

ORIGINAL HOUSE  
BILL NO. 0257

ENROLLED ACT NO. 75, HOUSE OF REPRESENTATIVES

FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING  
2005 GENERAL SESSION

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

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

**Section 1.** W.S. 21-17-404(a)(ix), 21-17-405(e), 21-17-409, 21-17-415, 21-17-417(a)(iv), 21-17-418(a) and (c) through (e), 21-17-426(a) through (c) and (e), 21-17-427(a)(vii) through (xi), (xiii) and (xiv), 21-17-431, 21-17-432, 21-17-438(b), 21-17-439(a), 21-17-440(b) and 21-17-441(b), (c) and (d) are amended to read:

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

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

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

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

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(e) The respective annual principal and interest requirements including as an interest requirement the amount of any prior redemption premiums due on any prior redemption date as of which any outstanding securities have been called or have been ordered by the board to be called for prior redemption shall be reduced to the extent the requirements are scheduled to be paid with any monies held in trust or escrow for that purpose in any trust bank subject to any limitations appertaining thereto in section 7, article 15, Wyoming constitution, including without limitation the known minimum yield from any investment or reinvestment of the money ~~in federal securities~~ under W.S. 21-17-426.

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

The faith of the state is hereby pledged that this act, any law supplemental or otherwise appertaining thereto and any other act concerning the bonds and other securities of the board or the university or the pledged revenues shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding securities of the board until all such securities payable from the pledged revenues have been discharged in full or provision has been fully made therefor, including without limitation the known minimum yield from the investment or reinvestment of monies pledged therefor in ~~federal securities~~ investments under W.S. 21-17-426.

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

Except as otherwise provided, securities issued under this act shall be (a) in a form, (b) issued in a manner, at,

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above or below par, ~~at a discount not exceeding ten percent (10%) of the principal amount of the securities,~~ at public or private sale, and (c) issued with recitals, terms, covenants, conditions and other provisions, as may be provided by the board in a resolution authorizing their issuance and in an indenture or other proceedings appertaining thereto.

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

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

(iv) Bear interest at fixed or variable rates to be payable ~~annually, semiannually or at other designated intervals, but the first interest payment date may be for interest accruing for a period not exceeding one (1) year at a time or place whether within or without the state as determined by the board.~~ The board may also enter into interest rate exchange agreements to properly manage interest costs with providers with a Standard & Poor's rating of at least "AA" or an equivalent rating from any other nationally recognized rating organization;

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

(a) Bonds and other securities issued under this act shall be executed in the name of the board, shall be signed by the president of the board, shall be attested by the secretary of the board, shall be countersigned by the treasurer of the board and shall be authenticated by the official seal of the board. ~~Any coupons shall be signed by~~

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~~the treasurer of the board. Facsimile signatures may be used on any coupons.~~

(c) Any bonds or other securities, including without limitation any certificates endorsed thereon, may be executed as provided in W.S. 16-2-101 through 16-2-103. ~~A compliance therewith is not a condition precedent to the execution of any coupon with a facsimile signature.~~

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

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

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

(a) The board may cause to be invested and reinvested any pledged revenues and any proceeds of bonds or other securities issued hereunder in ~~federal securities~~ any investments authorized under W.S. 9-4-831 and may cause the revenues, proceeds of securities and ~~federal securities~~ investments to be deposited, subject to any limitations appertaining thereto in section 7, article 15, Wyoming

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Constitution, in any trust bank or banks and secured in such manner and subject to such terms and conditions as the board may determine, with or without the payment of any interest on the deposit, including without limitation time deposits evidenced by certificates of deposit.

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

(c) Sales and redemptions of any ~~federal securities and certificates of deposit held~~ investments under subsection (a) of this section shall be made in season so that the proceeds may be applied to the purposes for which the money with which the ~~federal securities and certificates of deposit~~ investments were originally acquired was placed in the treasury of the board.

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

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

(a) Any resolution providing for the issuance of any bonds or other securities under this act payable from pledged revenues and any indenture or other instrument or proceedings appertaining thereto may contain covenants or

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other provisions which may limit the exercise of powers conferred under this act, in order to secure the payment of the securities in agreement with the holders of the securities, including without limitation covenants or other provisions as to any of the following:

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

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

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

(x) The initial issuance of one (1) or more bonds or other securities in book-entry form aggregating the amount of the entire issue or any portion thereof, and the endorsement of payments of interest or principal, or both interest and principal, on the securities;

(xi) The manner and circumstances in and under which any such bond or other securities may in the future, at the request of the holder thereof, be converted into bonds or other securities of smaller denominations; ~~which bonds or other securities of smaller denominations may in~~

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~~turn be either coupon bonds or other coupon securities or bonds or other securities registered for payment, or coupon bonds or other coupon securities with provisions for registration for payment;~~

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

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

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

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

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

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

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

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

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

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

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

(b) The incidental costs of the refunding of bonds may be paid by the purchaser of the refunding bonds or be defrayed from other available revenues of the board ~~except the general fund~~ or from the proceeds of the refunding bonds, or from the interest or other yield derived from the investment of any refunding bond proceeds or other monies in escrow or trust, or from any other sources legally

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available therefor, or any combination thereof, as the board may determine.

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

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

(c) Subject to any limitations appertaining thereto in section 7, article 15, Wyoming Constitution, any trust bank accounting for ~~federal securities~~ investments under W.S. 21-17-426 in escrow or trust may place them for safekeeping wholly or in part in any trust bank or trust banks.

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

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

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

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the House.

\_\_\_\_\_  
Chief Clerk