

WORKING DRAFT

HOUSE BILL NO. _____

Legislatively designated investments.

Sponsored by: Select Committee on Capital Financing and Investments

A BILL

for

1 AN ACT relating to administration of government; repealing
2 authority for state investments in clean coal technology;
3 and providing for an effective date.

4

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

6

7 **Section 1.** W.S. 9-4-701(a)(iv) and 9-4-712(b)(i)(A)
8 are repealed.

9

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

14

15

***** STAFF COMMENTS *****

1 **The repealed provisions follow:**

2
3 **9-4-701. Permissible investments; treasurer's rules**
4 **and regulations.**

5
6 ~~(a) With the approval of the state loan and~~
7 ~~investment board:~~

8
9 ~~(iv) And:~~

10
11 ~~(C) The limitation on legislatively~~
12 ~~designated investments under W.S. 9-4-712 applies to this~~
13 ~~investment. Notwithstanding any of the provisions of W.S.~~
14 ~~9-4-701, 9-4-705 and 9-4-831 or any other statute~~
15 ~~pertaining to state treasurer investments, the state~~
16 ~~treasurer may invest and keep invested not more than twenty~~
17 ~~million seven hundred thousand dollars (\$20,700,000.00) of~~
18 ~~the permanent mineral trust fund in the bonds or debentures~~
19 ~~of any existing Wyoming business engaged in a clean coal or~~
20 ~~coal enhancement process project, all subject to the~~
21 ~~following:~~

22
23 ~~(I) The project or enterprise shall~~
24 ~~have been favorably evaluated by the Wyoming business~~
25 ~~council created by W.S. 9-12-103;~~

26
27 ~~(II) The Wyoming business will use the~~
28 ~~state's resources, employ people within the state or~~
29 ~~otherwise add economic value to goods, services or~~
30 ~~resources within the state and will expand the gross state~~
31 ~~product;~~

32
33 ~~(III) The bonds or debentures shall~~
34 ~~mature in fifteen (15) years or less;~~

35
36 ~~(IV) The interest rate on the~~
37 ~~investment shall be not less than the average rate of~~
38 ~~return on state investments for the preceding fiscal year;~~

39
40 ~~(V) The state treasurer shall ensure~~
41 ~~the complete protection of the permanent mineral trust~~
42 ~~funds by requiring the pledging of either United States~~
43 ~~treasury zero coupon bonds or a guaranteed investment~~
44 ~~contract by a company rated AAA or equivalent by Moody's or~~
45 ~~Standard and Poor's bond rating service. The pledged~~
46 ~~securities shall have a face value equal to or exceeding~~
47 ~~the amount of the investment to ensure protection of the~~

1 ~~state's permanent funds. The bonds or debentures shall be~~
 2 ~~secured by a first mortgage on real estate or by a first~~
 3 ~~lien on plant or equipment. In addition, the state~~
 4 ~~treasurer, to ensure the complete protection of the~~
 5 ~~permanent mineral trust funds, may require the pledging of~~
 6 ~~additional security of any type;~~

7
 8 ~~(VI) The state treasurer may allow up~~
 9 ~~to thirty percent (30%) of the total state investment in~~
 10 ~~bonds or debentures or a Wyoming business to be used by the~~
 11 ~~issuer of the bonds or debentures for purchase of~~
 12 ~~securities that shall be pledged to the state to guarantee~~
 13 ~~payment of the entire investment;~~

14
 15 ~~(VII) The state treasurer may release~~
 16 ~~portions of the pledged securities at such time as the~~
 17 ~~amount owed to the permanent mineral trust fund is paid~~
 18 ~~down to less than the market value of the pledged~~
 19 ~~securities; and~~

20
 21 ~~(VIII) As a term and condition of the~~
 22 ~~investment, the Wyoming business may be required to agree~~
 23 ~~by assignment, contract or other written instrument~~
 24 ~~approved by the attorney general, to pay to the state a~~
 25 ~~royalty for each unit of clean coal or coal enhancement~~
 26 ~~product that is produced outside the state by any process~~
 27 ~~developed or enhanced by the business as a result of the~~
 28 ~~investment. The amount of the royalty shall be negotiated~~
 29 ~~by the Wyoming business council. The royalty shall apply~~
 30 ~~only until the principal and interest due under the~~
 31 ~~investment is repaid;~~

32
 33 ~~(IX) No additional investments may be~~
 34 ~~made under this subparagraph after January 1, 1999.~~

35
 36 **9-4-712. Limitation on legislatively designated**
 37 **investments.**

38
 39 (b) Investments subject to the limitation in
 40 subsection (a) of this section are:

41
 42 (i) Investments under:

43
 44 ~~(A) W.S. 9-4-701(a)(iv)(C), clean coal~~
 45 ~~technology;~~

46 (END)