

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Integrated test center-governance.

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

A BILL

for

1 AN ACT relating to the administration of the government;
2 codifying and continuing the integrated test center;
3 specifying oversight and powers of the integrated test
4 center; requiring reports; specifying budget procedures for
5 the center; creating an account; making conforming
6 amendments; providing for the transfer and assumption of
7 obligations, funds and duties; and providing for effective
8 dates.

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

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STAFF COMMENT

Changes to this version of the bill draft are based on proposals from the School of Energy Resources and the Governor's Office.

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Section 1.

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(a) The integrated test center established in 2014 Wyoming session laws, chapter 26, section 334(h)(ii) and (n), as amended by 2015 Wyoming session laws, chapter 142, section 334(h)(ii) and (o), shall be transferred to the University of Wyoming school of energy resources on the effective date of this act. Except as provided in section 4 of this act, all property, implements, fixtures, facilities, equipment, obligations, rights and unexpended funds of the integrated test center owned or held by the state of Wyoming shall be transferred to the University of Wyoming school of energy resources on the effective date of this act.

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(b) The governor's office, Wyoming energy authority and school of energy resources shall, to the greatest extent possible, take all actions necessary to transfer any

1 existing agreements or contracts of the integrated test
2 center to the school of energy resources.

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4 **Section 2.** W.S. 21-17-117.1 is created to read:

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6 **21-17-117.1. Integrated test center; governance;**
7 **duties; powers.**

8

9 (a) The integrated test center established in 2014
10 Wyoming session laws, chapter 26, section 334(h)(ii) and
11 (n), as amended by 2015 Wyoming session laws, chapter 142,
12 section 334(h)(ii) and (o), is hereby codified and
13 continued as the integrated test center.

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15 (b) The University of Wyoming school of energy
16 resources, under direction from the energy resources
17 council, shall oversee and operate the integrated test
18 center.

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20 (c) The school of energy resources, under direction
21 from the energy resources council, shall establish the
22 structure and policies for the operation of the integrated

1 test center consistent with the objectives of this section
2 and W.S. 21-17-117.

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4 (d) In operating the integrated test center, the
5 school of energy resources shall:

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7 (i) Design, construct and operate a facility to
8 study the capture, sequestration, utilization and
9 management of carbon dioxide emissions or other emissions
10 and other research projects. For purposes of this
11 paragraph, an integrated test center designed and
12 constructed under 2014 Wyoming session laws, chapter 26,
13 section 334(n) shall be deemed to satisfy the requirements
14 of this paragraph;

15

16 (ii) Provide opportunities for testing and
17 research projects at the facility specified in paragraph
18 (i) of this subsection;

19

20 (iii) Enter into leases in accordance with the
21 following:

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1 (A) The school of energy resources shall
2 enter into leases or shall assign existing leases with
3 owners of real property where the facility specified in
4 paragraph (i) of this subsection is located. Any lease
5 entered into under this subparagraph shall offer the owner
6 of the real property the right of first refusal to purchase
7 the state's ownership interest in the physical plant at
8 fair market value after conclusion of all integrated test
9 center activities by the school of energy resources and its
10 partners and research tenants;

11

12 (B) The school of energy resources shall
13 enter into subleases with persons and entities who wish to
14 perform research or other projects at the facility before
15 those persons or entities become tenants and begin work at
16 the facility;

17

18 (C) Signed agreements between all partners,
19 research tenants and lessors regarding the integrated test
20 center and the school of energy resources shall include
21 provisions retaining sovereign immunity for the state of
22 Wyoming and the University of Wyoming and provisions for
23 the indemnification from any liability, damages and legal

1 fees incurred by the University of Wyoming or the state of
2 Wyoming from any claims, causes of action, injuries or
3 judgments resulting from the use of the integrated test
4 center by an employee, contractor or guest of a partner,
5 research tenant or lessor.

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7 (iv) Prioritize space at the facility
8 established under paragraph (i) of this subsection and
9 resources to projects that the school of energy resources
10 and the energy resources council determine would:

11

12 (A) Have a high likelihood for commercial
13 success and are at the correct developmental stage for
14 testing at the integrated test center;

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16 (B) Increase the knowledge base within the
17 state of Wyoming on the capture, sequestration, utilization
18 and management of carbon dioxide emissions or other
19 emissions with the potential benefit of improving the
20 future marketability of Wyoming energy sources;

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22 (C) Increase the national and international
23 exposure of the state of Wyoming and its agencies,

1 institutions, instrumentalities and political subdivisions
2 as participants and locations for innovation in energy;

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4 (D) Add ancillary or supplemental value to
5 Wyoming products or byproducts; or

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7 (E) Lead to the development of methods or
8 products that may advance the future use of Wyoming's
9 natural resources.

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11 (e) The state of Wyoming, by and through the
12 University of Wyoming school of energy resources, shall
13 have sole ownership of the physical plant of any test
14 facility constructed in accordance with paragraph (d)(i) of
15 this section that was constructed with state funds. State
16 ownership shall not extend to the real property on which
17 the physical plant is located nor to any improvement,
18 equipment or fixture purchased with funds that are not
19 state funds.

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21 (f) Not later than October 1 of each year and as part
22 of the report required under W.S. 21-17-117, the school of
23 energy resources shall report to the joint minerals,

1 business and economic development interim committee and the
2 joint appropriations committee on:

3

4 (i) The work of the integrated test center in
5 the past fiscal year, including the work and use of the
6 research facility established under paragraph (d)(i) of
7 this section;

8

9 (ii) All accomplishments of the integrated test
10 center in the past fiscal year and benefits accruing to
11 Wyoming's economy as a result of the integrated test
12 center's work;

13

14 (iii) The current occupancy of the integrated
15 test center, including lessees and the projects lessees are
16 conducting at the integrated test center center.

17

18 **Section 3.** W.S. 21-17-117(c)(iv) and by creating a
19 new paragraph (v) and (f) is amended to read:

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21 **21-17-117. School of energy resources; creation**
22 **authorized; University of Wyoming energy resources council**
23 **established; reports; budget submittal.**

1

2 (c) The school of energy resources shall:

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4 (iv) Notwithstanding any other provision of this
5 chapter, develop and submit a budget for the school for
6 approval by the energy resources council and then shall
7 submit the budget for review in accordance with W.S.
8 9-2-1010 through 9-2-1014. The school of energy resources
9 shall include in the budget submitted under this paragraph
10 a budget for the integrated test center specified in W.S.
11 21-17-117.1. The school of energy resources shall submit
12 its budget to the governor after approval by the energy
13 resources council created in subsection (e) of this
14 section. The school of energy resources shall submit a copy
15 of its budget for informational purposes to the
16 university's board of trustees;

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STAFF COMMENT

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22 **The School of Energy Resources offered suggested changes**
23 **for W.S. 21-17-117(c), which is existing law that specifies**
24 **the required duties of the School of Energy Resources. The**
25 **changes suggested would: (1) make that entire subsection**
26 **discretionary (instead of required duties) and (2) would**
27 **amend the process and requirements by which SER must submit**
28 **a budget.**

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The Committee may wish to consider the following with the suggested changes:

- The effect of changing the "shall" to a "may" in (c)(intro) in terms of the duties that are not amended in this bill draft (effectively making the required duties discretionary on the part of SER).
- Whether the changes to the duties and budget-submission requirements are within the subject of the bill (concerning the transfer of the Integrated Test Center).
- What consequences may result from making the decision to submit SER's budget to the Governor and the State Budget Department under W.S. 9-2-1010 through 9-2-1014 as part of the standard budget process discretionary.

(v) Oversee and manage the integrated test center in accordance with W.S. 21-17-117.1.

(f) The university shall report annually, not later than October 1, to the joint minerals, business and economic development interim committee, the joint appropriations committee and the joint education interim committee regarding all revenues to and expenditures by the school of energy resources during the preceding fiscal year, any budget prepared and submitted under paragraph (c)(iv) of this section, accomplishments of the school of energy resources and its benefits to Wyoming's energy

1 economy. The report submitted under this subsection shall
2 include a report on the integrated test center in
3 accordance with W.S. 21-17.117.1(f).

4

5 **Section 4.**

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7 (a) On the effective date of this act, the integrated
8 test center designed and constructed under 2014 Wyoming
9 session laws, chapter 26, section 334(n) shall be
10 transferred to the authority of the University of Wyoming
11 school of energy resources. Subject to the requirements of
12 this section, all property, equipment, unexpended funds and
13 obligations associated with the integrated test center,
14 including any unexpended funds from funds appropriated in
15 2014 Wyoming session laws, chapter 26, section 334(h)(ii)
16 and (n)(intro) shall be transferred to the school of energy
17 resources on the effective date of this act, except as
18 otherwise provided in this section.

19

20 (b) Nothing in this act shall be construed to impair
21 existing agreements, contracts or other obligations of the
22 integrated test center that were entered into by the
23 integrated test center or on the integrated test center's

1 behalf before the effective date of this act. Except as
2 otherwise provided in this subsection, agreements,
3 contracts or other obligations entered into by the
4 integrated test center or on the integrated test center's
5 behalf before the effective date of this act shall be
6 treated as if entered by the school of energy resources.
7 The school of energy resources shall, to the greatest
8 extent authorized by law and upon assuming responsibility
9 for the integrated test center, fulfill existing
10 agreements, contracts and other obligations of the
11 integrated test center entered into before the effective
12 date of this act. For any existing agreement, contract or
13 other obligation that the school of energy resources cannot
14 assume lawfully, the entity or agency originally entering
15 into, assuming or holding the agreement, contract or
16 obligation shall retain and fulfill those agreements,
17 contracts and other obligations.

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19 (c) If any funds appropriated to or for the purpose
20 of the integrated test center before the effective date of
21 this act cannot be lawfully transferred to the school of
22 energy resources, the entity or agency to whom those funds
23 were appropriated shall retain those funds and expend those

1 funds for the integrated test center in accordance with the
2 terms of the appropriation. Funds retained by an entity or
3 agency under this subsection shall remain subject to all
4 applicable provisions of law pertaining to appropriations,
5 expenditures and reversions.

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9 **STAFF COMMENT**

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11 **The School of Energy Resources has suggested replacing**
12 **Section 4 (above) with the following:**

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14 **Section 4.** Nothing in this act shall be construed to
15 impair existing agreements, contracts or other obligations
16 of the integrated test center that were entered into by the
17 integrated test center, the Wyoming energy authority, the
18 office of the governor or the University of Wyoming school
19 of energy resources before July 1, 2025.

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25 **Section 5.** This act is effective immediately upon
26 completion of all acts necessary for a bill to become law
27 as provided by Article 4, Section 8 of the Wyoming
28 Constitution.

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(END)