

SENATE FILE NO. SF0078

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 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 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  
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  
18 authorized under this chapter that is available to a carbon  
19 dioxide provider shall be equal to ten dollars (\$10.00) for  
20 every one (1) ton of carbon dioxide that:

21

22 (i) The carbon dioxide provider sells, delivers  
23 or provides 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 is no longer eligible 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 established in W.S.  
13 9-25-104, subject to available funds within the account.  
14 Stimulus payments shall not be made from any other source  
15 except upon express approval by the legislature. In the  
16 event of insufficient funds in the enhanced oil recovery  
17 stimulus account established in W.S. 9-25-104 for any one  
18 (1) fiscal 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  
2 created under this chapter and shall ensure that each  
3 carbon dioxide provider applying to receive a stimulus  
4 meets all qualifications under this chapter before  
5 receiving a stimulus. The authority shall promulgate all  
6 rules necessary to implement the stimulus 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 funds paid  
22 from the enhanced oil recovery stimulus account for the

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

3

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

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:

19

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

22

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

5  
6           **Section 2.** There is appropriated from the legislative  
7 stabilization reserve account to the enhanced oil recovery  
8 stimulus account established by W.S. 9-25-104, as created  
9 by section 1 of this act, ten million dollars  
10 (\$10,000,000.00). This appropriation shall be expended only  
11 for purposes of providing stimulus payments for the  
12 enhanced oil recovery stimulus established in W.S. 9-25-101  
13 through 9-25-104, as created by section 1 of this act. This  
14 appropriation shall not be transferred or expended for any  
15 other purpose. Notwithstanding W.S. 9-2-1008, 9-2-1012(e)  
16 and 9-4-207, this appropriation shall not revert except as  
17 otherwise provided in W.S. 9-25-104(b), as created by  
18 section 1 of this act.

19

20           **Section 3.** This act is effective July 1, 2024.

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22

(END)