

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

7

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

17

18 (c) Any bonds issued under this article:

19

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

22

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

9

10 (a) The commission may issue grant anticipation bonds
11 to refund grant anticipation bonds previously issued:

12

13 (i) To refund and discharge and extend or
14 shorten the maturities of all or any part of any
15 outstanding bonds issued under this article including any
16 interest thereon in arrears or about to become due;

17

18 (ii) For the purpose of reducing interest costs
19 on bonds issued under this article or effecting other
20 economies; or

21

22 (iii) For the purpose of modifying or
23 eliminating any contractual limitations or provisions
24 contained in any indenture or other proceedings authorizing

1 outstanding bonds issued under this article. Any refunding
2 permitted by this section shall be accomplished in the
3 manner prescribed by W.S. 16-5-101 through 16-5-119, except
4 any refunding grant anticipation bonds shall not constitute
5 an indebtedness or a debt within the meaning of any
6 constitutional or statutory provision or limitation or be
7 considered general obligations of the state.

8

9 **24-8-204. Limitations.**

10

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

14

15 **24-8-205. Application of grant revenues; grant**
16 **anticipation bond fund; payment of bonds.**

17

18 (a) On the issuance of any grant anticipation bonds,
19 the grant revenues to be received by the commission
20 pursuant to the applicable grant agreement shall be
21 collected and, as provided by the commission at the time of
22 authorizing the issuance of the grant anticipation bonds,
23 used for any of the following:

24

1 (i) Paid into a special account within the
2 earmarked revenue fund to be known as the grant
3 anticipation bond account;

4
5 (ii) Held for application to the payment of the
6 costs of the project to which the grant agreement relates;

7
8 (iii) Applied to reimburse the commission for
9 monies previously spent with respect to the project.

10

11 (b) As long as any grant anticipation bonds are
12 outstanding, monies paid into the grant anticipation bond
13 account pursuant to subsection (a) of this section shall be
14 used only to pay principal and interest on the grant
15 anticipation bonds. Pending expenditure, the state
16 treasurer shall invest bond proceeds in a manner which
17 complies with all requirements of the internal revenue
18 service and the bond indenture to insure the bonds will
19 remain tax free investments.

20

21 (c) Notwithstanding any other law, this article
22 authorizes the payment when due or redemption in advance of
23 maturity, if the bonds so provide, of all principal and

1 interest and redemption premiums on the bonds from the
2 monies in the grant anticipation bond account.

3

4 **24-8-206. Use of proceeds.**

5

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

8

9 (i) Costs and expenses incurred in the
10 construction or acquisition of the project for which the
11 grant or grants are being made;

12

13 (ii) Legal and financial costs and expenses
14 incurred in issuing and administering the bonds;

15

16 (iii) Costs for which the commission will be
17 entitled to receive reimbursement pursuant to the grant
18 agreement;

19

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

22

23 (v) Payment of the principal, premium or
24 interest on other obligations, all or a portion of the

1 proceeds of which were or are to be applied to the
2 financing of the project to which the grant agreement
3 relates.

4

5 **24-8-207. Nature of grant anticipation bonds; limited**
6 **obligation.**

7

8 (a) Any bonds issued under this article, together
9 with any interest accruing thereon and any prior redemption
10 premiums due in connection therewith, are payable and
11 collectible solely out of revenues authorized. The
12 bondholders may not look to any general or other fund for
13 payment of the bonds except the revenues pledged therefor.
14 The bonds shall not constitute an indebtedness or a debt
15 within the meaning of any constitutional or statutory
16 provision or limitation. The bonds shall not be considered
17 or held to be general obligations of the state but shall
18 constitute its special obligations and the commission shall
19 not pledge the state's full faith and credit for payment of
20 the bonds.

21

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

24

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

2

3 **24-1-119. State highway fund created; income and**
4 **expenditure.**

5

6 (a) There is created a fund known as the state
7 highway fund, to the credit of which the state treasurer,
8 who is designated as the state official to receive all
9 amounts paid by the United States under the act of congress
10 approved July 11, 1916, shall place all monies previously
11 received for the fund, all money subsequently received from
12 the United States, under cooperative agreements as
13 authorized, all money derived from taxes levied for such
14 purpose or appropriated for the fund, all monies received
15 from the sale of state bonds for highway construction or
16 improvement, all money received from the counties under
17 cooperative agreements as hereinbefore authorized, and all
18 other monies received from donations or bequests, which may
19 be accepted by the commission on behalf of the state of
20 Wyoming, or from any source designated by law for that
21 purpose. All monies in the fund shall be available for the
22 purpose of this act without further appropriation and no
23 warrant shall be drawn on the fund excepting on a voucher
24 approved by the director of the department of

1 transportation or an assistant authorized by the director
2 and approved by the transportation commission. ~~It is~~
3 ~~provided that seventy-five percent (75%) of the amount of~~
4 ~~any bond issue subsequently issued by the state of Wyoming~~
5 ~~for the construction or improvement of state highways,~~
6 ~~after the payment of overhead expense, shall be apportioned~~
7 ~~to and spent in each county in the proportion which the~~
8 ~~assessed valuation of each county by the last general~~
9 ~~assessment bears to the total assessment of the state.~~

10
11 (b) Notwithstanding the provisions of subsection (a)
12 of this section, grant funds received and necessary for the
13 repayment of bonds pursuant to W.S. 24-8-201 through
14 24-8-207 shall be deposited in the bond repayment account
15 within the earmarked revenue fund as provided by W.S.
16 24-8-205.

17
18 **Section 3.** W.S. 24-8-101 through 24-8-106 are
19 repealed.

20
21 **Section 4.** This act is effective July 1, 2002.

22
23 (END)