



January 30, 2026

Via Email Delivery

The Honorable Debbie Mayfield
Florida Senate
302 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Re: SB 1014 – Provision of Municipal Utility Service to Owners Outside the Municipal Limits
02.03.26 Agenda, Regulated Industries

Dear Senator Mayfield,

Thank you for meeting with me to discuss the League's concerns with SB 1014. The bill prohibits a municipal utility from conditioning the provision of water or wastewater service to a property outside the corporate limits of the municipality upon the property owner's consent to annexation. In addition, the bill mandates extraterritorial service to any extraterritorial property upon request, if the utility has sufficient capacity or the property is located within 2,000 meters (over one mile) of any utility facility. The utility must respond to a service extension request within 90 days and may be subject to civil suits and attorneys' fees for noncompliance. As we discussed, the League has both policy and practical concerns with the bill as written. These concerns include the following:

- The bill mandates extraterritorial utility service if sufficient capacity exists, but it does not require consideration of financial feasibility. Capacity and financial feasibility are equally important when considering service expansions. We request that financial feasibility be added as a mandatory consideration.
- Mandatory utility service outside municipal corporate limits will undermine long-range utility master plans, hydraulic modeling, and regulatory permitting assumptions based on defined and predictable service areas.
- The mandatory service is not limited to defined urban service areas, which may lead to premature conversion of rural and ex-urban land uses and conflict with state and local government comprehensive land use planning requirements.
- We respectfully request that your bill limit the class of persons who may compel mandatory service to existing residential properties only. Mandatory service extensions to large-volume users, such as a bottling company, industrial users, or newly constructed communities, could have profound and adverse consequences for utility operations.
- We appreciate that the bill includes provisions that indicate your desire for this mandatory service to be revenue-neutral for the utility. However, we believe the language could be made more explicit about who (the applicant or municipal taxpayers) is responsible for both the initial and ongoing costs associated with the requested extraterritorial service.
- The bill explicitly states that a utility may impose extraterritorial rates, fees, charges, and surcharges authorized in current law. Please note that multiple bills filed this session (e.g., SB 1724, SB 1420, SB 940, SB 1188) propose to severely restrict or prohibit extraterritorial surcharges. If one or more of these bills pass, it is likely that your bill will result in municipal residents subsidizing services to non-residents.



- The prohibition on conditioning utility service on annexation will conflict with Chapter 171, Florida Statutes (annexation), as it relates to contiguity and elimination of enclaves. Chapter 171 provides a process for the orderly and predictable annexation of property that meets statutory requirements for annexation. Prohibiting the annexation of areas that would otherwise qualify for annexation increases the risk of uncoordinated development, infrastructure oversizing, and duplication of government services.
- Finally, many municipalities have current annexation agreements, development agreements, and interlocal agreements that include both utility service obligations and annexation requirements. We respectfully request that you exclude these agreements from the scope of your bill to avoid contract impairment issues.

The League has provided the attached suggested changes that may address several of these concerns. We hope you will consider including them in the bill.

Sincerely,



Rebecca O'Hara
Deputy General Counsel
Florida League of Cities, Inc.
cc: Chair Bradley and Members of the Regulated Industries Committee

Attachment