

106TH CONGRESS
2D SESSION

H. R. 4340

To simplify Federal oil and gas revenue distributions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2000

Mr. UDALL of New Mexico (for himself, Mrs. CUBIN, and Mr. SKEEN) introduced the following bill; which was referred to the Committee on Resources

A BILL

To simplify Federal oil and gas revenue distributions, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Mineral Revenue Pay-
5 ments Clarification Act of 2000”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) Subtitle C of title X of the Omnibus Budget
9 Reconciliation Act of 1993 (Public Law 103–66)
10 changed the sharing of onshore mineral revenues

1 and revenues from geothermal steam from a 50:50
2 split between the Federal Government and the
3 States to a complicated formula, which provides that
4 “50 percent of the portion of the enacted appropria-
5 tion of the Department of the Interior and any other
6 agency during the preceding fiscal year allocable to
7 the administration of all laws providing for the leas-
8 ing of any onshore lands or interest in land owned
9 by the United States for the production of the same
10 types of minerals leasable under this Act or of geo-
11 thermal steam, and to enforcement of such laws,
12 shall be deducted from the receipts derived under
13 those laws in approximately equal amounts each
14 month (subject to paragraph (4)) prior to the divi-
15 sion and distribution of such receipts between the
16 States and the United States.”.

17 (2) The system put in place by this change in
18 law has proved difficult to administer and has given
19 rise to disputes between the Federal Government
20 and the States as to the nature of allocable ex-
21 penses. Federal accounting systems have proven to
22 be poorly suited to breaking down administrative
23 costs in the manner required by the law. Different
24 Federal agencies implementing this law have used
25 varying methodologies to identify allocable costs, re-

1 sulting in an inequitable distribution of costs during
2 fiscal years 1994 through 1996. In November, 1997,
3 the Inspector General of the Department of the In-
4 terior found that “the congressionally approved
5 method for cost sharing deductions effective in fiscal
6 year 1997 may not accurately compute the deduc-
7 tions.”.

8 (3) Given the complexity and administrative
9 burden involved, a return to the sharing formula as
10 last amended by Public Law 100–203 is justified.

11 **SEC. 3. AMENDMENT OF THE MINERAL LEASING ACT.**

12 Section 35(b) of the Mineral Leasing Act (30 U.S.C.
13 191(b)) is amended to read as follows:

14 “(b) In determining the amount of payments to the
15 States under this section, the amount of such payments
16 shall not be reduced by any administrative or other costs
17 incurred by the United States.”.

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