

WORKING DRAFT

HOUSE BILL NO. _____

University securities law.

Sponsored by: (s) Hdraft

A BILL

for

1 AN ACT relating to the university securities law;
 2 authorizing additional investments of pledged revenues and
 3 bond proceeds by the University of Wyoming; removing and
 4 modifying restrictions on interest rates on bonds issued by
 5 the University of Wyoming; removing and modifying other
 6 restrictions on the issuance, refunding and payment of such
 7 bonds; repealing archaic language; and providing for an
 8 effective date.

9

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

11

12 **Section 1.** W.S. 21-17-404(a)(ix), 21-17-405(e), 21-
 13 17-409, 21-17-415, 21-17-417(a)(iv), 21-17-418(a) and (c)
 14 through (e), 21-17-426(a) through (c) and (e), 21-17-
 15 427(a)(vii) through (xi), (xiii) and (xiv), 21-17-431, 21-

1 17-432, 21-17-438(b), 21-17-439(a), 21-17-440(b) and 21-17-
2 441(b), (c) and (d) are amended to read:

3

4 **21-17-404. Definitions.**

5

6 (a) As used in W.S. 21-17-402 through 21-17-450:

7

8 (ix) "Holder" when used in conjunction with ~~any~~
9 ~~coupons,~~ any bonds or any other securities issued
10 hereunder, means ~~the person in possession and the apparent~~
11 ~~owner of the designated item if the obligation is~~
12 ~~registered for payment to bearer or is not registered, or~~
13 ~~means~~ the registered owner of the designated item; ~~if it is~~
14 ~~at the time registered for payment otherwise than to~~
15 ~~bearer;~~

16

17 **21-17-405. Securities redeemable out of pledged**
18 **revenue; board's liability; earnings test; schedule of**
19 **payments; calculations of university treasurer.**

20

21 (e) The respective annual principal and interest
22 requirements including as an interest requirement the
23 amount of any prior redemption premiums due on any prior
24 redemption date as of which any outstanding securities have

1 been called or have been ordered by the board to be called
2 for prior redemption shall be reduced to the extent the
3 requirements are scheduled to be paid with any monies held
4 in trust or escrow for that purpose in any trust bank
5 subject to any limitations appertaining thereto in section
6 7, article 15, Wyoming constitution, including without
7 limitation the known minimum yield from any investment or
8 reinvestment of the money ~~in federal securities~~ under W.S.
9 21-17-426.

10
11 **21-17-409. Pledge not to amend or repeal W.S. 21-17-**
12 **402 through 21-17-450 to impair securities.**

13
14 The faith of the state is hereby pledged that this
15 act, any law supplemental or otherwise appertaining thereto
16 and any other act concerning the bonds and other securities
17 of the board or the university or the pledged revenues
18 shall not be repealed nor amended or otherwise directly or
19 indirectly modified in such a manner as to impair adversely
20 any outstanding securities of the board until all such
21 securities payable from the pledged revenues have been
22 discharged in full or provision has been fully made
23 therefor, including without limitation the known minimum
24 yield from the investment or reinvestment of monies pledged

1 therefor in ~~federal securities~~ investments under W.S. 21-
2 17-426.

3

4 **21-17-415. General criteria for securities.**

5

6 Except as otherwise provided, securities issued under
7 this act shall be (a) in a form, (b) issued in a manner,
8 at, above or below par, ~~at a discount not exceeding ten~~
9 ~~percent (10%) of the principal amount of the securities,~~ at
10 public or private sale, and (c) issued with recitals,
11 terms, covenants, conditions and other provisions, as may
12 be provided by the board in a resolution authorizing their
13 issuance and in an indenture or other proceedings
14 appertaining thereto.

15

16 **21-17-417. Conditions which may be imposed by board;**
17 **interest coupons.**

18

19 (a) As the board may determine, bonds and other
20 securities issued under this act except as otherwise
21 provided shall:

22

23 (iv) Bear interest at fixed or variable rates to
24 be payable ~~annually, semiannually or at other designated~~

1 ~~intervals, but the first interest payment date may be for~~
2 ~~interest accruing for a period not exceeding one (1) year~~
3 at a time or place whether within or without the state as
4 determined by the board. The board may also enter into
5 interest rate exchange agreements to properly manage
6 interest costs with providers with a Standard & Poor's
7 rating of at least "AA" or an equivalent rating from any
8 other nationally recognized rating organization;
9

10 **21-17-418. Board and officers to execute securities;**
11 **endorsement by university treasurer; facsimile signatures.**
12

13 (a) Bonds and other securities issued under this act
14 shall be executed in the name of the board, shall be signed
15 by the president of the board, shall be attested by the
16 secretary of the board, shall be countersigned by the
17 treasurer of the board and shall be authenticated by the
18 official seal of the board. ~~Any coupons shall be signed by~~
19 ~~the treasurer of the board. Facsimile signatures may be~~
20 ~~used on any coupons.~~
21

22 (c) Any bonds or other securities, including without
23 limitation any certificates endorsed thereon, may be
24 executed as provided in W.S. 16-2-101 through 16-2-103. ~~A~~

1 ~~compliance therewith is not a condition precedent to the~~
2 ~~execution of any coupon with a facsimile signature.~~

3
4 (d) The bonds, ~~any coupons appertaining thereto,~~ and
5 other securities, bearing the signatures of the officers in
6 office at the time of the signing thereof, are the valid
7 and binding obligations of the board notwithstanding that
8 before the delivery and payment of the bonds, ~~coupons~~ or
9 securities, any or all of the persons whose signatures
10 appear thereon have ceased to fill their respective
11 offices.

12
13 (e) Any officer authorized or permitted to sign any
14 bonds, ~~coupons,~~ or any other securities, at the time of
15 their execution and of a signature certificate appertaining
16 thereto, may adopt as and for his own facsimile signature
17 the facsimile signature of his predecessor in office in the
18 event that the facsimile signature appears upon the bonds,
19 ~~coupons~~ and other securities appertaining thereto, or any
20 combination thereof.

21
22 **21-17-426. Investment of pledged revenues.**

23

1 (a) The board may cause to be invested and reinvested
2 any pledged revenues and any proceeds of bonds or other
3 securities issued hereunder in ~~federal securities~~ any
4 investments authorized under W.S. 9-4-831 and may cause the
5 revenues, proceeds of securities and ~~federal securities~~
6 investments to be deposited, subject to any limitations
7 appertaining thereto in section 7, article 15, Wyoming
8 Constitution, in any trust bank or banks and secured in
9 such manner and subject to such terms and conditions as the
10 board may determine, with or without the payment of any
11 interest on the deposit, including without limitation time
12 deposits evidenced by certificates of deposit.

13

14 (b) Any ~~federal securities and any certificates of~~
15 ~~deposit held~~ investments under subsection (a) of this
16 section may be sold and the proceeds reinvested or
17 redeposited as provided in this section.

18

19 (c) Sales and redemptions of any ~~federal securities~~
20 ~~and certificates of deposit held~~ investments under
21 subsection (a) of this section shall be made in season so
22 that the proceeds may be applied to the purposes for which
23 the money with which the ~~federal securities and~~

1 ~~certificates of deposit~~ investments were originally
2 acquired was placed in the treasury of the board.

3

4 (e) Any commercial bank incorporated under the laws
5 of this state which may act as depository of the proceeds
6 of any securities issued hereunder, any ~~federal securities~~
7 investments under subsection (a) of this section owned by
8 the board, any pledged revenues, and any monies otherwise
9 appertaining to the university may furnish such
10 indemnifying bonds or to pledge such ~~federal securities~~
11 investments or such other securities as may be required by
12 the board.

13

14 **21-17-427. Covenants in resolution limiting powers to**
15 **secure payment.**

16

17 (a) Any resolution providing for the issuance of any
18 bonds or other securities under this act payable from
19 pledged revenues and any indenture or other instrument or
20 proceedings appertaining thereto may contain covenants or
21 other provisions which may limit the exercise of powers
22 conferred under this act, in order to secure the payment of
23 the securities in agreement with the holders of the

1 securities, including without limitation covenants or other
2 provisions as to any of the following:

3
4 (vii) The registration of the bonds or other
5 securities for payment as to principal ~~only, or as to both~~
6 ~~principal and interest;~~ ~~at the option of any holder of a~~
7 ~~bond or other security, or for registration for payment~~
8 ~~only in either manner designated;~~

9
10 (viii) The endorsement of payments of interest
11 on the bonds or other securities; ~~or for reconverting the~~
12 ~~bonds or other securities into coupon bonds or other coupon~~
13 ~~securities where any bond or other security is registered~~
14 ~~for payment as to interest. Where interest accruing on the~~
15 ~~securities is not represented by interest coupons the~~
16 ~~securities may provide for the endorsing of payments of~~
17 ~~interest thereon;~~

18
19 (ix) The endorsement of payments of principal on
20 the bonds or other securities; ~~where any bond or other~~
21 ~~securities are registered for payment as to principal;~~

22
23 (x) The initial issuance of one (1) or more
24 bonds or other securities in book-entry form aggregating

1 the amount of the entire issue or any portion thereof, and
2 the endorsement of payments of interest or principal, or
3 both interest and principal, on the securities;

4
5 (xi) The manner and circumstances in and under
6 which any such bond or other securities may in the future,
7 at the request of the holder thereof, be converted into
8 bonds or other securities of smaller denominations; ~~which~~
9 ~~bonds or other securities of smaller denominations may in~~
10 ~~turn be either coupon bonds or other coupon securities or~~
11 ~~bonds or other securities registered for payment, or coupon~~
12 ~~bonds or other coupon securities with provisions for~~
13 ~~registration for payment;~~

14
15 (xiii) The temporary investment and any
16 reinvestment of proceeds of bonds or other securities or
17 pledged revenues in ~~federal securities~~ investments under
18 W.S. 21-17-426;

19
20 (xiv) The deposit of monies or ~~federal~~
21 ~~securities~~ investments under W.S. 21-17-426 with and
22 securing their repayment by a commercial bank or banks;

23

1 **21-17-431. Rights of holder cumulative and**
2 **nonexclusive.**

3
4 No right or remedy conferred upon any holder of any
5 securities ~~or any coupon appertaining thereto~~ or any
6 trustee for the holder or by any proceedings appertaining
7 to the issuance of the securities ~~or coupon~~ is exclusive of
8 any right or remedy but each right or remedy is cumulative
9 and in addition to every other right or remedy and may be
10 exercised without exhausting and without regard to any
11 other remedy.

12

13 **21-17-432. Omission by security holder not to relieve**
14 **board or university of obligation.**

15

16 The failure of any holder of any securities ~~or any~~
17 ~~coupons appertaining thereto~~ to proceed as provided by this
18 act shall not relieve the board or the university, or any
19 of their officers, agents and employees of any liability
20 for failure to perform or carry out any duty, obligation or
21 other commitment.

22

23 **21-17-438. Refunding and refunding bonds; exchange**
24 **generally; sale; exchange for escrow investment.**

1

2 (b) The refunding bonds, or any part thereof, may be
3 exchanged by the board for ~~federal securities~~ investments
4 under W.S. 21-17-426 which have been made available for
5 escrow investment by any purchaser of refunding bonds, upon
6 terms of exchange mutually agreed upon, and any ~~federal~~
7 ~~securities~~ such investments so received by the board shall
8 be placed in escrow as provided by W.S. 21-17-440 and 21-
9 17-441.

10

11 **21-17-439. Refunding and refunding bonds; conditions**
12 **under which bonds may be refunded.**

13

14 (a) No bonds may be refunded hereunder unless they
15 have been outstanding for at least one (1) year from the
16 date of their delivery and unless the holders thereof
17 voluntarily surrender them for exchange or payment. ~~7. or~~
18 ~~unless they either mature or are callable for prior~~
19 ~~redemption under their terms within fifteen (15) years from~~
20 ~~the date of issuance of the refunding bonds. Provision~~
21 ~~shall be made for paying the securities within stated~~
22 ~~period of time.~~

23

1 **21-17-440. Refunding and refunding bonds; disposition**
2 **of proceeds; payment of costs; application of accrued**
3 **interest and premiums.**

4
5 (b) The incidental costs of the refunding of bonds
6 may be paid by the purchaser of the refunding bonds or be
7 defrayed from other available revenues of the board ~~except~~
8 ~~the general fund~~ or from the proceeds of the refunding
9 bonds, or from the interest or other yield derived from the
10 investment of any refunding bond proceeds or other monies
11 in escrow or trust, or from any other sources legally
12 available therefor, or any combination thereof, as the
13 board may determine.

14
15 **21-17-441. Refunding and refunding bonds; funds in**
16 **escrow and trust.**

17
18 (b) Any proceeds in escrow or trust, pending such
19 use, may be invested or reinvested in ~~federal securities~~
20 investments under W.S. 21-17-426.

21
22 (c) Subject to any limitations appertaining thereto
23 in section 7, article 15, Wyoming Constitution, any trust
24 bank accounting for ~~federal securities~~ investments under

1 W.S. 21-17-426 in escrow or trust may place them for
2 safekeeping wholly or in part in any trust bank or trust
3 banks.

4
5 (d) Subject to any limitations appertaining thereto
6 in section 7, article 15, Wyoming Constitution, any trust
7 bank shall continuously secure any monies placed in escrow
8 or trust and not so invested or reinvested in ~~federal~~
9 ~~securities~~investments under W.S. 21-17-426 by a pledge in
10 any trust bank or trust banks of federal securities in an
11 amount at all times at least equal to the total uninvested
12 amount of the monies accounted for in escrow or trust.

13

14 **Section 2.** W.S. 21-17-417(b) and 21-17-439(b) are
15 repealed.

16

17 **Section 3.** This act is effective July 1, 2005.

18

19

(END)