

By Senator Clary

7-1176-00

See HB

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

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

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

17

18 Be It Enacted by the Legislature of the State of Florida:

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

23

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

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28 Section 1. Definitions.--Whenever used in this
29 charter, unless a different meaning clearly appears from the
30 context:

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32 (1) "Gas transmission system" means a supply of
33 natural gas, whether acquired from wells or deposits or from a
34 pipeline or other source of supply and a pipeline or lines,

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

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

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

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

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

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

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

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

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

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

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

22 (3) A gas manufacturing plant and system.

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

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

1 (6) Such gas transmission lines, laterals, gas
2 distribution systems, and facilities to serve such customers
3 in the District's area of service as the District or the
4 District's Board of Directors may determine.

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

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

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

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

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

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

30 (d) The area adjacent to said Highway and the
31 transmission line of the District east of Milton, in a

1 westerly direction along said Highway 90 to the corporate
2 limits of the Town of Milton.

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

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

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

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

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

26 (1) To sue and be sued and to defend suits against the
27 District.

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

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1 (3) To receive, acquire, take, and hold, whether by
2 purchase, gift, or lease, devise, or otherwise, real,
3 personal, and mixed property of any nature whatsoever that the
4 Board of Directors may deem a necessary or convenient part of,
5 or useful in connection with, any system or systems authorized
6 in this charter.

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

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

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

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

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

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

6 (10) To collect and enforce collection of such
7 charges.

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

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

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

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

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

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

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

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

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

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

1 this state, be nonredeemable or subject to such terms of
2 redemption, with or without premium, be subject to being
3 declared or becoming due before the maturity date of such
4 bonds, as such resolution or resolutions may provide. Said
5 bonds may be issued for money, property, labor, or services,
6 either at public or private sale, for such price or prices,
7 including interest costs, as determined by the Board of
8 Directors, the determination of which shall be conclusive.
9 Such authorizing resolution shall provide for the execution
10 and delivery of bonds of the District by officers of the
11 District designated in such resolution. Coupons may be
12 executed with the facsimile signature of any officer
13 designated by the Board of Directors. Any bonds issued by the
14 District may thereafter at any time, whether before, at, or
15 after the maturity of such bonds, and from time to time be
16 refunded by the issuance of refunding bonds, which may be sold
17 by the District at public or private sale, at such price or
18 prices as may be determined by its Board of Directors, or
19 which may be exchanged for the bonds to be refunded. The
20 District may pay all expenses, premiums, and commissions which
21 the District's Board of Directors may deem necessary or
22 desirable in connection with any financing done by the
23 District. All bonds issued by the District shall be construed
24 to be negotiable instruments, although payable solely from a
25 specified source, and bona fide holders of such bonds for
26 value shall be entitled to all benefits provided by the
27 negotiable instruments law of this state. Pending the
28 preparation or execution of definitive bonds, interim
29 receipts, or certificates or temporary bonds may be delivered
30 to the purchaser or purchasers of said bonds. Any bonds
31 issued by the District may be purchased by the District out of

1 any funds available for such purposes but such right of
2 purchase may be limited in the authorizing resolution. All
3 bonds so purchased shall be canceled. Bonds of the District
4 and all matters connected with such bonds may be validated
5 pursuant to the provisions of chapter 75, Florida Statutes,
6 and any other applicable provisions of the Florida Statutes.

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

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

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

1 reasonable insurance on such system or systems, pay the
2 principal of and interest on any bonds payable from such
3 revenues, and maintain such reserves and funds as may be
4 deemed appropriate for the protection of the loan and the
5 efficient operation of such system or systems.

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

1 recording office shall file and index such notice in the
2 record of mortgages in their offices.

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

10 (1) To sue on the bonds.

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

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

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

28 (5) By suit, action, or proceeding in any court of
29 competent jurisdiction, to obtain in the event of the default
30 by the District in the payment when due of the bondholder's
31 bond or bonds or interest thereon, which default shall have

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

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

1 retire the bonds to be refunded. The treasurer or other
2 officer designated by the Board of Directors shall give a
3 receipt for the purchase price to the purchaser of any such
4 bonds, which receipt shall be full acquittal to such purchaser
5 and the purchaser shall not be under any duty to inquire as to
6 the application of the proceeds of such bonds.

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

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

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

30 Section 21. Consent of state agencies.--It shall not
31 be necessary for the District, in proceeding under this

1 charter, to obtain any certificates of convenience or
2 necessity, franchise, license, permit, or other authorization
3 from any bureau, board, commission, or other like
4 instrumentality of the State of Florida or Okaloosa County, in
5 order to construct, acquire, or improve such system or systems
6 or to exercise any of the powers granted in this charter.

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

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

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

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

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

1 enforce payment of such delinquent fees, rentals, or other
2 charges by any other lawful means of enforcement.

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

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

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

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

21 Section 7. This act shall take effect upon becoming a
22 law.