**A** **BILL**

TO AMEND SECTION 6‑25‑113, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE PAYMENT OF BONDS BY A JOINT AUTHORITY WATER AND SEWER SYSTEM, SO AS TO ALLOW A LIEN TO BE PLACED ON THE AUTHORITY’S PROPERTY IN ACCORDANCE WITH THE REVENUE BOND ACT FOR UTILITIES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 6‑25‑113 of the 1976 Code, as last amended by Act 59 of 2007, is further amended to read:

“Section 6‑25‑113. The bonds are special obligations of the joint system issuing them. The principal of, premium, if any, and interest on the bonds are not payable from the general funds of the joint system, nor do they constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of its property, except as permitted by Sections 6‑21‑330 through 6‑21‑360 of the Revenue Bond Act for Utilities, or upon any of its income, receipts, or revenues, except the funds which are pledged under the resolution authorizing the bonds or the trust agreement securing the bonds. Neither the faith and credit nor the taxing power of the State or an authority is, or may be, pledged for the payment of the principal of or interest on the bonds, and no holder of the bonds has the right to compel the exercise of the taxing power by the State or an authority or the forfeiture of any of its property in connection with any default. However, the provisions of this section do not affect the ability of any member county or authority from providing a pledge of all or part of any revenues derived as payments in lieu of taxes with respect to a project. Every bond must recite in substance that the principal of and interest on the bond is payable solely from the revenues and other funds pledged to its payment and that the joint system is not obligated to pay the principal or interest except from such revenues and funds so pledged.”

SECTION 2. This act takes effect upon approval by the Governor.

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