.01, F.S.; providing applicability 490 of provisions relating to ownership and operation of utilities 491 by entities composed of municipalities and counties; prescribing 492 powers of counties and specified municipalities with respect to 493 acquisition of water utilities and wastewater utilities by separate legal entities composed of municipalities and counties; 494 495 authorizing the Public Service Commission to review the 496 acquisition of a utility by two or more host governments; 497 providing for a binding arbitration process under the Public 498 Service Commission to resolve certain disputes relating to utility acquisition; authorizing the commission to adopt rules; 499 requiring the Public Service Commission to establish rules that 500 501 base the acquisition price for a host government to acquire a 502 utility on certain information; amending s. 120.52, F.S.; 503 deleting an exception from the requirements of ch. 120, F.S., 504 for an entity created under s. 163.01(7)(g)1., F.S.; amending s. 367.021, F.S.; excluding an entity created under s. 505 506 163.01(7)(g)1., F.S., from the definition of "governmental" 507 authority"; amending s. 367.071, F.S.; deleting a provision 508 authorizing a utility to be sold or transferred prior to 509 approval of the Public Service Commission with a contingency 510 clause in the contract; providing severability; providing 511 legislative findings with respect to loss of property values due 512 to the proximity of a regional water reservoir; authorizing a 513 cause of action for a property owner; specifying a period during 514 which a property owner may present a claim for compensation to 515 the regional water supply authority that constructs, operates, and maintains the reservoir; providing requirements for the 516 517 offer of compensation by a regional water supply authority;

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providing for judicial review under the Bert J. Harris, Jr.,
Private Property Rights Protection Act; providing for an award

of costs and attorney's fees; providing for future repeal of the

521 section; providing for applicability; providing effective dates.

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