

107TH CONGRESS
1ST SESSION

H. R. 2475

To provide for the distribution to coastal States and counties of revenues collected under the Outer Continental Shelf Lands Act.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2001

Mr. ROHRABACHER introduced the following bill; which was referred to the Committee on Resources

A BILL

To provide for the distribution to coastal States and counties of revenues collected under the Outer Continental Shelf Lands Act.

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 “Fair Disbursement of
5 Offshore Oil Revenue Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that—

8 (1) the demand for energy in the United States
9 is increasing and will continue to increase for the
10 foreseeable future;

1 (2) domestic production of oil and gas is declin-
2 ing;

3 (3) the United States continues to be overly de-
4 pendent on foreign sources of oil and gas;

5 (4) the Outer Continental Shelf contains signifi-
6 cant quantities of oil and gas that should be devel-
7 oped to meet United States energy needs while safe-
8 guarding important environmental values;

9 (5) the exploration, development, and produc-
10 tion of Outer Continental Shelf resources, and the
11 siting of related energy facilities, may impact various
12 State and local governments; and

13 (6) coastal States and counties should be pro-
14 vided with a share of the revenues derived from
15 Outer Continental Shelf oil and gas leasing, explo-
16 ration, development, and production activities.

17 **SEC. 3. DEFINITIONS.**

18 For purposes of this Act—

19 (1) the term “coastal State” means any State
20 of the United States bordering on the Atlantic
21 Ocean, the Pacific Ocean, the Arctic Ocean, or the
22 Gulf of Mexico;

23 (2) the term “coastal county” means a unit of
24 general government immediately below the level of
25 State government, as determined by the Secretary

1 under section 6, with jurisdiction over lands along
2 the coast line;

3 (3) the term “coast line” has the meaning given
4 such term under the Submerged Lands Act (43
5 U.S.C. 1301 et seq.);

6 (4) the term “Outer Continental Shelf” has the
7 meaning given the term “outer Continental Shelf”
8 under the Outer Continental Shelf Lands Act (43
9 U.S.C. 1331 et seq.);

10 (5) the term “Secretary” means the Secretary
11 of the Interior; and

12 (6) the term “revenues” means all bonuses,
13 rents, royalties, and other moneys collected under
14 the Outer Continental Shelf Lands Act (43 U.S.C.
15 1331 et seq.), and interest thereon.

16 **SEC. 4. COASTAL COMMUNITIES OUTER CONTINENTAL**
17 **SHELF RECEIPT FUND.**

18 (a) ESTABLISHMENT.—There is established an inter-
19 est bearing account in the Treasury of the United States
20 to be known as the Coastal Communities Outer Conti-
21 nental Shelf Receipt Fund (hereafter in this Act referred
22 to as “the Fund”).

23 (b) PAYMENTS TO FUND.—Beginning in fiscal year
24 2002, the Secretary shall pay into the Fund all revenues
25 described in subsection (c) that are attributable to an

1 Outer Continental Shelf lease, any part of which is within
2 200 geographical miles of the coast line. The Secretary
3 may adjust amounts in the Fund at any time to account
4 for overpayments, underpayments, and errors.

5 (c) NEW REVENUES.—Subsection (b) shall apply only
6 to—

7 (1) bonus revenues under a lease if no bonus
8 revenues have been received by the Secretary under
9 that lease before January 1, 2001;

10 (2) rent revenues under a lease if no rent reve-
11 nues have been received by the Secretary under that
12 lease before January 1, 2001;

13 (3) royalty revenues under a lease if no royalty
14 revenues have been received by the Secretary under
15 that lease before January 1, 2001; and

16 (4) other revenues under a lease if the lease
17 was issued on or after January 1, 2001.

18 **SEC. 5. DISPOSITION OF FUND.**

19 (a) STATE SHARE.—(1) Six months after the end of
20 fiscal year 2002, and annually thereafter, the Secretary
21 shall pay from the Fund to each coastal State one-half
22 of such revenues paid into the Fund with respect to the
23 fiscal year most recently completed, and any interest
24 earned thereon, as may be attributable to that State.

1 (2) In order to determine to which State revenues are
2 attributable for purposes of this Act, the Secretary shall
3 delimit the lateral boundaries between the coastal States
4 to a point 200 geographic miles seaward of the coast line.
5 Such boundaries shall be set according to the following
6 principles, listed in order of the priority of their applica-
7 tion:

8 (A) Any judicial decrees or interstate compacts
9 delimiting lateral offshore boundaries between coast-
10 al States.

11 (B) Principles of domestic and international law
12 governing the delimitation of lateral offshore bound-
13 aries.

14 (C) The desirability of following existing lease
15 boundaries and block lines on the Secretary's official
16 protraction diagrams.

17 (3) Each coastal State, before receiving funds under
18 this subsection, shall annually enact the necessary legisla-
19 tion to provide any State permits required for onshore fa-
20 cilities needed to support offshore oil or gas development
21 or production in the area adjacent to that coastal State.
22 If a State fails to enact such legislation, the funds attrib-
23 utable to that State shall not be disbursed, and the Sec-
24 retary shall take into consideration that failure before of-

1 fering any additional leases for sale in the offshore area
2 adjacent to that State.

3 (b) COASTAL COUNTY SHARE.—(1) At the same time
4 that the Secretary pays revenues to coastal States under
5 subsection (a), the Secretary shall pay to coastal counties
6 within that State the remaining one-half of the revenues,
7 and any interest earned on those revenues, in the Fund
8 for that fiscal year attributable to that State.

9 (2) In order to determine to which coastal county rev-
10 enues are attributable for purposes of this Act, the Sec-
11 retary shall delimit the lateral boundaries between the
12 coastal counties to a point 200 geographic miles seaward
13 of the coast line. Such boundaries shall be set according
14 to the following principles, listed in order of the priority
15 of their application:

16 (A) Existing boundaries between coastal coun-
17 ties with valid supporting legal authority.

18 (B) The desirability of following existing lease
19 boundaries and block lines on the Secretary's official
20 protraction diagrams.

21 (C) The principle that, to the extent consistent
22 with subparagraphs (A) and (B), the size of the
23 coastal county's adjacent offshore area, as a percent-
24 age of all of that State's adjacent offshore areas,
25 shall be based on a formula giving equal weight to—

1 (i) the coastal county's coast line as a per-
2 centage of the State's coast line, calculated
3 using the same large-scale charts of the Na-
4 tional Ocean Service that are used to delimit
5 the territorial sea under international law; and

6 (ii) the coastal county's population as a
7 percentage of the population of all coastal coun-
8 ties in the State, calculated by the Secretary
9 using the best available national census data.

10 (3) Each coastal county, before receiving funds under
11 this subsection, shall annually enact by county statute or
12 ordinance the necessary legislation to provide the local
13 permits required for onshore facilities needed to support
14 offshore oil or gas development or production in the area
15 adjacent to that coastal county, and the necessary legisla-
16 tion to expend such funds. If a county fails to enact such
17 legislation, the funds attributable to that county shall not
18 be disbursed, and the Secretary shall take into consider-
19 ation that failure before offering any additional leases for
20 sale in the offshore area adjacent to that county.

21 (c) USE OF FUNDS BY STATES.—Each coastal State
22 shall use funds received pursuant to subsection (a)—

23 (1) to pay for the administrative costs the State
24 incurs in the leasing and permitting process as spec-
25 ified in the Outer Continental Shelf Lands Act;

1 (2) for such environmental and natural resource
2 projects as the State determines; or

3 (3) for such educational projects as the State
4 determines.

5 (d) COUNTY DISTRIBUTION OF FUNDS.—Each coast-
6 al county shall develop a formula to allocate at least two-
7 thirds of the funds received pursuant to subsection (b) to
8 local communities within its jurisdiction based on the
9 proximity of these communities to the coast, except that
10 funds shall be withheld from communities that the Sec-
11 retary determines have failed to issue permits required for
12 onshore facilities needed to support offshore oil or gas de-
13 velopment or production in the area adjacent to that
14 coastal county.

15 **SEC. 6. DESIGNATION OF COASTAL COUNTIES.**

16 For the purposes of this Act, the Secretary, after con-
17 sultation with the Governor of each coastal State, shall
18 determine which counties, parishes, boroughs, tribal gov-
19 ernments, or other units of general government imme-
20 diately below the level of State government shall be des-
21 ignated as coastal counties.

22 **SEC. 7. LIMITATIONS ON APPLICABILITY OF BOUNDARIES.**

23 The boundaries and areas delimited under section 5
24 are solely for the purposes of this Act.

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