

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Carbon dioxide-enhanced oil recovery stimulus.

Sponsored by: HDraft Committee

A BILL

for

1 AN ACT relating to the administration of 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 read:

1

2

CHAPTER 25 - CARBON DIOXIDE AND ENHANCED OIL RECOVERY

3

STIMULUS

4

5

9-25-101. Definitions.

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(a) As used in this chapter:

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

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(iv) "Enhanced oil and gas recovery" means all existing and future technologies or methods to recover oil

1 and gas beyond traditional primary and secondary methods,
2 including technology to optimize development and recovery
3 of oil and gas resources in new fields;

4

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

7

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

10

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

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

21

22 (ii) To qualify for the stimulus:

23

1 (A) The captured carbon dioxide shall be
2 captured through carbon capture, utilization and storage
3 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 and 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 carbon dioxide provided by the carbon
15 dioxide provider and used in the enhanced oil and gas
16 recovery production of the crude oil and natural gas shall
17 be from a carbon dioxide source originating within the
18 state of Wyoming;

19

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

1 gas shall qualify for the federal tax credit available for
2 carbon oxide sequestration under 26 U.S.C. 45Q, as amended
3 as of January 1, 2023;

4

5 (v) The carbon dioxide provider shall qualify for
6 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 the public service commission, the department of
15 revenue, the oil and gas conservation commission and the
16 enhanced oil recovery commission before approving the
17 stimulus authorized under this chapter.

18

19 (b) Subject to available funding, the stimulus
20 authorized under this chapter that is available to a carbon
21 dioxide provider shall be equal to ten dollars (\$10.00) for
22 every one (1) ton of carbon dioxide that:

23

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

3

4 (ii) Is actually utilized in the enhanced oil and
5 gas 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 is no longer eligible for the federal tax credit
11 under 26 U.S.C. 45Q.

12

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

21

22 (e) The attorney general shall review in writing the
23 legality of each stimulus paid under this chapter and, if

1 requested by the authority, a provider's eligibility for
2 the stimulus before the provider applies under this
3 chapter. No stimulus shall be paid under this chapter until
4 the attorney general has completed the written review and
5 certified the legality of the transaction and all documents
6 connected therewith.

7

8 **9-25-103. Enhanced oil recovery stimulus;**
9 **administration; reporting.**

10

11 (a) The authority shall administer the stimulus
12 created under this chapter and shall ensure that each
13 carbon dioxide provider applying to receive a stimulus
14 meets all qualifications under this chapter before
15 receiving a stimulus. The authority shall promulgate all
16 rules necessary to implement the stimulus program.

17

18 (b) Upon determining each carbon dioxide provider's
19 eligibility to receive a stimulus, the authority shall
20 report the eligibility to the governor and the state
21 auditor. Upon receiving a report from the authority, the
22 state auditor shall disburse funds from the enhanced oil
23 recovery stimulus account established in W.S. 9-25-104 to

1 the carbon dioxide provider in an amount equal to the
2 stimulus to which the provider is entitled under this
3 chapter.

4

5 (c) Not later than November 1 of each year, the
6 authority shall report to the joint revenue interim
7 committee and the joint minerals, business and economic
8 development interim committee on the amount of funds paid
9 from the enhanced oil recovery stimulus account for the
10 immediately preceding fiscal year and any associated
11 revenue impacts from the stimulus payments.

12

13 **9-25-104. Enhanced oil recovery stimulus account;**
14 **administration; fund transfers.**

15

16 (a) There is created the enhanced oil recovery
17 stimulus account. Funds in the account shall be invested by
18 the state treasurer in accordance with law. All earnings
19 earned on funds within the account shall be deposited in
20 the account. Subject to subsection (b) of this section,
21 funds within the account are continuously appropriated to
22 the governor to be expended only for providing stimulus

1 payments to carbon dioxide providers in accordance with
2 this chapter.

3

4 (b) If there is no expenditure of any funds from the
5 enhanced oil recovery stimulus account before July 1, 2034,
6 then all funds in the enhanced oil recovery stimulus
7 account shall revert to the legislative stabilization
8 reserve account on July 1, 2034.

9

10 (c) Not later than August 1, 2025 and each August 1
11 thereafter, the department of revenue shall report to the
12 governor, the state auditor, the authority, the joint
13 appropriations committee and the joint minerals, business
14 and economic development interim committee on the amount of
15 severance taxes remitted to the department under W.S. 39-
16 14-204(a)(iv), plus one-half (1/2) of the amount of
17 severance tax remitted under W.S. 39-14-204(a)(iii), as a
18 result of crude oil and natural gas produced using enhanced
19 oil and gas recovery techniques and using captured carbon
20 dioxide for which a stimulus is provided under this
21 chapter.

22

1 (d) Not later than September 1, 2025 and each
2 September 1 thereafter, the state auditor shall transfer
3 the amount of funds reported by the department of revenue
4 under subsection (c) of this section for the immediately
5 preceding fiscal year from the general fund to:

6

7 (i) The legislative stabilization reserve
8 account, subject to paragraph (ii) of this subsection;

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10 (ii) After ten million dollars (\$10,000,000.00)
11 is transferred to the legislative stabilization reserve
12 account under paragraph (i) of this subsection, the
13 enhanced oil recovery stimulus account.

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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, 2024.

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8

(END)