

STORAGE NAME: h1517s1.uco

DATE: April 11, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
UTILITIES AND COMMUNICATIONS
ANALYSIS**

BILL #: CS/HB 1517

RELATING TO: Florida Public Service Commission

SPONSOR(S): Committee on Utilities and Communications and
Representative Arnall

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) UTILITIES AND COMMUNICATIONS YEAS 11 NAYS 0
 - (2) GOVERNMENTAL RULES AND REGULATIONS
 - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (4)
 - (5)
-

I. SUMMARY:

The Florida Public Service Commission, (PSC), is a quasi-judicial commission that determines issues of substantial interest, and the PSC is subject to the provisions of Chapter 120, Florida Statutes, the Administrative Procedures Act (APA). Depending on the issue involved, decisions rendered by the PSC are subject to direct appeal to either the district courts of appeal or to the Florida Supreme Court.

The members of the PSC are appointed by the Governor from a list provided by the Florida Public Service Commission Nominating Council, (Council).

The Council is a nine member appointed body. Three members are appointed by the Speaker of the House, three members are appointed by the President of the Senate, and three members are appointed by a majority vote of the other six members of the Council. All members serve four year terms, and at the end of each term, members may be reappointed. The chairman and vice chairman are elected by a majority of the Council members.

The bill provides that the members of the Council serve at the pleasure of the appointing authority or the appointing authority's successor.

The bill also provides that the members of the Council serve no more than four years, except for members of the House and Senate, who shall serve for no more than 2-year terms concurrent with the 2-year elected terms of House members.

The bill does not appear to have a fiscal impact.

This act shall take effect upon becoming law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Prior to 1978, the members of the Public Service Commission were elected. The Legislature passed Senate Bill 7-D, chapter 78-426, Laws of Florida, and the bill changed the elected commission to a five-member appointed body and created the, nine member, Florida Public Service Commission Nominating Council.

That bill provided that:

. . . Three members, including one member of the House of Representatives, shall be appointed by the Speaker of the House; three members, including one member of the Senate, shall be appointed by the President of the Senate; and three members shall be selected and appointed by a majority vote of the other six members of the council. All terms shall be for 4 years, except those members of the House and Senate, who shall serve 2-year terms concurrent with the 2-year elected terms of House members. Vacancies on the council shall be filled for the unexpired portion of the term in the same manner as original appointments to the council.

This is now codified at s. 350.031, F.S.

Additionally, s. 350.001, F.S., provides that: It is the desire of the Legislature that the Governor participate in the appointment process of commissioners to the Public Service Commission. The Legislature accordingly delegates to the Governor a limited authority with respect to the Public Service Commission by authorizing him or her to participate in the selection of members only from the list provided by the Florida Public Service Commission Nominating Council in the manner prescribed by s. 350.031, F.S. It is also the responsibility of the council to nominate to the Governor not fewer than three persons for each vacancy occurring on the Public Service Commission.

Section 350.031(2), F.S., provides in part that:

350.031 Florida Public Service Commission Nominating Council.—

(2)(a) No member or spouse shall be the holder of the stocks or bonds of any company, other than through ownership of shares in a mutual fund, regulated by the commission, or any affiliated company of any company regulated by the commission, or be an agent or employee of, or have any interest in, any company regulated by the commission or any affiliated company of any company regulated by the commission, or in any firm which represents in any capacity either companies which are regulated by the commission or affiliates of companies regulated by the commission. . .

Each appointee must provide certification that the conditions of s. 350.031(2)(a), F.S., are met.

Pursuant to provisions in s. 350.031(2), F.S., a member of the council may be removed by the Speaker of the House of Representatives and the President of the Senate upon a finding by the Speaker and the President that the council member has violated any provision of this subsection or for other good cause. If a member of the council does not meet the requirements of this subsection, then the President of the Senate or the Speaker of the House of Representatives, as appropriate, is required to appoint a legislative replacement.

C. EFFECT OF PROPOSED CHANGES:

The bill provides that the members of the Florida Public Service Commission Nominating Council, (Council), serve at the pleasure of the appointing authority or the appointing authority's successor.

The bill also provides the members of the Council serve no more than four years, except for members of the House and Senate, who shall serve for no more than 2-year terms concurrent with the 2-year elected terms of House members.

This act shall take effect upon becoming law.

D. SECTION-BY-SECTION ANALYSIS:

Please see "Effects of Proposed Changes" section.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or to take action requiring the expenditures of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

STORAGE NAME: h1517s1.uco

DATE: April 11, 2000

PAGE 5

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 10, 2000, the Committee on Utilities and Communications unanimously voted to incorporate amendment 1 into the bill as a committee substitute. The committee substitute provides that the members of the Florida Public Service Commission Nominating Council serve at the pleasure of the appointing authority or the appointing authority's successor. Members shall serve for no more than four years, except for those members of the House and Senate, who shall serve for no more than 2-year terms concurrent with the 2-year elected terms of House members.

VII. SIGNATURES:

COMMITTEE ON UTILITIES AND COMMUNICATIONS:

Prepared by:

Staff Director:

Wendy G. Holt

Patrick L. "Booter" Imhof