



March 26, 2020

The Honorable Edward Buchanan, Secretary of State  
Herschler Building East,  
122 W. 25<sup>th</sup> Street, Suites 100  
Cheyenne, Wyoming 82002

RE: Veto of SF0138/SEA No. 0069 - Investment of State Funds-2

Dear Secretary Buchanan,

After careful reading and consideration of the above-referenced enrolled act, I determined that I must veto this act for several reasons. I do not take this action lightly. Members of the Legislature and my office worked tirelessly crafting a process to provide the ability to conduct due diligence on the land and assets being offered for sale to the State of Wyoming. I appreciate everyone's efforts.

Unfortunately, owing to the rapid changes of the waning hours of the session, the final bill was flawed. The original concept of the legislation was to establish a process to conduct due diligence and provide the funding to do so, as well as bless the authority to enter into a transaction of this magnitude. The end result is a vehicle so heavily laden with legislative baggage that the ability to conduct thorough and appropriate due diligence takes a back seat to mandated reports and recommendations.

In addition, the availability of funding to conduct due diligence is in question. The failure to enact a Capital Construction measure inadvertently squeezes the State Building Commission Contingency Account to the point where existing obligations and priorities are in direct competition for money to pay for the cost of due diligence.

Likewise, while extremely well-intentioned, the language of the act raises concerns regarding the proper roles of both the legislative and executive branch in the type of investment contemplated by the act. In particular as ultimately passed, the act contemplates giving final decision making authority over an executive branch function to the legislative branch. While there is a role for both branches of government in a transaction such as this, we must be ever mindful that each role must be exercised in the proper manner and at the proper time in the process.

Unfortunately, I am left with an all or nothing solution. Most of the requirements contained in this legislation are important and should not be forgotten, but the language overreaches in its grant of authority to the legislative branch. I also believe this legislation anticipates what is not yet clear. I do not have the option to selectively implement the legislation.

In taking this action, I want to stress my stance is consistent with my strong support of the State of Wyoming having the opportunity and the ability to explore unique opportunities such as these when they arise. I commit to the Legislature and citizens of Wyoming that we will continue to find ways to take steps to explore this opportunity

I will work with the Office of State Lands and report to the Legislature any progress we make on that front. Should we make progress, we will provide a report, including, but not limited to, the following:

- Purchase price
- Cost of the due diligence process
- Recommendations for funding sources identified in SF0138
- Recommendations on purchasing assets in aggregate or segregated parcels
- Based on due diligence findings, predicted earnings from purchased assets
- Specific location of assets, both in and out of the State of Wyoming
- Based on due diligence findings, estimated fair market value of assets
- Estimated property tax loss to counties, both in and out of state
- Attorney General's written opinion regarding the legality of any potential purchase
- Recommendations on statutory changes, if any, to allow for both the purchase and asset management

Lastly, I commit to honor all of the requirements for public comment and public involvement outlined in the bill I am vetoing. My veto is not a means of circumventing those requirements, as they are entirely appropriate. Moreover, I believe the State Land Investment Board and my office can even exceed the amount of public involvement and comment called for in the bill.

I believe the above commitment sets out a reasonable step-by-step process allowing for pre-purchase activities. Should an agreement in principle be reached, the Legislature will have the opportunity to review. It is the Legislature's role to decide whether and how to fund a potential purchase based on the Agreement in Principle.

Again, I look forward to working with the Legislature as we contemplate this important decision for the people of Wyoming.

Sincerely,



Mark Gordon  
Governor

cc: The Honorable Steve Harshman, Speaker of the House  
The Honorable Drew Perkins, President of the Senate  
Chief Clerk, Wyoming House of Representatives  
Chief Clerk, Wyoming Senate