

ENROLLED ACT NO. 43, SENATE

FIFTY-SEVENTH LEGISLATURE OF THE STATE OF WYOMING
2004 BUDGET SESSION

AN ACT relating to the Wyoming natural gas pipeline authority; expanding powers of the authority; modifying and providing definitions; modifying other provisions relating to the authority; providing an appropriation; and providing for an effective date.

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

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

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

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

(b) The authority shall be governed by a board composed of five (5) members appointed by the governor, with the advice and consent of the senate. The members of the initial board shall be appointed for staggered terms, two (2) members for terms of one (1) year each and the other members for terms of two (2), three (3) and four (4) years, respectively, as designated at the time of appointment. Thereafter all members shall be appointed for four (4) year terms. The governor may remove any member as provided in W.S. 9-1-202. Vacancies shall be filled by appointment by the governor in accordance with W.S. 28-12-101. The members shall elect from the membership a

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chairman, vice-chairman and secretary. Persons appointed as members shall be qualified voters of the state of Wyoming with special knowledge, as evidenced by college degrees or courses, or with at least five (5) years experience in managerial positions, in the field of natural gas or associated natural resource production, transportation, marketing or industrial consumption. Members of the board may receive the same per diem, expenses and travel allowance as members of the legislature while in actual attendance at meetings of the board and the performance of their duties relative thereto. ~~The attorney general shall serve as attorney for the authority.~~

37-5-102. Purposes.

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

37-5-104. Bonds.

(b) Bonds issued under authority of this section shall be solely the obligation of the authority and shall recite on their face that they do not constitute obligations of the state of Wyoming or any county, municipality or other political subdivision of the state. The bonds or other obligations shall be authorized and issued by resolution of the authority and shall be of the series, bear the date or dates, mature at the time or

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times, bear interest at the rate or rates, be in the form, ~~either coupon or fully registered without coupons,~~ carry the registration and exchangeability privileges, be payable in the medium of payment and at the place or places, be subject to the terms of redemption and be entitled to the priorities on the revenues of the authority, as the resolution may provide. The bonds ~~and the coupons, if any, attached~~ shall be executed in the form and manner provided by the resolution authorizing their issuance.

(d) Except as provided by subsection (k) of this section, any bonds issued hereunder shall be payable from and be secured by the pledge of the revenues derived from the operation of the pipeline system, as constructed, acquired, extended or improved with the proceeds of the bonds, subject only to prior payment of the reasonable and necessary expenses of operating and maintaining the system. Any bonds issued hereunder may also be payable from unexpended bond proceeds. Any holder of the bonds ~~or of any of the coupons thereto attached~~ may by appropriate legal action compel performance of all duties required of the authority in order to enforce payment of the bonds when due. If any bond issued hereunder is permitted to go into default as to principal or interest, any court of competent jurisdiction may, pursuant to the application of the holder of the bonds, appoint a receiver for the system, who shall operate the system and collect and distribute the revenues thereof pursuant to the provisions and requirements of the resolution authorizing the bonds.

37-5-202. Definitions.

(a) As used in this act:

(iv) "Pipeline" means a pipeline and related facilities, including storage facilities, and including

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undivided ownership interests or capacity in a pipeline and related facilities, constructed for the purpose of transporting and treating natural gas and associated natural resources;

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

(d) All bonds issued by the authority are payable solely out of special funds consisting of all or part of its revenues, receipts, monies and assets, as designated in the proceedings under which the bonds are authorized. The bonds shall bear interest at fixed or variable rates, be

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executed and delivered at times and in denominations, be of terms and maturities, be in ~~bearer form or in~~ registered form as to principal and interest or principal alone, and bear manual or facsimile signatures and seals as determined by the authority. Bonds issued by the authority are not general obligations of this state nor of any political subdivision of this state. The bonds shall be solely the obligation of the authority and shall recite on their face that they do not constitute obligations of the state or any political subdivisions of the state.

(n) The authority may acquire, purchase, make prepayments for, finance, hold, use, lease, license, sell, transfer and dispose of an undivided or other interest in or the right to capacity in any pipeline system or systems within or without the state of Wyoming. The authority may acquire, purchase, make prepayments for proven developed reserves, hold, use, lease, license, sell, transfer and dispose of an undivided or other interest in natural gas and associated natural resources, including royalty in kind gas. The powers specified in this subsection may be exercised in order to facilitate the production, transportation, distribution or delivery of natural gas and associated natural resources produced in this state. The provisions of W.S. 37-5-102(d) shall not apply to the authority in exercising any power pursuant to this subsection.

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

(a) ~~Except as provided in subsection (d) of this section,~~ The principal and interest on any bonds issued by the authority shall be secured by a pledge of revenues from the operation of the pipeline financed, and or by a first mortgage on the pipeline facilities, and or by such

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guarantees and pledges of the entity owning the pipeline or of the parent corporation owning said entity, ~~if any, as the pipeline owner or parent may extend to lenders of the remaining debt financing~~ or by any combination thereof or other security as may be determined by the authority to be reasonable and prudent. Such guarantees and pledges shall be no less favorable to the authority than those granted other lenders of the same class.

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

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

(a) The authority has the powers granted by W.S. 37-5-101 through 37-5-109 as necessary to carry out the purposes of this act including the power to hire technical consultants, financial advisors and legal advisors and specifically including the powers granted by W.S. 37-5-103(a)(ii). In addition to the powers otherwise granted to the authority, in order to accomplish its purposes, the authority shall have the power:

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

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

Section 3. In addition to any other appropriation authorized by the legislature, the state treasurer is authorized to loan from the general fund to the Wyoming natural gas pipeline authority two hundred eighty-four thousand six hundred dollars (\$284,600.00) for the payment of insurance costs and professional services. Monies loaned to the authority under this section shall be repaid, with interest at an annual rate set by the state loan and investment board of not more than four percent (4%), to the general fund at such time and manner as the authority determines it has sufficient revenues to repay the monies after operating expenses are met, but the funds shall be repaid in any event not later than June 30, 2010. A loan agreement shall be prepared and approved by the attorney general before distribution of loan proceeds.

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

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____
DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk