

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;

4

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

9

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

16

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

21

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

1

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

5

6 (c) The stimulus shall be available to a carbon
7 dioxide provider until the date that the carbon dioxide
8 provider no longer qualifies for the federal tax credit
9 under 26 U.S.C. 45Q.

10

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

19

20 **9-25-103. Enhanced oil recovery stimulus;**
21 **administration; reporting.**

22

1 (a) The authority shall administer the stimulus and
2 shall ensure that each carbon dioxide provider applying to
3 receive a stimulus meets all qualifications under this
4 chapter before receiving a stimulus. The authority shall
5 promulgate all rules necessary to implement the stimulus
6 program.

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

17
18 (c) Not later than November 1 of each year, the
19 authority shall report to the joint revenue interim
20 committee and the joint minerals, business and economic
21 development interim committee on the amount of stimulus
22 funds paid from the enhanced oil recovery stimulus account

1 for the immediately preceding fiscal year and any
2 associated revenue impacts from the stimulus payments.

3

4 **9-25-104. Enhanced oil recovery stimulus account;**
5 **administration; fund transfers; severance tax reporting.**

6

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

16

17 (b) If there is no expenditure of any funds from the
18 enhanced oil recovery stimulus account before July 1, 2034,
19 then all funds in the enhanced oil recovery stimulus
20 account shall revert to the legislative stabilization
21 reserve account on July 1, 2034.

22

1 (c) Not later than August 1, 2025 and each August 1
2 thereafter, the department of revenue shall report to the
3 governor, the state auditor, the authority, the joint
4 appropriations committee and the joint minerals, business
5 and economic development interim committee on the amount of
6 severance taxes remitted to the department under W.S.
7 39-14-204(a)(iv), plus one-half (1/2) of the amount of
8 severance tax remitted under W.S. 39-14-204(a)(iii), as a
9 result of crude oil and natural gas produced using enhanced
10 oil and gas recovery techniques and using captured carbon
11 dioxide for which a stimulus is provided under this
12 chapter.

13

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

21

22 (i) Funds shall be first transferred to the
23 enhanced oil recovery stimulus account, provided that any

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

6

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

14

15 **Section 2.** There is appropriated from the legislative
16 stabilization reserve account to the enhanced oil recovery
17 stimulus account established by W.S. 9-25-104, as created
18 by section 1 of this act, ten million dollars
19 (\$10,000,000.00). This appropriation shall be expended only
20 for purposes of providing stimulus payments for the
21 enhanced oil recovery stimulus established in W.S. 9-25-101
22 through 9-25-104, as created by section 1 of this act. This
23 appropriation shall not be transferred or expended for any

1 other purpose. Notwithstanding W.S. 9-2-1008, 9-2-1012(e)
2 and 9-4-207, this appropriation shall not revert except as
3 otherwise provided in W.S. 9-25-104(b), as created by
4 section 1 of this act.

5

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

7

8

(END)