

By Representatives Melvin, Peaden and J. Miller

1                                   A bill to be entitled  
2           An act relating to the Okaloosa Gas District;  
3           codifying the District's charter, chapter  
4           29334, Laws of Florida, 1953, as amended;  
5           reestablishing and recreating the Okaloosa Gas  
6           District for purposes of acquiring,  
7           constructing, owning, operating, managing,  
8           maintaining, extending, improving, and  
9           financing one or more gas distribution systems  
10          or one or more gas transmission systems or gas  
11          transmission and gas distribution systems for  
12          its member municipalities of Crestview,  
13          Niceville, Valparaiso, and Fort Walton Beach  
14          and such other municipalities as may become  
15          members of said District; providing such  
16          services for the benefit of the public and  
17          other users of gas in Okaloosa County and areas  
18          in Santa Rosa County and areas in Walton County  
19          and other areas of service; providing and  
20          prescribing the territorial limits and areas of  
21          service of the District; granting powers to the  
22          District, including the power of eminent  
23          domain; providing the means of exercising such  
24          powers; declaring the purposes of the District  
25          to constitute a public purpose; defining the  
26          powers of the District; providing for a Board  
27          of Directors as the governing body of the  
28          District to exercise the powers of the District  
29          and direct District affairs; providing officers  
30          for the District; authorizing the District to  
31          issue and sell bonds or revenue certificates

1 payable solely from the revenues of a gas  
2 system or systems; authorizing judicial  
3 validation of such bonds or certificates;  
4 providing for execution and delivery by the  
5 District of mortgages, deeds of trust, and  
6 other instruments of security for the benefit  
7 of the holders of such bonds or revenue  
8 certificates; providing for remedies and rights  
9 available to the holders of the bonds or  
10 revenue certificates; prohibiting distribution  
11 of net profits to member municipalities;  
12 prohibiting the District from exercising any  
13 power of taxation; exempting property and  
14 income of the District from taxation; exempting  
15 District bonds or revenue certificates and  
16 interest thereon from taxation; exempting  
17 deeds, mortgages, trust indentures, and other  
18 instruments of, by, or to the District from  
19 taxation; providing for the use and  
20 distribution of the revenues of the gas systems  
21 of the District; exempting the District, its  
22 activities and functions, and the exercise of  
23 its powers from the jurisdiction and control of  
24 all state regulatory bodies and agencies;  
25 regulating the use of the proceeds from the  
26 sale of any such bonds or revenue certificates;  
27 providing such bonds or revenue certificates as  
28 legal investments for banks, trust companies,  
29 fiduciaries, and public agencies and bodies;  
30 providing for use of public roads by the  
31 District; providing for a covenant by the state

1 not to alter the provisions of the act to the  
2 detriment of the holders of bonds or revenue  
3 certificates of the District; providing for  
4 acquisition, construction, maintenance,  
5 operation, financing, and refinancing of a gas  
6 system or systems by the District; providing  
7 for discontinuance of customer service for  
8 nonpayment; repealing all prior special acts of  
9 the Legislature relating to the Okaloosa County  
10 Gas District; providing for protection against  
11 impairment of contracts and obligations of the  
12 District; providing that the act takes  
13 precedence over any conflicting law to the  
14 extent of the conflict; providing severability;  
15 providing an effective date.

16  
17 Be It Enacted by the Legislature of the State of Florida:

18  
19 Section 1. Chapters 29334, 1953, 31051, 1955, 63-1697,  
20 and 86-468, Laws of Florida, are codified, reenacted, amended,  
21 and repealed as provided in this act.

22 Section 2. The Okaloosa Gas District is reestablished  
23 and re-created as an independent special district and the  
24 charter for such District is re-created and reenacted to read:

25 Section 1. Definitions.--Whenever used in this  
26 charter, unless a different meaning clearly appears from the  
27 context:

28 (1) "Gas transmission system" means a supply of  
29 natural gas, whether acquired from wells or deposits or from a  
30 pipeline or other source of supply and a pipeline or lines,  
31 plant and system for the acquisition and the transportation,

1 transmission, and delivery of natural gas, or a plant for the  
2 manufacture of gas and the transportation, transmission, and  
3 delivery thereof, together with all appurtenances thereto and  
4 all property, real, personal, or mixed, used or useful in  
5 connection therewith, including franchises, rights-of-way, and  
6 easements. A gas transmission system may include facilities  
7 for making deliveries of gas to industrial and institutional  
8 users and to line tap residential and commercial users as well  
9 as to gas distribution systems.

10 (2) "Gas distribution system" means a plant and system  
11 for the distribution and sale of gas and gas services in a  
12 municipality and the surrounding territory, including the sale  
13 and distribution of gas to residential, commercial,  
14 industrial, institutional, and other users, together with all  
15 appurtenances thereto and all property, real, personal, or  
16 mixed, used, or useful in connection therewith, including  
17 franchises, rights-of-way, and easements.

18 (3) "System" means a gas transmission system or  
19 systems and a gas distribution system or systems, or any one  
20 or more of such systems.

21 (4) "District" means the Okaloosa Gas District,  
22 created and established by this charter.

23 (5) "Board of Directors" and "board" means the Board  
24 of Directors hereinafter provided for and constituting the  
25 governing body of the District.

26 (6) "Municipality" means incorporated cities, towns,  
27 and villages and other municipal corporations of this state.

28 (7) "Member municipalities" means the municipalities  
29 of Crestview, Valparaiso, Niceville, and Fort Walton Beach and  
30 such other municipalities as may become members of the  
31 District in the manner provided in this charter.

1           (8) "Bonds" means bonds or revenue certificates or  
2 other financial obligations of the District maturing over 3  
3 years from date of issue, issued pursuant to this charter.

4           Section 2. Creation and establishment of the Okaloosa  
5 Gas District.--The Okaloosa Gas District is hereby created and  
6 established as an independent special district. The public  
7 and governmental purposes of the District are to acquire by  
8 purchase or construction, one or both, and to own, finance,  
9 operate, maintain, extend, and improve one or more gas systems  
10 described as follows:

11           (1) A gas transmission system or systems to connect  
12 each of the member municipalities and such other  
13 municipalities in the District's area of service as the  
14 District may determine to serve, with an adequate supply of  
15 natural gas, at such point or points, as the District may  
16 determine.

17           (2) A gas transmission line or lines for the purpose  
18 of supplying gas to any gas system even though located outside  
19 of the area of service of the District.

20           (3) A gas manufacturing plant and system.

21           (4) Such gas distribution system or systems serving  
22 such member municipalities and other municipalities as the  
23 District may determine.

24           (5) Such other facilities and lines as may be  
25 necessary or desirable to serve such other customers along the  
26 District's supply lines as the District may determine to serve  
27 or as the District as a public agency deriving income from a  
28 public utility, may be obligated to furnish service under the  
29 laws of this state or the United States.

30           (6) Such gas transmission lines, laterals, gas  
31 distribution systems, and facilities to serve such customers

1 in the District's area of service as the District or the  
2 District's Board of Directors may determine.

3 (7) The District may itself own and operate gas  
4 distribution systems in the District's area of service,  
5 whether in the municipality which is a member of the District  
6 or in some other municipality or in unincorporated territory.

7 Section 3. Area of service.--The territorial limits  
8 and area of service of the District shall be Okaloosa County,  
9 Florida, and the following described areas in Santa Rosa  
10 County, Florida, and Walton County, Florida, to-wit:

11 (1) In Santa Rosa County, an area 20 miles wide,  
12 extending from the eastern boundary of Santa Rosa County, to  
13 the western boundary of said county, the center line of which  
14 shall be the presently existing transmission line of the  
15 District, excepting, however, from the above described area of  
16 Santa Rosa County:

17 (a) The area within the corporate limits of the Town  
18 of Milton and the surrounding territory presently served by  
19 the gas distribution system of said town;

20 (b) The area adjacent to State Highway 87 (Brewton  
21 Highway) from the intersection of said highway and the  
22 transmission line of the District northerly along said highway  
23 for a distance of 2 miles;

24 (c) The area adjacent to the New Chumuckla Highway  
25 from the intersection of said highway and State Highway 87  
26 (Brewton Highway) westerly along said New Chumuckla Highway  
27 for a distance of 2 miles; and

28 (d) The area adjacent to said Highway and the  
29 transmission line of the District east of Milton, in a  
30 westerly direction along said Highway 90 to the corporate  
31 limits of the Town of Milton.

1           (2) In Walton County, the area shall be all of that  
2 portion of Walton County lying south of Highway 20 and 10  
3 miles north of Highway 20.

4  
5 The District may acquire a supply of gas either within or  
6 without the District's territorial limits and area of service  
7 and may transport and transmit gas from the point of such  
8 acquisition to the system or systems of the District. The  
9 District may also sell and transport gas for delivery beyond  
10 the territorial limits and area of service of the District and  
11 acquire, finance, operate, maintain, extend, and improve gas  
12 transmission lines, laterals, and facilities beyond the  
13 territorial limits and area of service of the District for  
14 such purposes and also for the purpose of making direct sales  
15 to industrial and institutional users and to line tap  
16 commercial and residential users, but the District shall not  
17 acquire, construct, own, or operate any gas distribution  
18 system in any area other than within the territorial limits  
19 and area of service of the District as provided in this  
20 section, unless authorized by special act of the Legislature  
21 to do so.

22           Section 4. Declaration of policy.--That the  
23 undertakings enumerated in section 2 constitute a proper  
24 public purpose for the benefit and welfare of the inhabitants  
25 of the District and it is hereby found and declared that in  
26 the construction, acquisition, improvement, maintenance,  
27 operation, extension, and improvement of any or all of said  
28 gas systems, the District will be exercising a proper  
29 governmental function.

30           Section 5. Members of the District.--The members of  
31 the District shall be the municipalities of Crestview,

1 Niceville, Valparaiso, and Fort Walton Beach. Other  
2 municipalities in Okaloosa County may become members of the  
3 District by filing with the Secretary of State a resolution,  
4 duly adopted by such municipality's governing body, declaring  
5 the desire and intention of such municipality to become a  
6 member of the District and the municipality's willingness to  
7 be bound in all respects by the obligations of the District  
8 and the by-laws, resolutions, and acts of the Board of  
9 Directors relating to the business and affairs of the  
10 District; provided, that the filing of such resolution with  
11 the Secretary of State shall not be effectual to make such  
12 municipality a member of the District unless and until the  
13 Board of Directors of the District shall first have adopted  
14 and filed with the Secretary of State a resolution signifying  
15 their willingness and desire to accept said municipality as a  
16 member of the District. Other municipalities in other  
17 counties adjoining Okaloosa County may, if authorized by  
18 special act of the Legislature, become members of the District  
19 in the same manner.

20 Section 6. Powers of the District.--The District shall  
21 have each and all of the following powers, together with all  
22 powers incidental to such powers or necessary to the discharge  
23 of such powers:

24 (1) To sue and be sued and to defend suits against the  
25 District.

26 (2) To have and use an official seal for attesting  
27 bonds and other official acts and deeds and to alter the same  
28 at the District's pleasure.

29 (3) To receive, acquire, take, and hold, whether by  
30 purchase, gift, or lease, devise, or otherwise, real,  
31 personal, and mixed property of any nature whatsoever that the



1 Board of Directors may deem a necessary or convenient part of,  
2 or useful in connection with, any system or systems authorized  
3 in this charter.

4 (4) To make contracts extending over a period not  
5 exceeding 40 years for a supply or supplies of natural gas and  
6 for the sale and delivery of natural or manufactured gas.

7 (5) To contract with any person, firm, or corporation  
8 for the entire supervision, operation, and management of any  
9 one or more of the systems of the District, including the  
10 collection and distribution of the revenues from such system  
11 or systems, for such period of time as the board may deem  
12 advisable not exceeding 10 years and at such compensation and  
13 upon such terms as may be agreed upon and approved by the  
14 Board of Directors.

15 (6) To borrow money for any authorized purpose and to  
16 issue in evidence of the borrowing interest bearing bonds  
17 payable solely from the revenues derived from the operation of  
18 any one or more of the District's systems.

19 (7) To pledge to the payment of the District's bonds  
20 any revenues from which said bonds are made payable and to  
21 mortgage, pledge, or otherwise convey as security for such  
22 bonds the system or systems the revenues from which are so  
23 pledged.

24 (8) To make such covenants in connection with the  
25 issuance of bonds, or in order to secure the payment of bonds,  
26 as are needful to secure and protect the rights of the holders  
27 of such bonds, notwithstanding that such covenants may operate  
28 as limitations on the exercise of other powers granted by this  
29 charter.

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1       (9) To establish, by resolution, rates and charges for  
2 the District's gas and gas services and to alter such rates  
3 and charges.

4       (10) To collect and enforce collection of such  
5 charges.

6       (11) To lease, exchange, sell, convey, and otherwise  
7 dispose of the District's real, personal, or mixed property by  
8 any form of conveyance or transfer, provided that the District  
9 does not sell and convey a gas system or systems to private  
10 ownership.

11       (12) To appoint and employ officers, agents, and  
12 employees, including attorneys, as the District's business may  
13 require, and to fix the compensation of such persons.

14       (13) To provide for such insurance as the District's  
15 Board of Directors may deem advisable.

16       (14) To exercise all powers of eminent domain now or  
17 hereafter conferred on counties in this state.

18       Section 7. Eminent domain.--The powers of eminent  
19 domain granted in this charter and conferred upon Districts  
20 incorporated under this charter shall be exercised in the same  
21 manner and subject to the same limitations as in the case of  
22 counties in this state.

23       Section 8. The Board of Directors.--The District shall  
24 have a Board of Directors, consisting of one member of each  
25 member municipality and one member appointed by the Board of  
26 County Commissioners of Okaloosa County, to represent the  
27 interest of the unincorporated areas and the interest of the  
28 nonmember cities. The member for each member municipality  
29 shall be appointed by the governing body of such member  
30 municipality and the Board of County Commissioners of Okaloosa  
31 County shall appoint one member. The member shall serve for a

1 term of 4 years and until his or her successor is appointed in  
2 like manner and qualified. Appointments to fill a vacancy  
3 shall be for the unexpired term. The representative of each  
4 municipality may, but need not be, the mayor or chief  
5 executive officer of such municipality and the member  
6 appointed by the Board of County Commissioners of Okaloosa  
7 County may, but need not be, an elected official, except and  
8 provided that no member of the Board of County Commissioners  
9 of Okaloosa County shall serve in such capacity. The members  
10 of the Board of Directors shall serve without compensation,  
11 except that they shall be reimbursed for actual expenses  
12 incurred in and about the performance of their duties  
13 thereunder and, at the discretion of the Board of Directors,  
14 they may be paid a director's fee of not exceeding \$25 for  
15 each directors' meeting attended by them, not exceeding one  
16 meeting during each calendar month. The appointing authority  
17 may remove any member of the Board of Directors within the  
18 term for which such member shall have been appointed for  
19 malfeasance or misfeasance in office or other just cause after  
20 giving to such member a copy of the charges against him or her  
21 and an opportunity to be heard in his or her defense.

22 Section 9. Organization of the board; officers.--After  
23 appointment of the members, the members of the Board of  
24 Directors of the District shall meet and organize. At such  
25 meeting, the members of the board shall choose from their  
26 number a president. They shall also choose a secretary and a  
27 treasurer, who may but need not be members of the board, and  
28 such other officers, agents, and employees as may appear to be  
29 desirable. One person may serve as both secretary and  
30 treasurer.

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1           Section 10. Authority of the board.--The Board of  
2 Directors shall constitute the governing body of the District.  
3 The board shall exercise all the powers of the District and  
4 the board shall do all things necessary or convenient in  
5 acquiring, owning, operating, developing, extending,  
6 improving, financing, and refinancing the gas system or  
7 systems owned or to be owned by the District, including, but  
8 not limited to: the adoption and amendment of by-laws for the  
9 management and regulation of the District's affairs and the  
10 enterprises in which the District is engaged; to use, with the  
11 consent of any of the District's member municipalities, the  
12 agent, employees, or facilities or property of such  
13 municipalities and to provide for the payment of the agreed  
14 proportion of the costs therefor; and to appoint officers,  
15 agents, and employees, including attorneys, and to fix their  
16 compensation to provide for the execution of deeds, mortgages,  
17 indentures of trust, bonds, gas supply contracts, gas service  
18 contracts, supervision contracts, and other instruments and  
19 contracts of the District. Action of the directors shall be  
20 taken by resolution. Such resolution shall be effective  
21 without posting or publication.

22           Section 11. Bonds of the District.--The bonds of the  
23 District shall be authorized by resolution of the Board of  
24 Directors of the District and may be issued in one or more  
25 series, may bear such date or dates, mature at such time or  
26 times, bear interest at such rate or rates, be in such  
27 denominations, be in such form, either coupon or registered,  
28 or both, be executed in such manner, be payable in such medium  
29 of payment, at such place or places, either within or without  
30 this state, be nonredeemable or subject to such terms of  
31 redemption, with or without premium, be subject to being

1 declared or becoming due before the maturity date of such  
2 bonds, as such resolution or resolutions may provide. Said  
3 bonds may be issued for money, property, labor, or services,  
4 either at public or private sale, for such price or prices,  
5 including interest costs, as determined by the Board of  
6 Directors, the determination of which shall be conclusive.  
7 Such authorizing resolution shall provide for the execution  
8 and delivery of bonds of the District by officers of the  
9 District designated in such resolution. Coupons may be  
10 executed with the facsimile signature of any officer  
11 designated by the Board of Directors. Any bonds issued by the  
12 District may thereafter at any time, whether before, at, or  
13 after the maturity of such bonds, and from time to time be  
14 refunded by the issuance of refunding bonds, which may be sold  
15 by the District at public or private sale, at such price or  
16 prices as may be determined by its Board of Directors, or  
17 which may be exchanged for the bonds to be refunded. The  
18 District may pay all expenses, premiums, and commissions which  
19 the District's Board of Directors may deem necessary or  
20 desirable in connection with any financing done by the  
21 District. All bonds issued by the District shall be construed  
22 to be negotiable instruments, although payable solely from a  
23 specified source, and bona fide holders of such bonds for  
24 value shall be entitled to all benefits provided by the  
25 negotiable instruments law of this state. Pending the  
26 preparation or execution of definitive bonds, interim  
27 receipts, or certificates or temporary bonds may be delivered  
28 to the purchaser or purchasers of said bonds. Any bonds  
29 issued by the District may be purchased by the District out of  
30 any funds available for such purposes but such right of  
31 purchase may be limited in the authorizing resolution. All

1 bonds so purchased shall be canceled. Bonds of the District  
2 and all matters connected with such bonds may be validated  
3 pursuant to the provisions of chapter 75, Florida Statutes,  
4 and any other applicable provisions of the Florida Statutes.

5 Section 12. Liability on bonds and other  
6 obligations.--Neither the bonds nor any other obligations of  
7 the District shall be a debt or obligation of the State of  
8 Florida, or a debt or obligation of Okaloosa County, or a debt  
9 or obligation of any municipality which is a member of the  
10 District. Neither the state nor Okaloosa County nor any such  
11 municipality shall be liable in any way whatsoever on such  
12 bonds or obligations, nor may the holder of any such bonds or  
13 obligations compel the levy of any taxes for the payment of  
14 such bonds or obligations. Such bonds shall not be payable  
15 out of any funds other than the revenues of the gas system or  
16 systems of the District. Such bonds are not subject to any  
17 statutory or other limitations upon indebtedness. Neither the  
18 members of the Board of Directors nor any person executing  
19 such bonds shall be liable personally on such bonds by reason  
20 of the issuance of such bonds. No referendum or election  
21 shall be required for the issuance of bonds of the District,  
22 except in such cases as such referendum or election may be  
23 required by the Constitution of the State of Florida.

24 Section 13. No power to tax or assess.--The District  
25 shall have no power or authority to levy or collect any tax,  
26 assessment, or charge other than the rates, fees, and charges  
27 for selling gas and furnishing gas services as provided in  
28 this charter, and any such tax or assessment levy is hereby  
29 specifically prohibited.

30 Section 14. Mortgage; deed of trust; security  
31 agreements.--Any mortgage, deed of trust, or pledge agreement

1 made by the District for the security of any of the District's  
2 bonds or to define the rights, remedies, and privileges of the  
3 holders of such bonds and the duties of the District to such  
4 holders, may contain such agreements, obligations, covenants,  
5 and provisions as the Board of Directors may deem advisable  
6 respecting the operation and maintenance of the gas system or  
7 systems and the collection and application of the revenues  
8 subject to such mortgage, deed of trust, or pledge agreement,  
9 and respecting the rights and duties of the parties to such  
10 instrument or the parties for the benefit of whom such  
11 instrument is made; provided, that no such mortgage or deed of  
12 trust shall be subject to the sale of the system or systems at  
13 foreclosure to private ownership. To further secure the  
14 repayment of any money borrowed by the District, the District  
15 may enter into a contract or contracts binding the District  
16 for the proper application of the money borrowed, for the  
17 continued operation and maintenance of any gas system or  
18 systems owned or to be acquired or constructed by the  
19 District, or any part of parts of such system or systems, for  
20 the imposition and collection of reasonable rates for, and the  
21 promulgation of reasonable regulations respecting any service  
22 furnished from the District's gas system or systems, for the  
23 disposition and application of the District's gross revenues  
24 or any part of such revenues, and for any other act or series  
25 of acts not inconsistent with the provisions of this charter  
26 for the protection of the loan and the assurance that the  
27 revenues from the District's gas system or systems will be  
28 sufficient to operate such system or systems, maintain the  
29 same in good repair and in good operating condition, pay all  
30 reasonable insurance on such system or systems, pay the  
31 principal of and interest on any bonds payable from such

1 revenues, and maintain such reserves and funds as may be  
2 deemed appropriate for the protection of the loan and the  
3 efficient operation of such system or systems.  
4 Section 15. Mortgage or pledge of property or revenue  
5 not in existence; recording notice of mortgage and pledge  
6 liens.--Any mortgage or conveyance of property and any pledge  
7 of revenues to secure the bonds of the District shall be valid  
8 and binding from the time when such mortgage or conveyance is  
9 delivered or such pledge made, and the system, properties,  
10 revenue, income, and moneys so mortgaged, conveyed, or pledged  
11 and thereafter received by such District shall immediately be  
12 subject to the lien of such mortgage, conveyance, or pledge  
13 without any physical delivery of such mortgage, conveyance, or  
14 pledge or further act, and the lien of any such mortgage,  
15 conveyance, or pledge shall be valid and binding as against  
16 all parties having claims of any kind in tort, contract, or  
17 otherwise against the District, irrespective of whether such  
18 parties have notice of such claims, from the time when a  
19 statement thereof is filed in the county court of Okaloosa  
20 County or other office where deeds and mortgages of real  
21 property are recorded and in the proper public office in any  
22 other county or counties where any part of the system or  
23 systems or properties of the District are located. Such  
24 notice shall be sufficient if the notice states the date of  
25 the resolution authorizing the issuance of the bonds, the date  
26 of the bonds, the principal amount of such bonds, the maturity  
27 dates of such bonds, and whether the system is one or more gas  
28 transmission systems or one or more gas distribution systems  
29 or both. The county judge or other officer in charge of the  
30 recording office shall file and index such notice in the  
31 record of mortgages in their offices.



1           Section 16. Rights and remedies of bondholders.--In  
2 addition to all other rights and all other remedies, any  
3 holder or holders of any bond or bonds of the District,  
4 including a trustee for a bondholder, shall have the right,  
5 subject to any contractual limitation binding upon such  
6 bondholder or bondholders or trustee, and subject to the prior  
7 or superior rights of others:

8           (1) To sue on the bonds.

9           (2) By mandamus or other suit, action or proceeding,  
10 at law or in equity, to enforce the bondholder's rights  
11 against the District and the Board of Directors, including the  
12 right to require the District and such board to fix and  
13 collect rates and charges adequate to carry out any agreement  
14 as to, or pledge of, the revenues produced by such rates or  
15 charges, and to require such District and such board to carry  
16 out the other covenants and agreements with such bondholder  
17 and to perform the District's and the board's duties under  
18 this charter and under any mortgage, indenture of trust, or  
19 contract.

20           (3) By action or suit in equity, to require such  
21 District to account as if the District were the trustee of an  
22 express trust for such bondholder.

23           (4) By action or suit in equity, to enjoin any act or  
24 things which may be unlawful or a violation of the rights of  
25 such bondholder.

26           (5) By suit, action, or proceeding in any court of  
27 competent jurisdiction, to obtain in the event of the default  
28 by the District in the payment when due of the bondholder's  
29 bond or bonds or interest thereon, which default shall have  
30 continued for a period in excess of 60 days, or default in the  
31 performance of any other covenants or obligations of the

1 District, which default shall have continued for a period of  
2 60 days after notice to cure such default, the appointment of  
3 a receiver for the gas system or systems of the District,  
4 which receiver may enter and take possession of such system or  
5 systems or any part or parts thereof, including all property,  
6 land, property rights, easements, franchises, books, records,  
7 papers, accounts, and other adjuncts of the gas system or  
8 systems of the District, and such receiver may operate and  
9 maintain such gas system or systems, fix and collect all rates  
10 and charges, and receive all revenues thereafter arising  
11 therefrom in the same manner as the District itself might do,  
12 and shall deposit all moneys in a separate account or accounts  
13 and apply the same in accordance with the obligations of such  
14 District and as the court shall direct.

15 Section 17. Proceeds from the sale of bonds.--All  
16 moneys derived from the sale of any bonds issued by the  
17 District shall be used solely for the purpose or purposes for  
18 which such bonds are authorized, including any engineering,  
19 legal, or other expenses incident to such purposes, and, in  
20 the case of bonds issued in whole or in part for the  
21 construction of a gas system or systems or any part of such  
22 system or systems, interest on such bonds, or, if only a part  
23 of the bonds are issued for the purpose of such construction,  
24 on the part of such bonds issued for that purpose, prior to  
25 and during such construction and for not exceeding 2 years  
26 after completion of such construction and, in the case of  
27 bonds issued by the District for the purpose of refunding  
28 outstanding bonds of such District, any premium which the  
29 District may deem necessary to pay in order to redeem or  
30 retire the bonds to be refunded. The treasurer or other  
31 officer designated by the Board of Directors shall give a

1 receipt for the purchase price to the purchaser of any such  
2 bonds, which receipt shall be full acquittal to such purchaser  
3 and the purchaser shall not be under any duty to inquire as to  
4 the application of the proceeds of such bonds.

5 Section 18. Disposition of net profits of  
6 District.--No distribution of net profits shall be made to the  
7 member municipalities.

8 Section 19. Bonds; legal investments.--Notwithstanding  
9 any provision of any other law or laws to the contrary, all  
10 bonds, including refunding bonds, issued pursuant to this  
11 charter, shall constitute legal investments for savings banks,  
12 banks, trust companies, executors, administrators, trustees,  
13 guardians, and other fiduciaries, and for any board, body,  
14 agency, or instrumentality of the State of Florida, or of any  
15 county, municipality, or other political subdivision of the  
16 state, and shall be and constitute securities which may be  
17 deposited by banks of trust companies as security for deposits  
18 of state, county, municipal, and other public funds.

19 Section 20. Tax exemption.--All property and all  
20 income of the District shall be exempt from all state, county,  
21 municipal and other taxation in the State of Florida. All  
22 bonds of such District and the interest on such bonds shall be  
23 exempt from all state, county, municipal, and other taxation  
24 in the State of Florida. All deeds, mortgages, indentures of  
25 trust and other documents executed by or delivered to any such  
26 District shall be exempt from all state, county, and municipal  
27 and other taxation in the State of Florida.

28 Section 21. Consent of state agencies.--It shall not  
29 be necessary for the District, in proceeding under this  
30 charter, to obtain any certificates of convenience or  
31 necessity, franchise, license, permit, or other authorization

1 from any bureau, board, commission, or other like  
2 instrumentality of the State of Florida or Okaloosa County, in  
3 order to construct, acquire, or improve such system or systems  
4 or to exercise any of the powers granted in this charter.

5 Section 22. Regulation by state agencies.--Neither the  
6 rates, fees, rentals, or other charges to be established and  
7 collected for gas and services of such system or systems, when  
8 constructed, acquired, or improved as provided in this  
9 charter, nor bonds which may be issued under this charter,  
10 shall be subject to approval, supervision, regulation, or  
11 control of any bureau, board, commission, or other like  
12 instrumentality of the state.

13 Section 23. Covenants of the state.--That the State of  
14 Florida hereby covenants with the holders of any bonds or  
15 other obligations issued pursuant to this charter, and the  
16 coupons appertaining to such bonds or obligations, that the  
17 state will not in any manner limit or alter the power and  
18 obligation vested by this charter in the District to fix,  
19 establish, and collect, in the matter provided in this  
20 charter, such fees, rentals, or other charges for the  
21 facilities and services of such system or systems, and to  
22 revise such fees, rentals or other charges from time to time  
23 whenever necessary, as will always be sufficient, together  
24 with any other pledged funds, to pay the expenses of  
25 operation, maintenance, and repair of such system or systems,  
26 the principal of and interest on all bonds or other  
27 obligations issued pursuant to this charter for such system or  
28 systems, and to comply fully with and fulfill the terms of all  
29 agreements and covenants made by the District with holders of  
30 such bonds or other obligations, until all such bonds or other  
31 obligations, together with all interest accrued or to accrue

1 on such bonds, and all costs or expenses in connection with  
2 any action or proceedings by or on behalf of the holders of  
3 such bonds or other obligations are fully paid and discharged,  
4 or adequate provision made for the payment of discharge of  
5 such bonds.

6 Section 24. Use of public roads.--The District is  
7 hereby authorized to use the right of way of all public roads,  
8 whether state or county, without securing the prior approval  
9 of the state or any agency or department of the state or the  
10 governing body of any county.

11 Section 25. Discontinuance of customer services.--If  
12 any rates, fees, or charges for the services and facilities  
13 furnished by any gas system or systems constructed or  
14 reconstructed by the District under the provisions of this  
15 charter shall not be paid when due, the District may  
16 discontinue and shut off the supply of the services and  
17 facilities of the system to the customer so supplied with such  
18 services or facilities until such fees, rentals, or other  
19 charges, including the interest, penalties, and charges for  
20 the shutting off and discontinuance or the restoration of such  
21 services or facilities are fully paid, and for such purposes  
22 may enter on any lands, waters, and premises of such  
23 delinquent customers, within or without the boundaries of the  
24 District. Such delinquent fees, rentals, or other charges,  
25 together with interest, penalties, and charges for the  
26 shutting off and discontinuance or the restoration of such  
27 services or facilities, and reasonable attorney's fees and  
28 other expenses, may be recovered by the District by suit in  
29 any court of competent jurisdiction. The District may also  
30 enforce payment of such delinquent fees, rentals, or other  
31 charges by any other lawful means of enforcement.

1           Section 3. Chapter 29334, Laws of Florida, 1953,  
2 chapter 31051, Laws of Florida, 1955, chapter 63-1697, Laws of  
3 Florida, and chapter 86-468, Laws of Florida, are repealed.

4           Section 4. The contracts and obligations heretofore  
5 made and incurred and other actions heretofore taken by the  
6 Okaloosa Gas District shall not be impaired or otherwise  
7 affected by enactment of this codification of the special acts  
8 referred to in sections 1 and 3 or by the repeal of such  
9 special acts provided for in such sections.

10          Section 5. In the event of a conflict of the  
11 provisions of this act with the provisions of any other act  
12 the provisions of this act shall control to the extent of such  
13 conflict.

14          Section 6. In the event any section or provision of  
15 this act is determined to be invalid or unenforceable, such  
16 determination shall not affect the validity of or  
17 enforceability of each other section and provision of this  
18 act.

19          Section 7. This act shall take effect upon becoming a  
20 law.

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