

ORIGINAL SENATE
FILE NO. SF0037

ENROLLED ACT NO. 14, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

AN ACT relating to the administration of government; creating the Wyoming energy authority by merging the Wyoming pipeline authority and the Wyoming infrastructure authority; repealing superseded provisions; conforming provisions related to the two existing authorities; providing for the transfer of funds and obligations; requiring a study; providing for delayed implementation; and providing for effective dates.

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

Section 1.

(a) The Wyoming pipeline authority created by W.S. 37-5-101 and the Wyoming infrastructure authority created by W.S. 37-5-301 shall be consolidated into the Wyoming energy authority as of the effective date of this section. All property, equipment, obligations and unexpended funds of the Wyoming pipeline authority and the Wyoming infrastructure authority are transferred to the Wyoming energy authority, except as provided in this section.

(b) Nothing in this act shall be construed to impair existing bonds, contracts, agreements or other obligations of the Wyoming pipeline authority or the Wyoming infrastructure authority executed before the effective date of this section. The Wyoming energy authority shall, to the greatest extent authorized by law, fulfill existing agreements, contracts and other obligations of the Wyoming pipeline authority and the Wyoming infrastructure authority from funds transferred under this act or other funds appropriated to the Wyoming energy authority for those purposes. To the extent that the Wyoming pipeline authority or the Wyoming infrastructure authority has outstanding contracts or other agreements that cannot be assumed lawfully by the Wyoming energy authority, the governor shall assign the agreements or contracts and any

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funds necessary to fulfill the outstanding agreements or contracts to a department or separate operating agency of the state to fulfill the obligations. Funds transferred or otherwise appropriated to the Wyoming energy authority under this act shall be expended for administrative purposes of the authority to fulfill the purposes specified in this act.

(c) The joint minerals, business and economic development interim committee is directed to study before October 1, 2019 the impacts this act will have on the statutory duties and responsibilities of the Wyoming pipeline authority and the Wyoming infrastructure authority. This study shall include the bonding authority of the separate authorities and the effect of merging them into one (1) authority, including the effect merging will have on existing bonds and other obligations and changes that may incentivize increased utilization of bonds. The Wyoming pipeline authority and the Wyoming infrastructure authority shall assist the committee in its study as requested. The committee shall sponsor any necessary legislation to correct or improve the outcome of any issue identified in its study.

(d) Not later than May 15, 2019, the executive director of the Wyoming infrastructure authority shall prepare a plan for reorganization of the authorities and the offices, programs and functions specified in this section and submit it to the joint minerals, business and economic development interim committee for consideration during its first interim committee meeting of 2019.

Section 2. W.S. 37-5-501 through 37-5-509 and 37-5-601 through 37-5-607 are created to read:

ARTICLE 5
WYOMING ENERGY AUTHORITY

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37-5-501. Definitions.

(a) As used in this article:

(i) "Authority" means the Wyoming energy authority created by W.S. 37-5-502;

(ii) "Board" means the board of the Wyoming energy authority;

(iii) "Bonds" means notes, warrants, bonds, temporary bonds and anticipation notes issued by the authority under this article;

(iv) "Energy project" means any project related to or involving a natural resource associated with energy or an associated natural resource;

(v) "Natural resource associated with energy" or "associated natural resource" means any technology or any substance, element or compound, either gaseous, liquid or solid, associated with the production, development, refining, processing or transmission of energy;

(vi) "Pipeline" means a pipeline and related facilities, including storage facilities, and including undivided ownership interests or capacity in a pipeline and related facilities, constructed for the purpose of transporting and treating natural resources associated with energy;

(vii) "Royalty in kind" means natural resources associated with energy that are received by the federal

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government, the state or its agencies or political subdivisions as royalties in kind under leases or otherwise.

37-5-502. Wyoming energy authority.

(a) Commencing July 1, 2020, there is created the Wyoming energy authority, which is a body politic and corporate 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 seven (7) voting members appointed by the governor, with the advice and consent of the senate. Except as provided in this subsection, all voting members shall be appointed for four (4) year terms. The governor shall appoint four (4) initial voting board members to a term of four (4) years and shall appoint the remaining three (3) initial voting board members to a term of two (2) years. 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 chairman, vice-chairman and secretary. A majority of the persons appointed and serving as members shall be qualified voters of the state of Wyoming. Members shall have special knowledge, education or experience in the field of energy or natural resource development, transmission, generation, transportation, financing or marketing, or a field related to industrial or municipal energy consumption. Members of the board may receive the same per diem, expenses and travel allowance as members of the legislature under W.S. 28-5-101 while in attendance at meetings of the board and while performing their duties as members of the board.

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(c) The following persons shall serve as ex officio members of the board:

(i) A member of the Wyoming enhanced oil recovery commission selected by the commission;

(ii) The chairman of the Wyoming business council or a designee;

(iii) The governor or a designee from his office;

(iv) The chairman of the Wyoming oil and gas conservation commission or a designee;

(v) The director of the University of Wyoming school of energy resources or, if there is no director, a member of the school of energy resources selected by the University of Wyoming energy resources council, or a designee.

(d) The board shall meet not less than two (2) times each year with representatives of the University of Wyoming school of energy resources and the enhanced oil recovery institute to conduct its business and to consider energy related issues and the state of the energy industry in Wyoming.

(e) Any agency, board, commission, department or institution of the state and the governing authorities of political subdivisions may make surveys, reports and investigations, and may furnish records and information and other assistance and advice as the authority may require.

(f) Appointments and terms under this section shall be as provided in W.S. 28-12-101 through 28-12-103.

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- (g) The authority is subject to the requirements of:
 - (i) W.S. 16-3-101 through 16-3-105;
 - (ii) W.S. 16-4-201 through 16-4-205;
 - (iii) W.S. 16-4-401 through 16-4-408.

37-5-503. Purposes; report.

- (a) The authority is created to:
 - (i) Diversify and expand the Wyoming economy through improvements in the state's electric and energy transmission infrastructure and facilitate Wyoming's production, development and transmission of energy and associated natural resources by planning, financing, constructing, developing, acquiring, maintaining and operating electric, energy export and energy transmission facilities, advanced technology facilities for natural resources associated with energy, carbon dioxide capture and transportation infrastructure, distribution facilities and related supporting infrastructure and undivided or other interests therein;
 - (ii) Consolidate energy staff and functions existing in the state energy program and take actions to administer the state energy program, including:
 - (A) Seek federal grants and loans;
 - (B) Seek to participate in applicable federal programs; and

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(C) In accordance with applicable federal program guidelines, administer federally funded state energy programs.

(iii) Assist with obtaining financing and funding for energy projects through the use or combination of bonding authority, grants, loans and private and institutional investors, and assist with the creation of new financing products;

(iv) Provide assistance with permitting, siting and other regulatory requirements;

(v) Develop and administer programs providing education on energy resources and emerging technologies including tours, academic programs and communication plans;

(vi) Engage with international and domestic stakeholders on potential market opportunities, energy projects and technology development that will increase the value of Wyoming energy and associated natural resources;

(vii) In consultation with the joint minerals, business and economic development interim committee and the governor, develop, administer, update and communicate the Wyoming energy strategy;

(viii) Plan, finance, construct, develop, acquire, maintain and operate a pipeline or other transportation and distribution systems within or outside the state of Wyoming to facilitate the production, transportation, distribution and delivery of associated natural resources that are produced or developed in this state, including energy and associated natural resources

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received as royalties in kind pursuant to mineral leases by the state, its agencies and political subdivisions.

(b) In order to provide for the financing, construction, development, maintenance and operation of energy transmission facilities, pipeline and other transportation and distribution systems, the authority may own, lease or rent facilities, structures and properties, both incidental and necessary, constructed in accordance with this article and article 6 of this chapter, to facilitate the production, development, transportation, distribution and delivery of energy and associated natural resources.

(c) Energy transmission facilities and related supporting infrastructure may include all facilities, structures and properties incidental and necessary or useful in the production, development, transportation, transmission and delivery of energy. Pipeline and other transportation or distribution systems may be inclusive of pipelines, ports, pumps, storage and all other facilities, structures and properties incidental and necessary or useful in the production, development, transportation, distribution and delivery of natural resources associated with energy to points of sale, consumption or to the points of distribution for consumption.

(d) The authority shall establish and collect fees and prepare a schedule of fees, rentals and other charges for the use of the facilities of the authority, including capacity that the authority procures, as the board may determine.

(e) The authority may borrow funds for the execution of the purposes of the authority, and mortgage and pledge any leases granted, assigned or subleased by the authority.

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(f) Except as provided in this section, the authority shall not exercise any of the rights or powers granted to it in this section if private persons, firms or corporations are performing the acts, constructing or have constructed the facilities or are providing the services contemplated by the authority.

(g) Prior to exercising any rights or powers granted to it in this section except for activities related to the administration of pipeline capacity contracted with an entity operating under the jurisdiction of the federal energy regulatory commission or a successor agency, the authority shall publish in a newspaper of general circulation in Wyoming, and in a newspaper in the area where the authority contemplates providing facilities or services, in the manner prescribed by law, a notice describing the acts, facilities or services contemplated by the authority. Private persons, firms or corporations wishing to perform the acts, construct the facilities or provide the services described in the notice shall have ninety (90) days from the date of last publication of the notice within which to notify the authority of their intention to perform the acts, construct the facilities or provide the services described in the notice. A person or entity giving notice to the authority shall include an anticipated timeline for completion of the acts, construction or services. In the absence of notification by a private person, firm or corporation, or if a person, firm or corporation, having given notice of intention to perform the acts, construct the facilities or provide the services contemplated by the authority, fails to commence the same within one hundred eighty (180) days from the date of last publication, the authority may proceed to perform the acts, construct the facilities or provide the services for which notice was given. A private person, firm or corporation that has made necessary applications to acquire any federal,

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state, local or private permits, certificates or other authorizations necessary to perform the acts, construct the facilities or provide the services included in the authority's notice within the time required is deemed to have commenced the same. When a private person, firm or corporation has given notice of intent to perform or is performing the acts, constructing the facilities or providing the services that the authority contemplated, the authority may conduct hearings or meetings with the person, firm or corporation to assess progress toward completion of the intended acts to be performed, the facilities to be constructed or the services to be provided. If it appears to the authority that progress or completion of any or all of the intended acts may be delayed for one (1) year or more, the authority may proceed to perform the acts, construct the facilities or provide the services originally contemplated.

(h) 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 within or outside the state of Wyoming in order to facilitate the production, transportation, distribution or delivery of associated natural resources that are produced or developed in this state. The provisions of subsection (g) of this section shall not apply to the authority in exercising any power pursuant to this subsection.

(j) Before any appropriation is made to the authority, the authority shall submit its budget for review as provided by W.S. 9-2-1010 through 9-2-1014. Any appropriation to the authority shall be expended only for administrative purposes, which shall include planning and research.

37-5-504. Powers of the authority.

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(a) The authority may:

(i) Employ officers, agents and employees as it deems necessary for the performance of its duties and prescribe the powers and duties and fix the compensation of the officers, agents and employees;

(ii) Contract, upon terms as it may agree upon, for legal, financial, engineering and other professional services necessary or expedient in the conduct of its affairs;

(iii) Utilize the services of executive agencies of the state upon mutually agreeable terms and conditions;

(iv) Plan, finance, construct, develop, acquire, own, maintain and operate within and outside the state of Wyoming, energy transmission infrastructure, energy export facilities and pipeline and other transportation or distribution systems including pumps, storage and other attendant facilities, any necessary equipment for energy transmission infrastructure and pipeline and other transportation or distribution systems and for all other property, structures, equipment, facilities and works of public improvement necessary or useful for accomplishing the purposes for which the authority was created, including obtaining permits and acquiring rights-of-way;

(v) Acquire by condemnation any properties necessary or useful for its purposes, provided the authority shall not have the right to condemn mineral leases, gas supplies, gas reserves, oil supplies, oil reserves, oil refineries, existing energy transmission, distribution and generation facilities, minerals, water rights, other mineral rights or pipelines or other distribution systems used in connection therewith;

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(vi) Receive by gift, grant, donation or otherwise, any sum of money, aid or assistance from the United States, the state of Wyoming, any political subdivision or any other public or private entity;

(vii) Provide light, water, communications, security and other services for its facilities as it deems advisable;

(viii) After consultation with any relevant state or federal authority, establish and charge reasonable fees, rates, tariffs or other charges for the use of all facilities administered by the authority and for all services rendered by it;

(ix) In whole or in part, operate, lease, rent and dispose of facilities, structures and properties constructed under this article. The authority shall review at least every three (3) years the feasibility of disposing of facilities it holds;

(x) Investigate, plan, prioritize and establish corridors for the transmission of energy and natural resources associated with energy;

(xi) Enter into partnerships with public or private entities;

(xii) Conduct hearings and gather and develop relevant data consistent with the duties and powers of the authority;

(xiii) Work in consultation and coordination with entities including the Wyoming business council to develop,

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promote and identify markets for natural resources associated with energy and facilitate supply for those markets;

(xiv) Advocate for or against any energy project before any regulatory body tasked with the oversight of the project;

(xv) Do any and all things necessary or proper for the development, regulation and accomplishment of the purposes of the authority within the limitations of authority granted by this article.

(b) The sole recourse of any party contracting with the authority shall be against the authority, and there shall be no cause of action against the state or any county, municipality or other political subdivision of the state.

37-5-505. Bonds.

(a) In addition to the powers otherwise granted to the authority and in order to accomplish its purposes, the authority shall have the power to borrow money and evidence the borrowing in the issuance and sale of bonds or other obligations of the authority, the principal and interest of which shall be payable solely out of revenues authorized to be dedicated and pledged for the payment.

(b) Bonds issued under 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. The bonds shall be executed in the form and manner provided by

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the resolution authorizing their issuance. The resolution shall include:

- (i) The series of the bond or obligation;
- (ii) The date of issuance of the bond or obligation;
- (iii) The date of maturity of the bond or obligation;
- (iv) That the bond or obligation shall bear interest, and the interest rate;
- (v) The form that the bond or obligation shall be in;
- (vi) The registration and exchangeability privileges of the bond or obligation;
- (vii) The medium of payment and the place of payment of the bond or obligation;
- (viii) The terms of redemption and that the bond or obligation shall be subject to those terms;
- (ix) That the bond or obligation shall be entitled only to a priority on the revenues of the authority as the authority's resolution provides, subject to subsection (d) of this section.

(c) The bonds or other obligations issued under this section may be sold by the authority at, above or below par value, at public or private sale, in a manner and from time to time as the authority determines.

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(d) Except as provided by subsection (k) of this section, any bonds issued under this section shall be payable from and be secured by the pledge of the revenues derived from the operation of the pipeline or other transportation or distribution system or energy transmission facility 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 or facility. Any holder of the bonds 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 under this section 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 or facility, who shall operate the same and collect and distribute the revenues thereof pursuant to the provisions and requirements of the resolution authorizing the bonds.

(e) If more than one (1) series of bonds is issued payable from the revenues of the facility or bond proceeds, priority of lien on the revenues shall be as provided by the resolution authorizing the bonds.

(f) All bonds issued under the provisions of this section shall constitute negotiable instruments within the meaning of the Uniform Commercial Code. The bonds and income from them shall be exempt from all taxation within the state of Wyoming.

(g) No board or commission other than the authority shall fix or supervise the making of fees and charges stated in this subsection, which shall be in amounts reasonably necessary for the purposes stated in this article. When the

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authority has issued bonds and pledged the revenues of the pipeline or other transportation or distribution system or facility or the energy transmission facility for the payment of the bonds as provided in this article, the authority shall operate and maintain the system or facility and shall impose and collect fees and charges for the services furnished by the system or facility, including those furnished to the authority itself, in the amounts and at rates as shall be fully sufficient at all times to:

(i) Pay the expenses of operating and maintaining the system or facility;

(ii) Provide a sinking fund sufficient to assure the prompt payment of principal and interest on the bonds as each falls due;

(iii) Provide a reasonable fund for contingencies as may be required by any bond underwriting or by the resolution authorizing the bonds; and

(iv) Provide an adequate depreciation fund for repairs, extensions and improvements to the system or facility necessary to assure adequate and efficient service to the public.

(h) Any resolution of the authority authorizing the issuance of bonds shall be published once in a newspaper of general circulation published in Wyoming, and in a newspaper in the area where the facility or services are contemplated. For a period of thirty (30) days from the date of the publication any person in interest may contest the legality of the resolution and of the bonds to be issued under the resolution and the provisions securing the bonds, including the validity of any lease or other contract pledged to the

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payment thereof. After the expiration of thirty (30) days from the date of the publication no one shall have any right of action to contest the validity of the bonds, the validity of the security pledged to the payment thereof or the provisions of the resolution under which the bonds were issued, and all the bonds and all related proceedings shall be conclusively presumed to be legal.

(j) The authority may authorize the issuance of bonds for the purpose of refunding, extending and unifying the whole or any part of the principal, interest and redemption premiums on any outstanding bonds issued under this article, as well as bonds issued by the Wyoming pipeline authority under W.S. 37-5-101 through 37-5-109 and by the Wyoming infrastructure authority under W.S. 37-5-301 through 37-5-307, before July 1, 2020. The refunding bonds may either be sold and the proceeds applied to or deposited in escrow for the retirement of the outstanding bonds, or may be delivered in exchange for the outstanding bonds. The refunding bonds shall be authorized in all respects as original bonds are herein required or were required at the time of their issuance to be authorized. The authority, in authorizing the refunding bonds, shall provide for the security of the bonds, the sources from which the bonds are to be paid and for the rights of the holders thereof in all respects as herein provided for other bonds issued under this article. The board may also provide that the refunding bonds shall have the same or different priority of lien on the revenues pledged for their payment as was enjoyed by the bonds refunded.

(k) The authority may authorize the issuance of bonds for the purpose of purchasing pipeline capacity as authorized by W.S. 37-5-503(h). Any bonds issued under this subsection shall be payable solely from and be secured solely by the pledge of the revenues derived from the subsequent sale, lease

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or other disposal of the capacity purchased or from bond proceeds. Bonds issued under this subsection shall be authorized in all respects as other bonds of the authority are required to be authorized. The authority, in authorizing the bonds, shall provide for the security of the bonds, the sources from which the bonds are to be paid and for the rights of the holders thereof.

37-5-506. Use of net revenues.

(a) The authority, acting alone or in cooperation with any agency of the state of Wyoming, may use and employ any net revenues derived from a system or facility authorized in this article and from any other source, after providing for all costs of maintenance and operation of the system or facility and after making the required principal and interest payments on any revenue bonds issued hereunder and any other payments provided in any resolution authorizing the issuance and sale of revenue bonds and obligations, to extend and improve the system or facility as the authority may determine to be warranted by any need for additional intrastate transportation or energy transmission facilities.

(b) Revenues derived from the issuance of bonds for the purpose of purchasing pipeline capacity as authorized under W.S. 37-5-505(k) shall be used for such purchases and to make principal and interest payments on such bonds as provided by the authority in the resolution authorizing the issuance of the revenue bonds.

(c) If the authority determines that no need for additional transportation or energy transmission facilities exists and after the administrative expenses of the authority are paid, net revenues derived under this article shall be

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paid to the state treasurer for credit to the state general fund.

37-5-507. Authority not subject to the public service commission.

Notwithstanding any other provision of law, the authority and the authority's fees, rates, rental and other charges shall not be subject to the supervision, regulation, control or jurisdiction of the public service commission.

37-5-508. Subpoena.

(a) For the purpose of any investigation or proceeding under this article, the authority or any officer it designates may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers, correspondence, memoranda, agreements or other documents or records that the authority deems relevant or material to the inquiry.

(b) In case of contumacy by, or refusal to obey, a subpoena issued to any person, a Wyoming district court, upon the authority's application, may issue to the person an order requiring him to appear before the authority or the officer it designates. The order may require the person to produce documentary evidence or to give evidence touching the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.

(c) In considering a request by the authority under subsection (b) of this section, the district court shall review the request in camera to protect the confidentiality of the information sought. The court may also restrict

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disclosure of any confidential information in any other proceeding, administrative or judicial, and may order that the information be sealed.

37-5-509. Confidential information.

All information obtained by the authority in connection with any hearing or investigation under this article that contains or that might reveal proprietary data shall be considered as confidential for the purposes of this article. The authority shall not disclose confidential information to any person, governmental entity or agency without prior written consent from the owner of the confidential information. Any board or staff member who discloses or causes to be disclosed any confidential information is guilty of a misdemeanor punishable by imprisonment for not more than one (1) year, a fine of not more than one thousand dollars (\$1,000.00), or both.

ARTICLE 6
FINANCING OF OTHER PROJECTS

37-5-601. Applicability.

The definitions in W.S. 37-5-501 shall apply to this article.

37-5-602. Authority revenue bonds; issuance; amount.

(a) The authority may issue and have outstanding bonds to finance energy transmission facilities and related infrastructure consistent with the purposes of W.S. 37-5-503(a), in an amount not to exceed one billion dollars (\$1,000,000,000.00). The authority shall have contracts sufficient to justify the issuance of bonds.

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(b) The authority may issue and have outstanding bonds to finance pipeline and other transportation and distribution projects, which may be located within or without the state of Wyoming, in an amount not to exceed three billion dollars (\$3,000,000,000.00). The financing of a pipeline or other transportation and distribution projects under this article may include or consist solely of the purchase of capacity by the authority as authorized by subsection (m) of this section.

(c) The principal amount of any bonds that have been retired, redeemed, defeased or refunded by the authority need not be taken into account in computing compliance with the maximum amounts of bonds authorized to be issued under subsections (a) and (b) of this section.

(d) Subject to subsections (a) and (b) of this section, the authority may issue bonds in principal amounts the authority determines necessary to provide sufficient funds for achieving its purposes under this article, including the reduction of principal, the payment of interest, the establishment of reserves, the costs of administration and for the purpose of defraying all other associated costs. All bonds issued under this article are negotiable instruments under the laws of this state unless expressly provided to the contrary on the face of the bonds. The authority may enter into contracts to insure the payment of principal and interest, for interest rate exchange contracts and for financial guarantees to lower the cost of its borrowing.

(e) 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. All bonds shall bear interest at fixed or variable rates, be executed and delivered at times and in denominations, be of terms and

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maturities, be in registered form as to principal and interest or principal alone, and bear manual or facsimile signatures and seals as the authority determines. Bonds issued by the authority are not general obligations of this state nor of any political subdivision of this state. The bonds shall solely be 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.

(f) Bonds may be payable in installments and may bear maturities not exceeding forty (40) years from the date issued as the authority determines.

(g) Bonds and interest may be payable at a time or place whether within or outside the state, as the authority determines. Bonds may contain other provisions not inconsistent with this article.

(h) Any bonds that the authority issues may contain an option to redeem all or any part as may be specified. The price of redemption, the terms and conditions and the procedure of notice shall be set forth by the authority and may appear on the face of the bonds.

(j) Any bonds of the authority may be sold at, above or below par value, at public or private sale, in a manner and from time to time as determined by the authority. The authority may pay legal fees, expenses, premiums and commissions that it finds necessary or advantageous to this state in connection with the issuance and sale.

(k) The authority may provide for the issuance of bonds to refund any bonds of the authority then outstanding, including for the payment of any redemption premium and any interest or premium accrued or to accrue to, the earliest or

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subsequent date of redemption, purchase or maturity of the bonds. The authority may also refund bonds issued by the Wyoming pipeline authority under W.S. 37-5-201 through 37-5-208 and the Wyoming infrastructure authority under W.S. 37-5-401 through 37-5-408 before July 1, 2020. Refunding shall be accomplished in the manner prescribed by W.S. 16-5-101 through 16-5-119 to the extent it is not inconsistent with this article.

(m) 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 or other transportation or distribution system 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 resources associated with energy, including royalties taken in kind. The powers specified in this subsection may be exercised in order to facilitate the production, transportation, distribution or delivery of associated natural resources produced or developed in this state. The authority is exempt from the provisions of W.S. 37-5-503(g) when exercising the powers granted by this article.

37-5-603. Authority revenue bonds; security; payments after retirement.

(a) The principal and interest on any bonds that the authority issues shall be secured by a pledge of revenues from the operation of the pipeline or other transportation or distribution system or energy transmission project financed, by a first mortgage on the facilities, by guarantees and pledges of the entity owning the project, pipeline or system, or of the parent corporation owning said entity or by any

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combination thereof or other security as the authority may determine to be reasonable and prudent. The guarantees and pledges shall be no less favorable to the authority than those granted other lenders of the same class.

(b) The authority may require additional payments, as negotiated, to bondholders to be made either in a lump sum at the time of retirement of the bonds or annually from the time of retirement of the bonds until project, pipeline or system use is terminated or may require additional incentives from the owner of the project or pipeline to prospective bondholders so long as the incentives are not contrary to the Wyoming constitution.

(c) The authority may require such other security for repayment of the bonds as it deems necessary.

(d) 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. The resolution or the indenture or other instrument by which a pledge is created need not be recorded or filed.

37-5-604. Exemptions from taxation.

The exercise of the powers granted by this article constitutes the performance of an essential governmental function. Any bonds issued under this article and the income therefrom shall be free from taxation of every kind by the state, municipalities and political subdivisions of the state.

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37-5-605. Bonds as legal investments.

The bonds of the authority are legal investments that may be used as collateral for public funds of the state, insurance companies, banks, savings and loan associations, investment companies, trustees and other fiduciaries that may properly and legally invest funds in their control or belonging to them in bonds of the authority. With the written approval of the state loan and investment board and the attorney general, the state treasurer may invest monies from the permanent Wyoming mineral trust fund in bonds of the authority in an amount specified by the state loan and investment board and the attorney general but not to exceed the amount specified in W.S. 37-5-602(a) and (b). The interest payable on the bonds shall be not less than four percent (4%), and revenue under W.S. 37-5-602(b) shall be credited as received to the general fund. The limitation on specific public purpose investments under W.S. 9-4-715(n) shall not apply to investments made under this section.

37-5-606. State pledge not to impair bondholder's rights and remedies.

The state pledges to the holders of any bonds issued under this article that the state will not limit or alter the rights vested in the authority to fulfill the terms of agreements made with the holders, or in any way impair the rights and remedies of the holders until the bonds together with the interest, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders are fully met and discharged. The authority is authorized to include this pledge of the state in any agreement with the holders of the bonds.

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37-5-607. Powers; duties; limitations.

(a) The authority has the powers granted by W.S. 37-5-501 through 37-5-509 as necessary to carry out the purposes of this article, including the power to hire technical consultants, financial advisors and legal advisors and specifically including the powers granted by W.S. 37-5-504(a)(ii). In addition to the powers otherwise granted to the authority, the authority shall have the power to:

(i) Enter into loan or other agreements with respect to one (1) or more projects, energy transmission infrastructure, energy export facilities, pipelines or systems upon terms and conditions the authority considers advisable;

(ii) Make and execute agreements, contracts and other instruments necessary or convenient in the exercise of its powers and functions, including contracts with any individual, firm, corporation, governmental agency or other entity.

(b) The authority may assess and collect fees that are nonrefundable from applicants seeking to obtain authority financing of an energy transmission infrastructure project, energy export facility, pipeline, system or other project in total amounts not to exceed five hundred thousand dollars (\$500,000.00), which shall be credited to the state general fund.

(c) The authority shall maintain such records and accounts of revenues and expenditures as required by the director of the state department of audit. The director of the state department of audit or his designee shall conduct

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an annual financial and legal compliance audit of the accounts of the authority and file copies of the audit with the governor and the legislature.

(d) The authority shall require that any project owner receiving a loan under this article shall maintain records and accounts relating to the receipt and disbursements of loan proceeds, transportation costs and information on energy and associated natural resource sales and deliveries and make the records available to the state auditor for inspection.

(e) The sole recourse of any party contracting with the authority shall be against the authority, and there shall be no cause of action against the state, or any county, municipality or other political subdivision of the state.

Section 3. W.S. 1-26-801(c)(intro), 9-1-224(b)(xi), 9-4-715(n)(intro) and 9-4-831(a)(xi) are amended to read:

1-26-801. Authority of state, counties and municipal corporations to acquire by condemnation proceedings; uranium mill tailings; public purpose.

(c) As used in and for purposes of this section only, "public purpose" means the possession, occupation and enjoyment of the land by a public entity. "Public purpose" shall not include the taking of private property by a public entity for the purpose of transferring the property to another private individual or private entity except in the case of condemnation for the purpose of protecting the public health and safety, in which event the public entity may transfer the condemned property for value to a private individual or entity. However, nothing in this section shall restrict or impair the right or authority of the Wyoming ~~pipeline-energy~~ authority ~~or the Wyoming infrastructure authority~~ to transfer

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property condemned by the authority to another public or private entity insofar as the transfer is consistent with the statutory purposes or duties of: the authority.

9-1-224. Collection of data; creation of a repository; dissemination of data.

(b) The governor shall assign the collection of data under subsection (a) of this section to the appropriate state agency or political entity of the state, including, but not limited to, the following:

(xi) The ~~pipeline~~-Wyoming energy authority;

9-4-715. Permissible investments.

(n) The state treasurer shall not invest state funds for a specific public purpose authorized or directed by the legislature in excess of a total of one billion dollars (\$1,000,000,000.00), excluding investments made pursuant to W.S. 37-5-406 or 37-5-605. By November 1 of each calendar year, the state treasurer, in consultation with the board, the Wyoming water development office, the Wyoming business council and the office of state lands and investments, shall provide a report to the select committee on capital financing and investments on all state funds invested for a specific public purpose authorized or directed by the legislature. The report shall include:

9-4-831. Investment of public funds.

(a) The state treasurer, or treasurer of any political subdivision, municipality or special district of this state, and the various boards of trustees and boards of directors of

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county hospitals, airports, fairs and other duly constituted county boards and commissions, may invest in:

(xi) As authorized by W.S. ~~37-5-206 and 37-5-406~~ 37-5-605, bonds of the Wyoming pipeline-energy authority; ~~and the Wyoming infrastructure authority;~~

Section 4. W.S. 1-26-801(c)(i) and (ii), 9-1-224(b)(xii), 37-5-101 through 37-5-109, 37-5-201 through 37-5-208, 37-5-301 through 37-5-307 and 37-5-401 through 37-5-408 are repealed.

Section 5. The governor shall submit appointments to the Wyoming energy authority by the date specified in W.S. 28-12-101(a)(ii) during the 2020 budget session.

Section 6.

(a) Except as provided in subsection (b) of this section, this act is effective July 1, 2020.

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(b) Sections 1(c) and (d) and 5 of this act are 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