

March 11, 2025

The Honorable Chuck Gray, Wyoming Secretary of State Herscher Building East 122 West 25th Street, Suite 100 Cheyenne, Wyoming 82002

Re: Line-item veto of Senate Enrolled Act No. 62 / Senate File 0152 - Wildfire management-amendments

Dear Secretary Gray,

This Act is an improvised but well-thought-out response to last year's devastating wildfires. One can hope this year will not bring similar impacts, but we must be prepared for the potential regardless. This act provides the required funding for fire suppression, disaster funding replenishment, and a slight increase to Wyoming's firefighting capabilities. Although the effort seemed a bit hectic, in the end, I want to thank the legislature for their forethought and persistence in bringing this bill forward. It is unfortunate that like so many other bills this session, Senate File 0152 fell into the vortex of political posturing and maneuvering on the backs of Wyoming citizens who were severely impacted by last summer's fires.

As you know, I supported a fire recovery/mitigation program to help restore the widespread goods and services provided by all those private and state lands devastated in last summer's fires. Over 850,000 acres were burned making this one of the worst fire years in Wyoming history. Approximately 70% of the acres burned are privately owned by multiple landowners, large and small. Similar voluntary, umbrella programs exist for grasshopper and invasive weed control.

Some legislators believed that a program based on loans, not grants, would suffice. However, a broader loan program passed into law last week (Senate File 0195 - Small business emergency bridge loan program) and is available to agricultural operators. This makes the loan program contained in this bill superfluous. In any case, the practicability of a loan program for ag land fire recovery can be tested over the coming year.

This Act also attempts to fund its loan program by robbing the Energy Matching Funds. These funds are used to support our essential core energy industries as well as to underpin the future of Wyoming's most venerable traditional energy industries. After decades of work to put Wyoming in the forefront of innovation to make sure Wyoming coal, uranium, oil, and gas - our core industries that built our schools and secured our state's financial wellbeing – stay an essential

part of any energy future; it seems foolish at best and self-destructive at worst to abandon the very industries that are our lifeblood. Wyoming's leadership in these industries is fragile. Texas, North Dakota, Louisiana, West Virginia, New Mexico, Utah, and even Colorado are anxious to take over that mantle. That there were legislators willing, for narrow political ends, to pull the rug out from under coal, oil and gas is beyond comprehension.

Accordingly, I have signed Senate File 0152/Senate Enrolled Act No. 62 with the following line-item vetoes:

Section 4 - Mitigation and Restoration Loans

2025 Wyoming Session Laws, Chapter 103 passed earlier in the session established a loan program for those affected by the fires last summer. I have vetoed the analogous program established in this act.

Section 5 - Amendment of Session Laws

Section 5 in the Act would revert the Energy Matching Funds and the Large Project Energy Matching Funds to the legislative stabilization reserve account. As stated above, these funds are for the support of Wyoming's core industries. Thus, I have deleted Section 5 of this Act and restored reversion of the Energy Matching Funds to no earlier than June 30, 2027 as provided in the 2024 budget bill. In addition, this line-item veto removes the reversion on or before April 1, 2025 of the Large Project Energy Matching Funds and restores this appropriation as it was originally contemplated in last year's budget bill.

Section 8 -Potential Reduction of Appropriations

Since the Legislature did not pass a supplemental budget during the 2025 legislative session, this provision to reduce appropriations in the Act based on subsequent appropriations in the supplemental budget does not have any effect. Therefore, I have removed this language to prevent any confusion.

Section 9 (b) - Repeal of Session Laws

As discussed earlier in this letter, Wyoming's core energy industries - coal, oil, gas, and uranium - are historic to our state's livelihood. We have always supported them and worked to secure their viability in our future. Therefore, I am striking out the misguided repeal of the Large Project Energy Matching Funds Program.

Section 10(b) - Effective Date

As previously mentioned, the Legislature did not pass a supplemental budget during this legislative session. Thus, I have deleted language referring to a supplemental budget so that the entire Act now becomes effective immediately.

I commend the Legislature's efforts to address the need for restoration/mitigation. I believe the action taken by the Legislature combined with the tailored line item vetoes will assist in meeting the needs of those most impacted by the fires. Furthermore, recommitting the Energy Matching Funds to their original purpose -88% of which have encouraged fossil energy and mining so far - seems only prudent, commensurate with our history, and appropriate to our future.

Sincerely,

Mark Gordon Governor

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cc: The Honorable Bo Biteman, President of the Senate

The Honorable Chip Neiman, Speaker of the House

Chief Clerk, Wyoming Senate

Chief Clerk, Wyoming House of Representatives

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SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING 2025 GENERAL SESSION

AN ACT relating to state lands; amending the duties of the state forester; providing appropriations; providing for the transfer of funds; authorizing borrowing; authorizing grants; repealing prior borrowing authorizations; authorizing loans; reverting funds; repealing prior appropriations; and providing for effective dates.

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

Section 1. W.S. 36-2-108(a), (b)(viii) and by creating new paragraphs (ix) through (xi) is amended to read:

36-2-108. Appointment of state forester; qualifications; duties.

- (a) The state board of land commissioners shall appoint a state forester who shall be the administrative head of the Wyoming state forestry division of the office of state lands and investments. He—The state forester shall serve at the pleasure of the board. He—The state forester shall have a bachelor's degree in forestry with not less than four (4) years experience in professional forestry work. The state forester shall, under the general supervision of the board, have direction of all forest interest and all matters pertaining to forestry within the jurisdiction of the state of Wyoming.; and may, with approval of the board, appoint such assistants and employees as are necessary in executing the duties of his office.
 - (b) The state forester shall:

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- (viii) Cooperate with federal agencies <u>and all political subdivisions of the state</u> to fulfill the intent of this section;
- (ix) Adopt rules as necessary to fulfill the duties described in this article;
- (x) Appoint assistants and employees as are necessary in executing the duties of the division;
- (xi) Maintain wildland and forestry fire control
 programs including, but not limited to:
- (A) Fire management, coordination and reimbursement for all lands owned and managed by the state of Wyoming and its agencies;
- (B) Fire management assistance within the state of Wyoming;
- (C) Pre-position suppression equipment, personnel and other resources during periods of high wildfire risk;
- (D) Support for local fire jurisdiction training programs;
- (E) Establishing standards and regulations for privately contracted private wildland fire resources operating in Wyoming. As used in this subparagraph, "privately contracted private fire resources" includes services retained by insurers for prevention and suppression activities on insured properties.

Section 2.

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- (a) There is appropriated from the general fund for the purpose of restoring funds expended by the state of Wyoming to suppress wildfires that occurred in calendar year 2024 the following amounts for the following programs or purposes:
- (i) One million dollars (\$1,000,000.00) for the special contingency division of the office of the governor, unit 0601;
- (ii) One million two hundred sixty-three thousand nine hundred sixty-six dollars (\$1,263,966.00) for the disaster contingency unit within the homeland security division of the office of the governor, unit 1106;
- (iii) Twenty million dollars (\$20,000,000.00) to the emergency fire suppression account within the office of state lands and investments.
- (b) There is appropriated from the general fund up to twenty million dollars (\$20,000,000.00), or as much thereof as is necessary, to be deposited by the state auditor in the legislative stabilization reserve account for repayment of funds borrowed on or before June 30, 2025 from the legislative stabilization reserve account under 2024 Wyoming session laws, chapter 118, section 301(b).
- (c) Funds appropriated in this section shall not be transferred or expended for any other purpose. Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207, funds appropriated in this section shall not lapse at the end of any fiscal period. Any unexpended, unobligated funds at the end of any fiscal period shall remain in the account to which the funds were appropriated and be expended for

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the purposes specified by this section, except as otherwise provided by further legislative authorization.

Section 3. For the period beginning July 1, 2025 and ending June 30, 2026, the governor is authorized to borrow from the legislative stabilization reserve account up to thirty million dollars (\$30,000,000.00) as necessary to meet funding requirements to fight wildfires in the event the reserves in the office of state lands and investments' forestry division have been exhausted. The governor shall report to the joint appropriations committee, the president of the senate and the speaker of the house of representatives immediately upon exercise of this authority.

-Section-4.

- (a) The state loan and investment board is authorized to make loans under this section from the legislative stabilization reserve account for the purpose of mitigation and restoration projects needed as a result of wildfire and specified disasters that occur within the state of Wyoming. The aggregate sum of all loans made under this section shall not exceed one hundred million dollars (\$100,000,000.00). No new loans under this section shall be made after June 30, 2027.
- (b) The office of state lands and investments, under the direction of the state loan and investment board, shall establish and administer loans under this section to qualified persons, including political subdivisions, for any of the following purposes:

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- (i) Restoring grass, hay and vegetation destroyed by wildfire or other natural disasters on state and private lands;
- (ii) Preventing the establishment of nonnative invasive terrestrial vegetation on private or state lands affected by wildfire or other natural disasters;
- (iii) Replacing private fences destroyed or partially destroyed by wildfire or other natural disasters;
- (iv) Replacing and restoring the habitat and the resources provided by that habitat destroyed by wildfire or other natural disasters on state and private land;
- (v) Repairing or replacing irrigation facilities destroyed by wildfire or other natural disasters on state / and private land;
- -(vi) Repairing or replacing private structures -destroyed by wildfire or other natural disasters;
- -(vii) Providing funding for any private costshare required of federal or state funding that would otherwise qualify under this section;
 - (viii) Providing monetary assistance to farmers and ranchers whose real property or assets are damaged by catastrophic events. As used in this paragraph, "catastrophic event" means a fire, earthquake, breached dam or other natural or man-made event to a farming or ranching operation or to state land that causes monetary damage of at least one hundred thousand dollars (\$100,000.00).

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- (c) All loan applications under this section shall be provided to the Wyoming wildlife and natural resource trust fund board for a recommendation to the state loan and investment board. All loans shall be subject to final approval by the state loan and investment board.
- (d) The loan program established and administered by the office of state lands and investments under this section shall be subject to all of the following:
- (i) All applicants for loans shall reasonably demonstrate that they have applied for insurance payments for which they are eligible and all reasonably identifiable and applicable federal and state funding or were not eligible for other reasonably identifiable and applicable federal or state funding;
- (ii) Loans shall be secured by collateral from each applicant, which may include land, structures, equipment and livestock. Collateral required under this paragraph may be accepted in a subordinate lien position;
- -(iii) The office shall develop the application forms, requirements and conditions needed to ensure timely repayment of loans;
- (iv) The office shall impose any other necessary 'loan terms;
- (v) The maximum term of loans shall not exceed twenty (20) years;
- (vi) The interest rate on all loans shall be two percent (2%).

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- (e) Interest payments received from loans under this section shall be deposited to the general fund, except that up to one-half (1/2) of all interest payments may be retained by the office of state lands and investments and are continuously appropriated for administration of the loan program. All principal payments shall be deposited to the legislative stabilization reserve account.
- (f) The office of state lands and investments shall maintain any records and accounts of revenues and expenditures in relation to loans under this section as required by the director of the state department of audit. Not later than October 15 of each year in which the loan program is operational, the office shall report to the joint appropriations committee and the joint agriculture, state and public lands and water resources interim committee on the purposes and amount of loans approved under this section.

-Section 5. 2022 Wyoming session laws, chapter 51, as. //. amended by 2023 Wyoming session laws, chapter 94, and 2024 Wyoming session laws, chapter 118, section 321(f) is -amended to read:

[ENERGY-MATCHING FUNDS]

Section 321.

(f) Notwithstanding W.S. 9-2-1008, -9-2-1012(e) and 9-4-207:7

(i) An amount such that the sum of the reverted funds under this subsection combined with any

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deappropriated funds under the repeal of 2024 Wyoming session laws, chapter 118, section 323, equals one hundred fifty-two million two hundred twenty-nine thousand five hundred sixty-four dollars (\$152,229,564.00), or as much thereof as is available, shall revert to the budget reserve account on or before April 1, 2025; and

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_____(ii) Any unexpended, unobligated funds from the appropriation in subsection (a) of this section remaining after the reversion of funds in paragraph (i) of this subsection shall not revert until June 30, 2027.

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Section 6. There is appropriated two million seven hundred fifty thousand dollars (\$2,750,000.00) from the general fund to the office of state lands and investments and there is authorized one (1) full-time employee position and four (4) part-time employee positions for contract and direct fire response. This appropriation shall not be transferred or expended for any other purpose. It is the intent of the legislature that this appropriation be doubled and included in the office of state lands and investments' standard budget for the immediately succeeding fiscal biennium.

Section 7. There is appropriated forty-nine million four hundred seventy-nine thousand five hundred sixty-four dollars (\$49,479,564.00) from the general fund to the Wyoming wildlife and natural resource trust income account.

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These funds are continuously appropriated from the Wyoming wildlife and natural resource trust income account to the Wyoming wildlife and natural resource trust account board to provide grants to Wyoming conservation districts, weed and pest districts and the game and fish commission for purposes of restoring grass, hay and other vegetation destroyed by wildfires on private and state preventing the establishment of nonnative, invasive terrestrial vegetation on private and state lands affected by wildfires and replacing and restoring habitats on private and state lands destroyed by wildfires. appropriation shall be expended only for the purposes specified in this footnote. This appropriation shall not be subject to the requirements of the Wyoming Wildlife and Natural Resource Funding Act. It is the intent of the legislature that this appropriation not be included in the standard budget of the Wyoming wildlife and natural resource trust for the immediately succeeding fiscal biennium. This appropriation shall not be transferred or expended for any other purpose.

All Section 8.

- (a) The appropriations in section 2(a) of this act shall be reduced in accordance with the following:
- (i) The appropriation in section 2(a)(i) of this act shall be reduced by one dollar (\$1.00) for every one dollar (\$1.00) appropriated in 2025 Senate File 0001 or 2025 House Bill 0001 for the special contingency division of the office of the governor, unit 0601, for the purposes specified in section 2(a) of this act;
- *(ii) The appropriation in section 2(a)(ii) of this act shall be reduced by one dollar (\$1.00) for every

ORIGINAL SENATE FILE NO. <u>SF0152</u>

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one dollar (\$1.00) appropriated in 2025 Senate File 0001 or 2025 House Bill 0001 for the disaster contingency unit within the homeland security division of the office of the governor, unit 1106, for the purposes specified in section 2(a) of this act;

- (iii) The appropriation in section 2(a)(iii) of this act shall be reduced by one dollar (\$1.00) for every one dollar (\$1.00) appropriated in 2025 Senate File 0001 or 2025 House Bill 0001 to the emergency fire suppression account within the office of state lands and investments for the purposes specified in section 2(a) of this act.
- (b) The appropriation in section 2(b) of this act shall be reduced by one dollar (\$1.00) for every one dollar (\$1.00) appropriated in 2025 Senate File 0001 or 2025 House Bill 0001 to the legislative stabilization reserve account for the repayment of funds borrowed on or before June 30, 2025 from the account under 2024 Wyoming session laws, chapter 118, section 301(b).
- (c) The borrowing authorization provided in section 3 of this act shall be reduced by one dollar (\$1.00) for every one dollar (\$1.00) of borrowing authorization provided in section 301(b) of 2025 Senate File 0001 or section 301(b) of 2025 House Bill 0001.

Section 9.

- (a) 2024 Wyoming session laws, chapter 118, section 7/1/2 301(b) is repealed.
- (b) 2024 Wyoming session laws, chapter 118, section 323 is repealed.

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Section 10.

- (a) Except as otherwise provided in subsection (b) of this section, this act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.
- (b) Sections 4, 5, 6, 7 and 9(b) of this act shall not be effective if either 2025 Senate File 0001 or 2025 House Bill 0001 are enacted into law.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: 16:01

DATE APPROVED: 11 March 2025

I hereby certify that this act originated in the Senate.

Chief Clerk