

ENROLLED ACT NO. 34, HOUSE OF REPRESENTATIVES

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING  
2026 BUDGET SESSION

AN ACT relating to administration of the government; providing duties for the Wyoming energy authority; providing for the establishment of industrial sovereign zones to encourage the production of value-added manufactured products using natural gas; authorizing a board of county commissioners to nominate an area as an industrial sovereign zone; providing for certification of value-added manufactured processes; providing for an expedited licensing and permit process; providing tax exemptions; making conforming amendments; providing appropriations; and providing for an effective date.

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

**Section 1.** W.S. 9-20-201 through 9-20-203 are created to read:

ARTICLE 2  
ENERGY PRODUCT RECLASSIFICATION AND SOVEREIGNTY ACT

**9-20-201. Definitions.**

(a) As used in this article:

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

(ii) "Manufactured product" or "value-added manufactured product" means natural gas that undergoes substantial molecular transformation in Wyoming to produce a new product;

(iii) "Methane intensity" means the measure of methane emissions relative to the natural gas that is processed;

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(iv) "Substantial molecular transformation" includes, without limitation:

(A) The thermal decomposition of natural gas into hydrogen and solid carbon, also known as methane pyrolysis or turquoise hydrogen production;

(B) The conversion of natural gas and nitrogen into anhydrous ammonia, also known as ammonia synthesis or blue or turquoise ammonia production;

(C) Any other process that transforms natural gas to produce hydrogen, ammonia or another valuable product that is chemically distinct from methane or from other gases that are part of the natural gas stream including carbon dioxide, nitrogen, hydrogen sulfide and helium.

**9-20-202. Industrial sovereign zones.**

(a) A board of county commissioners may nominate an area within its jurisdiction as an industrial sovereign zone. Two (2) or more counties may jointly nominate a contiguous or related area as a single sovereign zone. Each county shall adopt a formal resolution approving the nomination of an industrial sovereign zone under this subsection. Nominations under this section shall be made in the form required by the authority and shall include:

(i) A defined geographic boundary describing the nominated industrial sovereign zone;

(ii) Evidence of access to natural gas resources;

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(iii) Information required by the authority to evaluate the suitability of the area for the production of value-added manufactured products under this article.

(b) The authority shall establish an industrial sovereign zone in an area nominated as an industrial sovereign zone under subsection (a) of this section if the authority determines there is an opportunity for the production and distribution of value-added manufactured products due to a reduced price paid for sales of natural gas in that area or other factors determined by the authority. The authority may modify the boundaries of an industrial sovereign zone by decreasing the size of the zone as determined necessary by the authority. The boundaries of an industrial sovereign zone shall not be enlarged unless each affected county formally consents to the enlargement of the zone outside of the boundaries defined in the nomination under subsection (a) of this section.

(c) For any industrial sovereign zone established under subsection (b) of this section, the following shall apply:

(i) Any person seeking to establish a facility for the production of a value-added manufactured product in the industrial sovereign zone:

(A) May apply to the authority for assistance in establishing the facility including, without limitation, identification and assistance in complying with state licensing applications or requirements;

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(B) Shall be eligible for the expedited permit process as provided by W.S. 35-11-109(a) (xvi).

(ii) If a facility is established for the production of a value-added manufactured product in the zone, machinery sold or purchased for use in the facility shall be eligible for the tax exemptions under W.S. 39-15-105(a) (viii) (O) (V) and 39-16-105(a) (viii) (D) (V).

**9-20-203. Gold standard certification.**

(a) The authority shall establish standards of certification for any value-added manufactured product that is produced in Wyoming to promote the special attributes of the manufactured product. The authority shall establish a certification for any manufactured product that certifies that the product is a gold standard Wyoming product if the producer of the manufactured product demonstrates that the product is produced with not more than two-tenths percent (0.2%) methane intensity.

(b) The use of any certification standards established under subsection (a) of this section by any producer of a manufactured product shall be on a voluntary basis. The authority may collect fees on an annual basis, not exceeding the cost of administering the certification program under subsection (a) of this section, from producers participating in the voluntary certification program. Any fees collected under this subsection may be retained by the authority and shall only be expended to administer the certification program under subsection (a) of this section.

(c) The authority may suspend or revoke a certification granted under this section if the recipient

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of the certification fails to meet all of the requirements adopted by the authority.

**Section 2.** W.S. 35-11-109(a) by creating a new paragraph (xvi), 35-12-119(a), 37-5-503 by creating a new subsection (k), 39-15-105(a)(viii)(O) and by creating new subdivisions (IV) and (V) and 39-16-105(a)(viii)(D) and by creating new subdivisions (IV) and (V) are amended to read:

**35-11-109. Powers and duties of director.**

(a) In addition to any other powers and duties imposed by law, the director of the department shall:

(xvi) Establish an expedited process to issue all permits or licenses required under this act that are necessary for the establishment or operation of a facility for the production of a value-added manufactured product in an industrial sovereign zone established under W.S. 9-20-202. The expedited process under this paragraph shall be prioritized ahead of all other permit applications and expedited to the extent that the process does not adversely impact primacy of permitting programs or reduce public health and environmental protections provided for in the Environmental Quality Act. The issuance of licenses or permits shall not be unreasonably delayed. In addition to an expedited process established under this paragraph, the director may, by rule, establish a pre-permitting process for any permit or license required under this act for the establishment or operation of a facility for the production of a value-added manufactured product in an industrial sovereign zone established under W.S. 9-20-201 through 9-20-203.

**35-12-119. Exemptions; information required.**

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(a) Nonmineral processing facilities to be constructed in existing industrial parks, as designated by local governments, and industrial sovereign zones established under W.S. 9-20-202 are exempt from payment of fees and certification procedures but shall furnish the information required by W.S. 35-12-109(a)(iii), (iv) and (v) to the division if included in W.S. 35-12-102(a)(vii).

**37-5-503. Purposes; report.**

(k) The authority shall administer the energy product reclassification and sovereignty act as created by W.S. 9-20-201 through 9-20-203. The authority, consistent with the purposes of this section, may take any action necessary to encourage the production of value-added manufactured products as defined in W.S. 9-20-201(a)(ii).

**39-15-105. Exemptions.**

(a) The following sales or leases are exempt from the excise tax imposed by this article:

(viii) For the purpose of exempting sales of services and tangible personal property as an economic incentive, the following are exempt:

(O) The sale or lease of machinery to be used in this state directly and predominantly in manufacturing as follows:

(IV) Until December 31, 2042, the sale or lease of machinery to be used in this state directly and predominantly in manufacturing tangible personal property;

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(V) The sale or lease of machinery to be used in an industrial sovereign zone established under W.S. 9-20-202 and used directly and predominantly in the production of a value-added manufactured product as defined in W.S. 9-20-201(a)(ii).

**39-16-105. Exemptions.**

(a) The following purchases or leases are exempt from the excise tax imposed by this article:

(viii) For the purpose of exempting sales of services and tangible personal property as an economic incentive, the following are exempt:

(D) The purchase or lease of machinery to be used in this state directly and predominantly in manufacturing as follows:

(IV) Until December 31, 2042, the purchase or lease of machinery to be used in this state directly and predominantly in manufacturing tangible personal property;

(V) The purchase or lease of machinery to be used in an industrial sovereign zone established under W.S. 9-20-202 and used directly and predominantly in the production of a value-added manufactured product as defined in W.S. 9-20-201(a)(ii).

**Section 3.** If nominated by the board of county commissioners under W.S. 9-20-202(a) as created by section 1 of this act, the Wyoming energy authority shall first consider establishing an industrial sovereign zone under W.S. 9-20-202 as created by section 1 of this act in the

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area of the Opal natural gas hub if the Wyoming energy authority determines that the price of natural gas that is sold from the Opal natural gas hub is reduced compared to other sales of natural gas in other areas of the United States.

**Section 4.** There is appropriated one hundred eighty thousand dollars (\$180,000.00) from the general fund to the Wyoming energy authority for purposes of providing for personnel expenses within the personal services series (100 series) or through the contractual services series (900 series) as necessary to implement this act. This appropriation shall be for the period beginning with the effective date of this act and ending June 30, 2028. This appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2028. It is the intent of the legislature that this appropriation not be included in the Wyoming energy authority's standard budget for the immediately succeeding fiscal biennium.

ORIGINAL HOUSE  
BILL NO. HB0120

ENGROSSED

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**Section 5.** 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.

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the House.

\_\_\_\_\_  
Chief Clerk