

SENATE FILE NO. SF0060

Wyoming natural gas pipeline authority.

Sponsored by: Senator(s) Hawks and Decaria and
Representative(s) Law

A BILL

for

1 AN ACT relating to the Wyoming natural gas pipeline
2 authority; expanding powers of the authority; modifying and
3 providing definitions; modifying other provisions relating
4 to the authority; providing an appropriation and
5 authorizing a position; and providing for an effective
6 date.

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

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10 **Section 1.** W.S. 37-5-101(a) and (b), 37-5-102(e),
11 37-5-104(b) and (d), 37-5-202(a)(iv), by creating a new
12 paragraph (vii) and by renumbering (vii) as (viii),
13 37-5-203(a), (d) and (n), 37-5-204(a) and by creating a new
14 subsection (e) and 37-5-208(a)(i) are amended to read:

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16 **37-5-101. Wyoming natural gas pipeline authority.**

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2 (a) There is created the Wyoming natural gas pipeline
3 authority, hereinafter called the "authority", which is a
4 body politic and corporate ~~and political subdivision~~
5 operating as an instrumentality of the state of Wyoming,
6 with authority to adopt an official seal and to sue and be
7 sued.

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9 (b) The authority shall be governed by a board
10 composed of five (5) members appointed by the governor,
11 with the advice and consent of the senate. The members of
12 the initial board shall be appointed for staggered terms,
13 two (2) members for terms of one (1) year each and the
14 other members for terms of two (2), three (3) and four (4)
15 years, respectively, as designated at the time of
16 appointment. Thereafter all members shall be appointed for
17 four (4) year terms. The governor may remove any member as
18 provided in W.S. 9-1-202. Vacancies shall be filled by
19 appointment by the governor in accordance with W.S.
20 28-12-101. The members shall elect from the membership a
21 chairman, vice-chairman and secretary. Persons appointed
22 as members shall be qualified voters of the state of
23 Wyoming with special knowledge, as evidenced by college
24 degrees or courses, or with at least five (5) years

1 experience in managerial positions, in the field of natural
2 gas or associated natural resource production,
3 transportation, marketing or industrial consumption.
4 Members of the board may receive the same per diem,
5 expenses and travel allowance as members of the legislature
6 while in actual attendance at meetings of the board and the
7 performance of their duties relative thereto. ~~The attorney
8 general shall serve as attorney for the authority.~~

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10 **37-5-102. Purposes.**

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12 (e) The authority may acquire, purchase, hold, use,
13 lease, license, sell, transfer and dispose of an undivided
14 or other interest in or the right to capacity in any
15 pipeline system or systems within or without the state of
16 Wyoming in order to facilitate the production,
17 transportation, distribution or delivery of natural gas and
18 associated natural resources produced in this state. The
19 provisions of subsection (d) of this section shall not
20 apply to the authority in exercising any power pursuant to
21 this subsection.

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23 **37-5-104. Bonds.**

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1 (b) Bonds issued under authority of this section
2 shall be solely the obligation of the authority and shall
3 recite on their face that they do not constitute
4 obligations of the state of Wyoming or any county,
5 municipality or other political subdivision of the state.
6 The bonds or other obligations shall be authorized and
7 issued by resolution of the authority and shall be of the
8 series, bear the date or dates, mature at the time or
9 times, bear interest at the rate or rates, be in the form,
10 ~~either coupon or fully registered without coupons,~~ carry
11 the registration and exchangeability privileges, be payable
12 in the medium of payment and at the place or places, be
13 subject to the terms of redemption and be entitled to the
14 priorities on the revenues of the authority, as the
15 resolution may provide. The bonds ~~and the coupons, if any,~~
16 ~~attached~~ shall be executed in the form and manner provided
17 by the resolution authorizing their issuance.

18

19 (d) Except as provided by subsection (k) of this
20 section, any bonds issued hereunder shall be payable from
21 and be secured by the pledge of the revenues derived from
22 the operation of the pipeline system, as constructed,
23 acquired, extended or improved with the proceeds of the
24 bonds, subject only to prior payment of the reasonable and

1 necessary expenses of operating and maintaining the system.
2 Any bonds issued hereunder may also be payable from
3 unexpended bond proceeds. Any holder of the bonds ~~or of~~
4 ~~any of the coupons thereto attached~~ may by appropriate
5 legal action compel performance of all duties required of
6 the authority in order to enforce payment of the bonds when
7 due. If any bond issued hereunder is permitted to go into
8 default as to principal or interest, any court of competent
9 jurisdiction may, pursuant to the application of the holder
10 of the bonds, appoint a receiver for the system, who shall
11 operate the system and collect and distribute the revenues
12 thereof pursuant to the provisions and requirements of the
13 resolution authorizing the bonds.

14

15 **37-5-202. Definitions.**

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17 (a) As used in this act:

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19 (iv) "Pipeline" means a pipeline and related
20 facilities, including storage facilities, and including
21 undivided ownership interests or capacity in a pipeline and
22 related facilities, constructed for the purpose of
23 transporting and treating natural gas and associated
24 natural resources;

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(vii) "Royalty in kind gas" means natural gas and associated natural resources received by the federal government, the state, its agencies and political subdivisions as royalties "in kind" under leases or otherwise;

~~(vii)~~ (viii) "This act" means W.S. 37-5-201 through 37-5-208.

37-5-203. Authority revenue bonds; issuance; amount.

(a) The authority may issue and have outstanding bonds to finance pipeline projects, which may be located within or without the state of Wyoming, in an amount not to exceed one billion dollars (\$1,000,000,000.00). The financing of a pipeline project under this act, may include or consist solely of the purchase of natural gas pipeline capacity by the authority as authorized by subsection (n) of this section. The authority is exempt from the provisions of W.S. 37-5-102(d) to exercise the powers granted by this act. ~~The authority shall acquire no ownership interest in any pipeline project financed pursuant to this act, except to realize upon a security~~

1 ~~interest or to purchase capacity in the pipeline as~~
2 ~~authorized by subsection (n) of this section.~~

3

4 (d) All bonds issued by the authority are payable
5 solely out of special funds consisting of all or part of
6 its revenues, receipts, monies and assets, as designated in
7 the proceedings under which the bonds are authorized. The
8 bonds shall bear interest at fixed or variable rates, be
9 executed and delivered at times and in denominations, be of
10 terms and maturities, be in ~~bearer form or in~~ registered
11 form as to principal and interest or principal alone, and
12 bear manual or facsimile signatures and seals as determined
13 by the authority. Bonds issued by the authority are not
14 general obligations of this state nor of any political
15 subdivision of this state. The bonds shall be solely the
16 obligation of the authority and shall recite on their face
17 that they do not constitute obligations of the state or any
18 political subdivisions of the state.

19

20 (n) The authority may acquire, purchase, make
21 prepayments for, finance, hold, use, lease, license, sell,
22 transfer and dispose of an undivided or other interest in
23 or the right to capacity in any pipeline system or systems
24 within or without the state of Wyoming. The authority may

1 acquire, purchase, make prepayments for proven developed
2 reserves, hold, use, lease, license, sell, transfer and
3 dispose of an undivided or other interest in natural gas
4 and associated natural resources, including royalty in kind
5 gas. The powers specified in this subsection may be
6 exercised in order to facilitate the production,
7 transportation, distribution or delivery of natural gas and
8 associated natural resources produced in this state. The
9 provisions of W.S. 37-5-102(d) shall not apply to the
10 authority in exercising any power pursuant to this
11 subsection.

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13 **37-5-204. Authority revenue bonds; security; payments**
14 **after retirement.**

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16 (a) ~~Except as provided in subsection (d) of this~~
17 ~~section,~~ The principal and interest on any bonds issued by
18 the authority shall be secured by a pledge of revenues from
19 the operation of the pipeline financed, ~~and or~~ by a first
20 mortgage on the pipeline facilities, ~~and or~~ by such
21 guarantees and pledges of the entity owning the pipeline or
22 of the parent corporation owning said entity, ~~if any, as~~
23 ~~the pipeline owner or parent may extend to lenders of the~~
24 ~~remaining debt financing~~ or by any combination thereof or

1 other security as may be determined by the authority to be
2 reasonable and prudent. Such guarantees and pledges shall
3 be no less favorable to the authority than those granted
4 other lenders of the same class.

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6 (e) Each pledge, agreement, mortgage or other
7 instrument made for the benefit or security of any bonds of
8 the authority is valid and binding from the time when made.
9 The revenues, receipts, monies and assets pledged are
10 immediately subject to the lien of the pledge without
11 delivery or further act. The lien is valid and binding
12 against persons having claims of any kind against the
13 authority whether or not the persons have actual notice of
14 the lien. Neither the resolution nor the indenture or
15 other instrument by which a pledge is created need be
16 recorded or filed.

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18 **37-5-208. Powers; duties; limitations.**

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20 (a) The authority has the powers granted by W.S.
21 37-5-101 through 37-5-109 as necessary to carry out the
22 purposes of this act including the power to hire technical
23 consultants, financial advisors and legal advisors and
24 specifically including the powers granted by W.S.

1 37-5-103(a)(ii). In addition to the powers otherwise
2 granted to the authority, in order to accomplish its
3 purposes, the authority shall have the power:

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5 (i) To enter into loan or other agreements with
6 respect to one (1) or more projects upon the terms and
7 conditions the authority considers advisable;

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9 **Section 2.** W.S. 37-5-204(d) is repealed.

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11 **Section 3.** In addition to any other appropriation
12 authorized by the legislature, the state treasurer is
13 authorized to loan from the general fund to the Wyoming
14 natural gas pipeline authority two hundred eighty-four
15 thousand six hundred dollars (\$284,600.00) for the payment
16 of insurance costs and professional services, and the
17 authority is authorized one (1) full-time position. Monies
18 loaned to the authority under this section shall be repaid,
19 with interest at an annual rate set by the state loan and
20 investment board of not more than four percent (4%), to the
21 general fund at such time and manner as the authority
22 determines it has sufficient revenues to repay the monies
23 after operating expenses are met, but the funds shall be
24 repaid in any event not later than June 30, 2010. A loan

1 agreement shall be prepared and approved by the attorney
2 general before distribution of loan proceeds.

3

4 **Section 4.** This act is effective immediately upon
5 completion of all acts necessary for a bill to become law
6 as provided by Article 4, Section 8 of the Wyoming
7 Constitution.

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9

(END)