1 A bill to be entitled 2 An act relating to the jurisdiction of the Public 3 Service Commission relating to water and wastewater systems; amending s. 367.021, F.S.; defining terms; 4 5 amending s. 367.022, F.S.; revising the types of 6 nonprofit organizations that are exempt from 7 commission jurisdiction; creating s. 367.24, F.S.; 8 providing a procedure for the commission to determine 9 whether an organization is a qualifying nonprofit 10 organization exempt from commission jurisdiction; 11 providing standards for making such determinations; 12 authorizing an organization to petition the commission to regain qualifying nonprofit organization status 13 14 under certain circumstances; requiring a specified waiting period before certain organizations may 15 16 petition to regain qualifying nonprofit organization status; requiring the commission to adopt rules; 17 providing a timeframe for such rulemaking; amending 18 ss. 288.0655 and 624.105, F.S.; conforming cross-19 20 references; providing an effective date. 21 22 Be It Enacted by the Legislature of the State of Florida: 23 24 Present subsections (7), (8), and (9) and (10) Section 1. 25 through (13) of section 367.021, Florida Statutes, are Page 1 of 8

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| 26 | redesignated as subsections $(8)$ , $(9)$ , and $(10)$ and $(12)$ through |
| 27 | (15), respectively, and new subsections (7) and (11) are added            |
| 28 | to that section, to read:   |
| 29 | 367.021 Definitions.—As used in this chapter, the                         |
| 30 | following words or terms shall have the meanings indicated:               |
| 31 | (7) "Governing board" means a board of directors,                         |
| 32 | nonprofit board, board of trustees, or similar body overseeing            |
| 33 | the operations of an organization.  |
| 34 | (11) "Qualifying nonprofit organization" means an                         |
| 35 | organization that meets all of the following criteria:                    |
| 36 | (a) The organization is a nonprofit corporation,                          |
| 37 | association, or cooperative providing service solely to members           |
| 38 | who own and control such nonprofit corporation, association, or           |
| 39 | cooperative.  |
| 40 | (b) The organization conducts open and fair elections to                  |
| 41 | its governing board at an annual meeting of its members. The              |
| 42 | term of any one governing board member may not exceed 36 months;          |
| 43 | however, a candidate may run for reelection without any limit on          |
| 44 | the number of terms they may serve.                                       |
| 45 | (c) At least 75 percent of the governing board of the                     |
| 46 | organization is made up of the organization's members.                    |
| 47 | (d) The organization provides a mechanism for members of                  |
| 48 | the organization to directly nominate candidates directly for             |
| 49 | the governing board. At a minimum, any member or candidate who            |
| 50 | obtains the signatures of at least 1 percent of members of the            |
|    | Page 2 of 8   |

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51 organization on a petition for nomination for a particular board 52 position or election must, as established by that organization's 53 bylaws, be allowed to stand for election in the same manner as 54 if that member had been nominated by the existing governing 55 board, a committee on nominations established by the board, or 56 other nomination mechanism or procedure as established by the 57 organization's governing documents. Such candidate must meet all 58 other requirements established by law or by the organization's 59 governing documents to serve on the board. (e) The organization is not subject to disqualification 60 pursuant to s. 367.24. 61 62 Section 2. Subsection (7) of section 367.022, Florida 63 Statutes, is amended to read: 64 367.022 Exemptions.-The following are not subject to 65 regulation by the commission as a utility nor are they subject to the provisions of this chapter, except as expressly provided: 66 67 Qualifying nonprofit organizations Nonprofit (7) 68 corporations, associations, or cooperatives providing service 69 solely to members who own and control such nonprofit 70 corporations, associations, or cooperatives. 71 Section 3. Section 367.24, Florida Statutes, is created to 72 read: 73 367.24 Disqualification from exempt status.-74 The commission may, upon its own motion or petition by (1) 75 any person, initiate a proceeding to determine whether an Page 3 of 8

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| 76  | organization meets the definition of a qualifying nonprofit      |
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| 77  | organization under s. 367.021.                                   |
| 78  | (2) In making its determination as to whether an                 |
| 79  | organization meets the definition of a qualifying organization   |
| 80  | pursuant to a petition filed under subsection (1), the           |
| 81  | commission shall consider:                                       |
| 82  | (a) The governing documents of the organization;                 |
| 83  | (b) The conduct of the organization; and                         |
| 84  | (c) The conduct of the governing board of the                    |
| 85  | organization.  |
| 86  | (3) If the commission determines that an organization does       |
| 87  | not meet the definition of a qualifying nonprofit organization,  |
| 88  | the commission must provide the organization reasoning for its   |
| 89  | determination and allow the organization 90 days to address the  |
| 90  | commission's determination.                                      |
| 91  | (4) If, after the expiration of the 90-day period                |
| 92  | specified in subsection (3), the commission maintains its        |
| 93  | determination that the organization does not meet the definition |
| 94  | of a qualifying nonprofit organization, the commission must      |
| 95  | issue an order stating that the organization is not exempt from  |
| 96  | the jurisdiction of the commission pursuant to s. 367.022 and    |
| 97  | must be regulated as a utility under this chapter.               |
| 98  | (5) The commission shall follow the procedures established       |
| 99  | in s. 367.171(2) for an organization determined to be not exempt |
| 100 | from the jurisdiction of the commission under subsection (4).    |
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## Page 4 of 8

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| 101 | The commission shall follow such procedures as if the            |
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| 102 | organization were an established utility in a county newly       |
| 103 | entering into the commission's jurisdiction.                     |
| 104 | (6) After a period of 24 months, an organization that is         |
| 105 | determined to be not exempt from the jurisdiction of the         |
| 106 | commission under subsection (4) may petition the commission to   |
| 107 | regain qualifying nonprofit organization status. In reviewing    |
| 108 | this petition, the commission shall use the procedure            |
| 109 | established in subsections (2), (3), and (4) of this section. If |
| 110 | the commission does not approve the petition, the organization   |
| 111 | must wait an additional 24 months before petitioning the         |
| 112 | commission again for qualifying nonprofit organization status.   |
| 113 | (7) Consistent with the commission's jurisdiction over           |
| 114 | utility rates and service, issues relating to whether an         |
| 115 | organization is exempt from its jurisdiction pursuant to this    |
| 116 | section, and the manner in which a utility is brought under its  |
| 117 | jurisdiction pursuant to this section, must be resolved by the   |
| 118 | commission.  |
| 119 | (8) The commission shall adopt rules to implement and            |
| 120 | administer this section and shall propose a rule for adoption as |
| 121 | soon as practicable after July 1, 2026.                          |
| 122 | Section 4. Paragraph (b) of subsection (2) of section            |
| 123 | 288.0655, Florida Statutes, is amended to read:                  |
| 124 | 288.0655 Rural Infrastructure Fund                               |
| 125 | (2)  |
|     | Dage 5 of 9  |

# Page 5 of 8

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126 To facilitate access of rural communities and rural (b) 127 areas of opportunity as defined by the Rural Economic 128 Development Initiative to infrastructure funding programs of the 129 Federal Government, such as those offered by the United States 130 Department of Agriculture and the United States Department of Commerce, and state programs, including those offered by Rural 131 132 Economic Development Initiative agencies, and to facilitate 133 local government or private infrastructure funding efforts, the department may award grants for up to 75 percent of the total 134 135 infrastructure project cost, or up to 100 percent of the total infrastructure project cost for a project located in a rural 136 137 community as defined in s. 288.0656(2) which is also located in 138 a fiscally constrained county as defined in s. 218.67(1) or a rural area of opportunity as defined in s. 288.0656(2). Eligible 139 140 uses of funds may include improving any inadequate infrastructure that has resulted in regulatory action that 141 142 prohibits economic or community growth and reducing the costs to 143 community users of proposed infrastructure improvements that 144 exceed such costs in comparable communities. Eligible uses of 145 funds include improvements to public infrastructure for 146 industrial or commercial sites and upgrades to or development of public tourism infrastructure. Authorized infrastructure may 147 include the following public or public-private partnership 148 facilities: storm water systems; telecommunications facilities; 149 150 roads or other remedies to transportation impediments; nature-

### Page 6 of 8

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151 based tourism facilities; or other physical requirements 152 necessary to facilitate tourism, trade, and economic development 153 activities in the community. Authorized infrastructure may also include publicly or privately owned self-powered nature-based 154 155 tourism facilities, publicly owned telecommunications facilities, and additions to the distribution facilities of the 156 157 existing natural gas utility as defined in s. 366.04(3)(c), the 158 existing electric utility as defined in s. 366.02, or the 159 existing water or wastewater utility as defined in s. 160 367.021(14) s. 367.021(12), or any other existing water or wastewater facility, which owns a gas or electric distribution 161 162 system or a water or wastewater system in this state when:

163 1. A contribution-in-aid of construction is required to 164 serve public or public-private partnership facilities under the 165 tariffs of any natural gas, electric, water, or wastewater 166 utility as defined herein; and

167 2. Such utilities as defined herein are willing and able168 to provide such service.

169 Section 5. Section 624.105, Florida Statutes, is amended 170 to read:

171 624.105 Waiver of customer liability.—Any regulated 172 company as defined in s. 350.111, any electric utility as 173 defined in s. 366.02(4), any utility as defined in <u>s.</u> 174 <u>367.021(14)</u> <del>s. 367.021(12)</del> or s. 367.022(2) and (7), and any 175 provider of communications services as defined in s. 202.11(1)

### Page 7 of 8

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may charge for and include an optional waiver of liability 176 177 provision in their customer contracts under which the entity 178 agrees to waive all or a portion of the customer's liability for 179 service from the entity for a defined period in the event of the 180 customer's call to active military service, death, disability, 181 involuntary unemployment, qualification for family leave, or 182 similar qualifying event or condition. Such provisions may not 183 be effective in the customer's contract with the entity unless 184 affirmatively elected by the customer. No such provision shall 185 constitute insurance so long as the provision is a contract 186 between the entity and its customer.

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Section 6. This act shall take effect July 1, 2026.

Page 8 of 8

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