

HOUSE BILL NO. HB0099

Transportation commission-bonding authority.

Sponsored by: Select Committee on Capital Financing and Investments

A BILL

for

1 AN ACT relating to the state transportation commission;
2 authorizing the commission to issue revenue bonds for
3 highway projects as specified; specifying conditions for
4 bonds; repealing existing bonding provisions; and providing
5 for an effective date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** W.S. 24-8-201 through 24-8-207 are created
10 to read:

11

12 ARTICLE 2

13 BONDING

14

15 **24-8-201. Definitions.**

16

1 (a) As used in this article, unless the context
2 otherwise requires:

3

4 (i) "Commission" means the state transportation
5 commission;

6

7 (ii) "Grant agreement" means a written agreement
8 between the commission and the United States of America or
9 any of its departments or agencies by which the commission
10 will receive a grant to construct a project or to reimburse
11 the commission for monies spent with respect to the
12 project;

13

14 (iii) "Grant anticipation bonds" means bonds
15 authorized by this article;

16

17 (iv) "Grant revenues" means any revenues the
18 commission will receive under a grant agreement, proceeds
19 of grant anticipation bonds and income and gain from the
20 investment of these revenues and proceeds.

21

22 **24-8-202. Grant anticipation bonds; authorized;**
23 **requirements.**

24

1 (a) Subject to the provisions of this article, after
2 the commission has entered into one (1) or more grant
3 agreements, it may issue and sell grant anticipation bonds.
4 The principal, premium, if any, and interest on the bonds
5 shall be paid solely from grant revenues. No state tax
6 revenues shall be pledged for or used to pay any grant
7 anticipation bonds.

8

9 (b) Except as otherwise provided, bonds issued under
10 this section shall be in a form, issued in a manner, at,
11 above or below par at a discount not exceeding ten percent
12 (10%) of the principal amount of the bonds, at public or
13 private sale, and issued with recitals, terms, covenants,
14 conditions and other provisions not contrary to other
15 applicable statutes, as may be provided by the commission
16 in a resolution authorizing their issuance and in an
17 indenture or other appropriate proceeding.

18

19 (c) Any bonds issued under this article:

20

21 (i) Shall be of denominations of five thousand
22 dollars (\$5,000.00) or multiples thereof;

23

1 (ii) Shall be fully negotiable within the
2 meaning of and for all purposes of the Uniform Commercial
3 Code, W.S. 34.1-1-101 through 34.1-10-104;

4
5 (iii) Shall mature at a time or times not
6 exceeding thirty (30) years from their date;

7
8 (iv) Shall bear interest payable annually,
9 semiannually or at other designated intervals, but the
10 first interest payment date may be for interest accruing
11 for any period not exceeding one (1) year;

12
13 (v) Shall be made payable in lawful money of the
14 United States at the office of the state treasurer or by a
15 trustee, registrar, paying agent, or transfer agent within
16 or without the state of Wyoming;

17
18 (vi) May be additionally secured as determined
19 by the transportation commission.

20
21 (d) The commission may retain the services of a
22 financial advisor and sell the bonds to an underwriter,
23 either by competitive or negotiated bid. The terms of any
24 contract including fees to be paid shall be available for

1 public review and inspection. The commission shall provide
2 notice to the select committee on capital financing and
3 investments of any commission action proposing to issue
4 bonds under this article. If any bonds are issued under
5 this article the commission shall annually report the
6 status of outstanding bonds to the select committee.

7

8 (e) No bond shall be issued under this article unless
9 approved by the state treasurer and governor. The
10 proceedings for the issuance and the form of the bonds
11 shall be approved by the attorney general, and each bond
12 shall have endorsed thereon a certificate signed by the
13 auditor and secretary of state that the bond is issued
14 pursuant to law and is within the debt limit authorized
15 under this article.

16

17 **24-8-203. Refunding.**

18

19 (a) The commission may issue grant anticipation bonds
20 to refund grant anticipation bonds previously issued:

21

22 (i) To refund and discharge and extend or
23 shorten the maturities of all or any part of any

1 outstanding bonds issued under this article including any
2 interest thereon in arrears or about to become due;

3

4 (ii) For the purpose of reducing interest costs
5 on bonds issued under this article or effecting other
6 economies; or

7

8 (iii) For the purpose of modifying or
9 eliminating any contractual limitations or provisions
10 contained in any indenture or other proceedings authorizing
11 outstanding bonds issued under this article. Any refunding
12 permitted by this section shall be accomplished in the
13 manner prescribed by W.S. 16-5-101 through 16-5-119, except
14 any refunding grant anticipation bonds shall not constitute
15 an indebtedness or a debt within the meaning of any
16 constitutional or statutory provision or limitation or be
17 considered general obligations of the state.

18

19 **24-8-204. Limitations.**

20

21 The principal amount of grant anticipation bonds issued
22 pursuant to this article shall not exceed four hundred
23 million dollars (\$400,000,000.00).

24

1 **24-8-205. Application of grant revenues; grant**
2 **anticipation bond fund; payment of bonds.**

3

4 (a) On the issuance of any grant anticipation bonds,
5 the grant revenues to be received by the commission
6 pursuant to the applicable grant agreement shall be
7 collected and, as provided by the commission at the time of
8 authorizing the issuance of the grant anticipation bonds,
9 used for any of the following:

10

11 (i) Paid into a special account within the
12 earmarked revenue fund to be known as the grant
13 anticipation bond account;

14

15 (ii) Held for application to the payment of the
16 costs of the project to which the grant agreement relates;

17

18 (iii) Applied to reimburse the commission for
19 monies previously spent with respect to the project.

20

21 (b) As long as any grant anticipation bonds are
22 outstanding, monies paid into the grant anticipation bond
23 account pursuant to subsection (a) of this section shall be
24 used only to pay principal and interest on the grant

1 anticipation bonds. Pending expenditure, the state
2 treasurer shall invest bond proceeds in a manner which
3 complies with all requirements of the internal revenue
4 service and the bond indenture to insure the bonds will
5 remain tax free investments.

6

7 (c) Notwithstanding any other law, this article
8 authorizes the payment when due or redemption in advance of
9 maturity, if the bonds so provide, of all principal and
10 interest and redemption premiums on the bonds from the
11 monies in the grant anticipation bond account.

12

13 **24-8-206. Use of proceeds.**

14

15 (a) The proceeds from the sale of the bonds shall be
16 used by the commission for payment of any of the following:

17

18 (i) Costs and expenses incurred in the
19 construction or acquisition of the project for which the
20 grant or grants are being made;

21

22 (ii) Legal and financial costs and expenses
23 incurred in issuing and administering the bonds;

24

1 (iii) Costs for which the commission will be
2 entitled to receive reimbursement pursuant to the grant
3 agreement;

4
5 (iv) If authorized by the commission, payment of
6 interest to accrue on the bonds during their life;

7
8 (v) Payment of the principal, premium or
9 interest on other obligations, all or a portion of the
10 proceeds of which were or are to be applied to the
11 financing of the project to which the grant agreement
12 relates.

13

14 **24-8-207. Nature of grant anticipation bonds; limited**
15 **obligation.**

16

17 (a) Any bonds issued under this article, together
18 with any interest accruing thereon and any prior redemption
19 premiums due in connection therewith, are payable and
20 collectible solely out of revenues authorized. The
21 bondholders may not look to any general or other fund for
22 payment of the bonds except the revenues pledged therefor.
23 The bonds shall not constitute an indebtedness or a debt
24 within the meaning of any constitutional or statutory

1 provision or limitation. The bonds shall not be considered
2 or held to be general obligations of the state but shall
3 constitute its special obligations and the commission shall
4 not pledge the state's full faith and credit for payment of
5 the bonds.

6

7 (b) A holder of a grant anticipation bond may not
8 compel the payment of grant revenues to the commission.

9

10 **Section 2.** 24-1-119 is amended to read:

11

12 **24-1-119. State highway fund created; income and**
13 **expenditure.**

14

15 (a) There is created a fund known as the state
16 highway fund, to the credit of which the state treasurer,
17 who is designated as the state official to receive all
18 amounts paid by the United States under the act of congress
19 approved July 11, 1916, shall place all monies previously
20 received for the fund, all money subsequently received from
21 the United States, under cooperative agreements as
22 authorized, all money derived from taxes levied for such
23 purpose or appropriated for the fund, all monies received
24 from the sale of state bonds for highway construction or

1 improvement, all money received from the counties under
2 cooperative agreements as hereinbefore authorized, and all
3 other monies received from donations or bequests, which may
4 be accepted by the commission on behalf of the state of
5 Wyoming, or from any source designated by law for that
6 purpose. All monies in the fund shall be available for the
7 purpose of this act without further appropriation and no
8 warrant shall be drawn on the fund excepting on a voucher
9 approved by the director of the department of
10 transportation or an assistant authorized by the director
11 and approved by the transportation commission. ~~It is
12 provided that seventy five percent (75%) of the amount of
13 any bond issue subsequently issued by the state of Wyoming
14 for the construction or improvement of state highways,
15 after the payment of overhead expense, shall be apportioned
16 to and spent in each county in the proportion which the
17 assessed valuation of each county by the last general
18 assessment bears to the total assessment of the state.~~

19

20 (b) Notwithstanding the provisions of subsection (a)
21 of this section, grant funds received and necessary for the
22 repayment of bonds pursuant to W.S. 24-8-201 through
23 24-8-207 shall be deposited in the bond repayment account

1 within the earmarked revenue fund as provided by W.S.
2 24-8-205.

3

4 **Section 3.** W.S. 24-8-101 through 24-8-106 are
5 repealed.

6

7 **Section 4.** This act is effective July 1, 2002.

8

9

(END)