

SENATE FILE NO. SF0017

Carbon dioxide-enhanced oil recovery stimulus.

Sponsored by: Joint Minerals, Business & Economic
Development Interim Committee

A BILL

for

1 AN ACT relating to the administration of the government;
2 providing an enhanced oil recovery stimulus for the use of
3 carbon dioxide in enhanced oil recovery; specifying
4 conditions and requirements for the stimulus; providing for
5 the administration of the stimulus; creating an account;
6 requiring reports; requiring transfers of funds;
7 authorizing rulemaking; providing an appropriation; and
8 providing for an effective date.

9

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

11

12 **Section 1.** W.S. 9-25-101 through 9-25-104 are created
13 to read:

14

15

CHAPTER 25

1 CARBON DIOXIDE AND ENHANCED OIL RECOVERY STIMULUS

2

3 **9-25-101. Definitions.**

4

5 (a) As used in this chapter:

6

7 (i) "Authority" means the Wyoming energy
8 authority;

9

10 (ii) "Carbon capture, utilization and storage
11 technology" means technology that has the principal purpose
12 of capturing, reusing, storing, sequestering or using
13 carbon dioxide emissions to prevent carbon dioxide from
14 entering the atmosphere;

15

16 (iii) "Carbon dioxide provider" means a person
17 that captures generated, emitted or produced carbon
18 dioxide;

19

20 (iv) "Enhanced oil and gas recovery" means all
21 existing and future technologies or methods to recover oil
22 and gas beyond traditional primary and secondary methods,

1 including technology to optimize development and recovery
2 of oil and gas resources;

3

4 (v) "Stimulus" means the enhanced oil recovery
5 stimulus created by this chapter.

6

7 **9-25-102. Enhanced oil recovery stimulus;**
8 **requirements; qualifications.**

9

10 (a) Any carbon dioxide provider may apply for and
11 receive an enhanced oil recovery stimulus in accordance
12 with all of the following:

13

14 (i) The carbon dioxide provider seeking the
15 stimulus shall complete an application for the stimulus on
16 a form and in intervals prescribed by the authority. A
17 carbon dioxide provider may request from the authority a
18 preapplication determination of eligibility for the
19 stimulus under this chapter;

20

21 (ii) To qualify for the stimulus:

22

1 (A) The carbon dioxide shall be captured by
2 the carbon dioxide provider through the use of carbon
3 capture, utilization and storage technology;

4

5 (B) The carbon dioxide provider shall sell,
6 deliver or provide the captured carbon dioxide for use in
7 enhanced oil and gas recovery projects in Wyoming; and

8

9 (C) The crude oil or natural gas produced
10 from enhanced oil and gas recovery shall be produced using
11 carbon dioxide specified in subparagraphs (A) and (B) of
12 this paragraph.

13

14 (iii) The captured carbon dioxide provided by
15 the carbon dioxide provider and used in the enhanced oil
16 and gas recovery production of the crude oil or natural gas
17 shall be from a carbon dioxide source originating within
18 the state of Wyoming;

19

20 (iv) The carbon capture, utilization and storage
21 technology and the captured carbon dioxide specified in
22 paragraph (iii) of this subsection that is used in the
23 enhanced oil and gas recovery production of the crude oil

1 or natural gas shall qualify for the federal tax credit
2 available for carbon oxide sequestration under 26 U.S.C.
3 45Q, as amended as of January 1, 2023 and subject to
4 subsection (c) of this section;

5

6 (v) The carbon dioxide provider shall qualify
7 for and receive the federal tax credit under 26 U.S.C. 45Q
8 before receiving the stimulus authorized under this
9 chapter;

10

11 (vi) To ensure that the enhanced oil and gas
12 recovery production and the use of a carbon dioxide
13 provider's captured carbon dioxide satisfies the conditions
14 specified in this subsection, the authority may consult
15 with any federal or state agency necessary before approving
16 the stimulus authorized under this chapter.

17

18 (b) Subject to available funding, the stimulus that
19 is available to a carbon dioxide provider shall, subject to
20 subsection (d) of this section, be equal to ten dollars
21 (\$10.00) for every one (1) ton of carbon dioxide that:

22

1 (i) The carbon dioxide provider sells or
2 delivers for use in enhanced oil and gas recovery; and

3

4 (ii) Is stored through the enhanced oil and gas
5 recovery production that meets the requirements of this
6 section.

7

8 (c) The stimulus shall be available to a carbon
9 dioxide provider until the date that the carbon dioxide
10 provider no longer qualifies for the federal tax credit
11 under 26 U.S.C. 45Q. The authority shall adjust the amount
12 of the stimulus in proportion to any change in the
13 difference between the amount of the credit available under
14 26 U.S.C. 45Q for a qualified enhanced oil or natural gas
15 recovery project and the amount of the credit available
16 under 26 U.S.C. 45Q for secure geological storage that is
17 not used for enhanced oil or natural gas recovery. The
18 stimulus shall not be available during any time that the
19 amount of the credit available under 26 U.S.C. 45Q for
20 secure geological storage that is not used for enhanced oil
21 or natural gas recovery exceeds the amount of the credit
22 available under 26 U.S.C. 45Q for a qualified enhanced oil
23 or natural gas recovery project by not more than fifteen

1 dollars (\$15.00) or if the credit available under 26 U.S.C.
2 45Q for secure geological storage that is not used for
3 enhanced oil or natural gas recovery is equal to or less
4 than the amount of the credit available under 26 U.S.C. 45Q
5 for a qualified enhanced oil or natural gas recovery
6 project.

7

8 (d) The stimulus shall be paid from funds in the
9 enhanced oil recovery stimulus account created in W.S.
10 9-25-104, subject to available funds within the account.
11 The stimulus shall not be paid from any other source except
12 upon express approval by legislative act. In the event of
13 insufficient funds in the enhanced oil recovery stimulus
14 account established in W.S. 9-25-104 for any one (1) fiscal
15 year, stimulus payments shall be prorated.

16

17 **9-25-103. Enhanced oil recovery stimulus;**
18 **administration; reporting.**

19

20 (a) The authority shall administer the stimulus and
21 shall ensure that each carbon dioxide provider applying to
22 receive a stimulus meets all qualifications under this
23 chapter before receiving a stimulus. The authority shall

1 promulgate all rules necessary to implement the stimulus
2 program.

3
4 (b) Upon determining each carbon dioxide provider's
5 eligibility to receive a stimulus, the authority shall
6 report the eligibility to the governor and the state
7 auditor. Upon receiving a report from the authority, the
8 state auditor shall disburse funds from the enhanced oil
9 recovery stimulus account established in W.S. 9-25-104 to
10 the carbon dioxide provider in an amount equal to the
11 stimulus to which the provider is entitled under this
12 chapter.

13
14 (c) Not later than November 1 of each year, the
15 authority shall report to the joint revenue interim
16 committee and the joint minerals, business and economic
17 development interim committee on the amount of stimulus
18 funds paid from the enhanced oil recovery stimulus account
19 for the immediately preceding fiscal year and any
20 associated revenue impacts from the stimulus payments.

21

22 **9-25-104. Enhanced oil recovery stimulus account;**
23 **administration; fund transfers; severance tax reporting.**

1

2 (a) There is created the enhanced oil recovery
3 stimulus account. Funds in the account shall be invested by
4 the state treasurer in accordance with law. All earnings
5 earned on funds within the account shall be deposited in
6 the account. Subject to subsection (b) of this section,
7 funds within the account are continuously appropriated to
8 the governor to be expended only for providing stimulus
9 payments to carbon dioxide providers in accordance with
10 this chapter.

11

12 (b) If there is no expenditure of any funds from the
13 enhanced oil recovery stimulus account before July 1, 2034,
14 then all funds in the enhanced oil recovery stimulus
15 account shall revert to the legislative stabilization
16 reserve account on July 1, 2034.

17

18 (c) Not later than August 1, 2025 and each August 1
19 thereafter, the department of revenue shall report to the
20 governor, the state auditor, the authority, the joint
21 appropriations committee and the joint minerals, business
22 and economic development interim committee on the amount of
23 severance taxes remitted to the department under W.S.

1 39-14-204(a)(iv), plus one-half (1/2) of the amount of
2 severance tax remitted under W.S. 39-14-204(a)(iii), as a
3 result of crude oil and natural gas produced using enhanced
4 oil and gas recovery techniques and using captured carbon
5 dioxide for which a stimulus is provided under this
6 chapter. The department of revenue shall report the amount
7 of the stimulus provided under this chapter, including any
8 adjustments made to the amount of the stimulus under W.S.
9 9-25-102(c).

10

11 (d) Not later than September 1, 2025 and each
12 September 1 thereafter, the state auditor shall transfer
13 the amount of funds reported by the department of revenue
14 under subsection (c) of this section for the immediately
15 preceding fiscal year from the general fund to the accounts
16 specified in this subsection, in accordance with the
17 following:

18

19 (i) The state auditor shall adjust the amount
20 transferred under this subsection based on any adjustments
21 made to the amount of the stimulus under W.S. 9-25-102(c);

22

1 (ii) Funds shall be first transferred to the
2 enhanced oil recovery stimulus account, provided that any
3 transfer under this paragraph shall not exceed the amount
4 necessary to bring the balance of the enhanced oil recovery
5 stimulus account to a balance of ten million dollars
6 (\$10,000,000.00) until all transfers required under
7 paragraph (iii) of this subsection are completed;

8
9 (iii) After transfers are made under paragraph
10 (ii) under this subsection, any remaining funds shall be
11 transferred to the legislative stabilization reserve
12 account. No transfers shall be made under this paragraph
13 after a total of ten million dollars (\$10,000,000.00) is
14 transferred to the legislative stabilization reserve
15 account under this paragraph.

16
17 **Section 2.** There is appropriated from the legislative
18 stabilization reserve account to the enhanced oil recovery
19 stimulus account established by W.S. 9-25-104, as created
20 by section 1 of this act, ten million dollars
21 (\$10,000,000.00). This appropriation shall be expended only
22 for purposes of providing stimulus payments for the
23 enhanced oil recovery stimulus established in W.S. 9-25-101

1 through 9-25-104, as created by section 1 of this act. This
2 appropriation shall not be transferred or expended for any
3 other purpose. Notwithstanding W.S. 9-2-1008, 9-2-1012(e)
4 and 9-4-207, this appropriation shall not revert except as
5 otherwise provided in W.S. 9-25-104(b), as created by
6 section 1 of this act.

7

8 **Section 3.** This act is effective July 1, 2025.

9

10

(END)