

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; and providing for an effective date.

5

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

7

8 **Section 1.** W.S. 37-5-101(a) and (b), 37-5-102(e),
 9 37-5-202(a)(iv), by creating a new paragraph (vii) and by
 10 renumbering (vii) as (viii), 37-5-203(a) and (n),
 11 37-5-204(a) and by creating a new subsection (e) and
 12 37-5-208(a)(i) are amended to read:

13

14 **37-5-101. Wyoming natural gas pipeline authority.**

15

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

7
8 (b) The authority shall be governed by a board
9 composed of five (5) members appointed by the governor,
10 with the advice and consent of the senate. The members of
11 the initial board shall be appointed for staggered terms,
12 two (2) members for terms of one (1) year each and the
13 other members for terms of two (2), three (3) and four (4)
14 years, respectively, as designated at the time of
15 appointment. Thereafter all members shall be appointed for
16 four (4) year terms. The governor may remove any member as
17 provided in W.S. 9-1-202. Vacancies shall be filled by
18 appointment by the governor in accordance with W.S.
19 28-12-101. The members shall elect from the membership a
20 chairman, vice-chairman and secretary. Persons appointed
21 as members shall be qualified voters of the state of
22 Wyoming with special knowledge, as evidenced by college
23 degrees or courses, or with at least five (5) years
24 experience in managerial positions, in the field of natural

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

8

9 **37-5-102. Purposes.**

10

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

21

22 **37-5-202. Definitions.**

23

24 (a) As used in this act:

1

2 (iv) "Pipeline" means a pipeline and related
3 facilities, including storage facilities, and including
4 undivided ownership interests or capacity in a pipeline and
5 related facilities, constructed for the purpose of
6 transporting and treating natural gas and associated
7 natural resources;

8

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

14

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

17

18 **37-5-203. Authority revenue bonds; issuance; amount.**

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20 (a) The authority may issue and have outstanding
21 bonds to finance pipeline projects, which may be located
22 within or without the state of Wyoming, in an amount not to
23 exceed one billion dollars (\$1,000,000,000.00). The
24 financing of a pipeline project under this act, may include

1 or consist solely of the purchase of natural gas pipeline
2 capacity by the authority as authorized by subsection (n)
3 of this section. The authority is exempt from the
4 provisions of W.S. 37-5-102(d) to exercise the powers
5 granted by this act. ~~The authority shall acquire no
6 ownership interest in any pipeline project financed
7 pursuant to this act, except to realize upon a security
8 interest or to purchase capacity in the pipeline as
9 authorized by subsection (n) of this section.~~

10
11 (n) The authority may acquire, purchase, make
12 prepayments for, finance, hold, use, lease, license, sell,
13 transfer and dispose of an undivided or other interest in
14 or the right to capacity in any pipeline system or systems
15 within or without the state of Wyoming. The authority may
16 acquire, purchase, make prepayments for proven developed
17 reserves, hold, use, lease, license, sell, transfer and
18 dispose of an undivided or other interest in natural gas
19 and associated natural resources, including royalty in kind
20 gas. The powers specified in this subsection may be
21 exercised in order to facilitate the production,
22 transportation, distribution or delivery of natural gas and
23 associated natural resources produced in this state. The
24 provisions of W.S. 37-5-102(d) shall not apply to the

1 authority in exercising any power pursuant to this
2 subsection.

3

4 **37-5-204. Authority revenue bonds; security; payments**
5 **after retirement.**

6

7 (a) ~~Except as provided in subsection (d) of this~~
8 ~~section,~~ The principal and interest on any bonds issued by
9 the authority shall be secured by a pledge of revenues from
10 the operation of the pipeline financed, ~~and or~~ by a first
11 mortgage on the pipeline facilities, ~~and or~~ by such
12 guarantees and pledges of the entity owning the pipeline or
13 of the parent corporation owning said entity, ~~if any, as~~
14 ~~the pipeline owner or parent may extend to lenders of the~~
15 ~~remaining debt financing~~ or by any combination thereof or
16 other security as may be determined by the authority to be
17 reasonable and prudent. Such guarantees and pledges shall
18 be no less favorable to the authority than those granted
19 other lenders of the same class.

20

21 (e) Each pledge, agreement, mortgage or other
22 instrument made for the benefit or security of any bonds of
23 the authority is valid and binding from the time when made.
24 The revenues, receipts, monies and assets pledged are

1 immediately subject to the lien of the pledge without
2 delivery or further act. The lien is valid and binding
3 against persons having claims of any kind against the
4 authority whether or not the persons have actual notice of
5 the lien. Neither the resolution nor the indenture or
6 other instrument by which a pledge is created need be
7 recorded or filed.

8
9 **37-5-208. Powers; duties; limitations.**

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11 (a) The authority has the powers granted by W.S.
12 37-5-101 through 37-5-109 as necessary to carry out the
13 purposes of this act including the power to hire technical
14 consultants, financial advisors and legal advisors and
15 specifically including the powers granted by W.S.
16 37-5-103(a)(ii). In addition to the powers otherwise
17 granted to the authority, in order to accomplish its
18 purposes, the authority shall have the power:

19
20 (i) To enter into loan or other agreements with
21 respect to one (1) or more projects upon the terms and
22 conditions the authority considers advisable;

23
24 **Section 2.** W.S. 37-5-204(d) is repealed.

1

2 **Section 3.** This act is effective immediately upon
3 completion of all acts necessary for a bill to become law
4 as provided by Article 4, Section 8 of the Wyoming
5 Constitution.

6

7

(END)