

104TH CONGRESS
1ST SESSION

S. 575

To provide Outer Continental Shelf Impact Assistance to State and local governments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 16, 1995

Mr. STEVENS (for himself, Mr. MURKOWSKI, Mr. JOHNSTON, and Mr. BREAUX) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide Outer Continental Shelf Impact Assistance to State and local governments, 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. DEFINITIONS.**

4 For purposes of this Act only, the term—

5 (1) “coastline” has the same meaning that it
6 has in the Submerged Lands Act (43 U.S.C. 1301
7 et seq.);

8 (2) “county” means a unit of general govern-
9 ment constituting the local jurisdiction immediately
10 below the level of State government. This term in-

1 includes, but is not limited to, counties, parishes, vil-
2 lages and tribal governments which function in lieu
3 of and are not within a county, and in Alaska, bor-
4 ough governments. If State law recognizes an entity
5 of general government that functions in lieu of and
6 is not within a county, the Secretary may recognize
7 such other entities of general government as coun-
8 ties;

9 (3) “coastline State” means any State of the
10 United States bordering on the Atlantic Ocean, the
11 Pacific Ocean, the Arctic Ocean, the Bering Sea or
12 the Gulf of Mexico;

13 (4) “distance” means minimum great circle dis-
14 tance, measured in statute miles;

15 (5) “leased tract” means a tract, leased under
16 section 8 of the Outer Continental Shelf Lands Act
17 (43 U.S.C. 1337) for the purpose of drilling for, de-
18 veloping and producing oil or natural gas resources,
19 which is a unit consisting of either a block, a portion
20 of a block, a combination of blocks and/or portions
21 of blocks, as specified in the lease, and as depicted
22 on an Outer Continental Shelf Official Protraction
23 Diagram;

24 (6) “new revenues” means monies received by
25 the United States as royalties (including payments

1 for royalty taken in kind and sold pursuant to sec-
2 tion 27 of the Outer Continental Shelf Lands Act
3 (43 U.S.C. 1353)), net profit share payments, and
4 related late-payment interest from natural gas and
5 oil leases issued pursuant to the Outer Continental
6 Shelf Lands Act, but only from leased tracts from
7 which such revenues are first received by the United
8 States after the date of enactment of this Act;

9 (7) “Outer Continental Shelf” means all sub-
10 merged lands lying seaward and outside of the area
11 of “lands beneath navigable waters” as defined in
12 section 2(a) of the Submerged Lands Act 43 U.S.C.
13 1301(a)), and of which the subsoil and seabed ap-
14 pertain to the United States and are subject to its
15 jurisdiction and control; and

16 (8) “Secretary” means the Secretary of the In-
17 terior or the Secretary’s designee.

18 **SEC. 2. IMPACT ASSISTANCE FORMULA AND PAYMENTS.**

19 (a) There is established a fund in the Treasury of
20 the United States, which shall be known as the “Outer
21 Continental Shelf Impact Assistance Fund” (hereinafter
22 referred to in this Act as “the Fund”). Allocable new reve-
23 nues determined under subsection (c) shall be deposited
24 in the Fund.

1 (b) The Secretary of the Treasury shall invest excess
2 monies in the Fund, at the written request of the Sec-
3 retary, in public debt securities with maturities suitable
4 to the needs of the Fund, as determined by the Secretary,
5 and bearing interest at rates determined by the Secretary
6 of the Treasury, taking into consideration current market
7 yields on outstanding marketable obligations of the United
8 States of comparable maturity.

9 (c) Notwithstanding section 9 of the Outer Continen-
10 tal Shelf Lands Act (43 U.S.C. 1338), amounts in the
11 Fund, together with interest earned from investment
12 thereof, shall be paid at the direction of the Secretary as
13 follows:

14 (1) The Secretary shall determine the new reve-
15 nues from any leased tract or portion of a leased
16 tract lying seaward of the zone defined and governed
17 by section 8(g) of the Outer Continental Shelf Lands
18 Act (43 U.S.C. 1337(g)), or lying within such zone
19 but to which section 8(g) does not apply, the geo-
20 graphic center of which lies within a distance of 200
21 miles from any part of the coastline of any coastal
22 State (hereinafter referred to as an “eligible coastal
23 State”).

1 (2) The Secretary shall determine the allocable
2 share of new revenues determined under paragraph
3 (1) by multiplying such revenues by 27 percent.

4 (3) The Secretary shall determine the portion of
5 the allocable share of new revenues attributable to
6 each eligible coastal State (hereinafter referred to as
7 the “eligible coastal State’s attributable share”)
8 based on a fraction which is inversely proportional to
9 the distance between the nearest point on the coast-
10 line of the eligible coastal State and the geographic
11 center of the leased tract or portion of the leased
12 tract (to the nearest whole mile). Further, the ratio
13 of an eligible State’s attributable share to any other
14 eligible State’s attributable share shall be equal to
15 the inverse of the ratio of the distances between the
16 geographic center of the leased tract or portion of
17 the leased tract and the coastlines of the respective
18 eligible coastal States. The sum of the eligible coast-
19 al States’ attributable shares shall be equal to the
20 allocable share of new revenues determined under
21 paragraph (2).

22 (4) The Secretary shall pay from the Fund 50
23 percent of each eligible coastal State’s attributable
24 share, together with the portion of interest earned

1 from investment of the funds which corresponds to
2 that amount, to that State.

3 (5) Within 60 days of enactment of this Act,
4 the Governor of each eligible coastal State shall pro-
5 vide the Secretary with a list of all counties, as de-
6 fined herein, that are to be considered for eligibility
7 to receive impact assistance payments. This list
8 must include all counties with borders along the
9 State's coastline and may also include counties
10 which are at the closest point no more than 60 miles
11 from the State's coastline and which are certified by
12 the Governor to have significant impacts from Outer
13 Continental Shelf-related activities. For any such
14 county that does not have a border along the coast-
15 line, the Governor shall designate the coastline of
16 the nearest county that does have a border along the
17 coastline to serve as the former county's coastline
18 for the purposes of this section. The Governor of
19 any eligible coastal State may modify this list when-
20 ever significant changes in Outer Continental Shelf
21 activities require a change, but no more frequently
22 than once a year.

23 (6) The Secretary shall determine, for each
24 county within the eligible coastal State identified by
25 the Governor according to paragraph (5) for which

1 any part of the county's coastline lies within a dis-
2 tance of 200 miles of the geographic center of the
3 leased tract or portion of the leased tract (herein-
4 after referred to as an "eligible county") 50 percent
5 of the eligible coastal State's attributable share
6 which is attributable to such county (hereinafter re-
7 ferred to as the "eligible county's attributable
8 share") based on a fraction which is inversely pro-
9 portional to the distance between the nearest point
10 on the coastline of the eligible county and the geo-
11 graphic center of the leased tract or portion of the
12 leased tract (to the nearest whole mile). Further, the
13 ratio of any eligible county's attributable share to
14 any other eligible county's attributable share shall be
15 equal to the inverse of the ratio of the distances be-
16 tween the geographic center of the leased tract or
17 portion of the leased tract and the coastlines of the
18 respective eligible counties. The sum of the eligible
19 counties' attributable shares for all eligible counties
20 within each State shall be equal to 50 percent of the
21 eligible coastal State's attributable share determined
22 under paragraph (3).

23 (7) The Secretary shall pay from the Fund the
24 eligible county's attributable share, together with the
25 portion of interest earned from investment of the

1 Fund which corresponds to that amount, to that
2 county.

3 (8) Payments to eligible coastal States and eli-
4 gible counties under this section shall be made not
5 later than December 31 of each year from new reve-
6 nues received and interest earned thereon during the
7 immediately preceding fiscal year, but not earlier
8 than one year following the date of enactment of this
9 Act.

10 (9) The remainder of new revenues and interest
11 earned in the Fund not paid to an eligible State or
12 an eligible county under this section shall be dis-
13 posed of according to the law otherwise applicable
14 to receipts from leases on the Outer Continental
15 Shelf.

16 **SEC. 3. USES OF FUNDS.**

17 Funds received pursuant to this Act shall be used by
18 the eligible coastal States and eligible counties for projects
19 and activities related to all impacts of Outer Continental
20 Shelf-related activities including but not limited to—

21 (1) air quality, water quality, fish and wildlife,
22 wetlands, or other coastal resources;

23 (2) other activities of such State or county, au-
24 thorized by the Coastal Zone Management Act of
25 1972 (16 U.S.C. 1451 et seq.), the provisions of

1 subtitle B of title IV of the Oil Pollution Act of
2 1990 (104 Stat. 523), or the Federal Water Pollu-
3 tion Control Act (33 U.S.C. 1251 et seq.); and

4 (3) administrative costs of complying with the
5 provisions of this subtitle.

6 **SEC. 4. OBLIGATIONS OF ELIGIBLE COUNTIES AND STATES.**

7 (a) PROJECT SUBMISSION.—Prior to the receipt of
8 funds pursuant to this Act for any fiscal year, an eligible
9 county must submit to the Governor of the State in which
10 it is located a plan setting forth the projects and activities
11 for which the eligible county proposes to expend such
12 funds. Such plan shall state the amounts proposed to be
13 expended for each project or activity during the upcoming
14 fiscal year.

15 (b) PROJECT APPROVAL.—Prior to the payment of
16 funds pursuant to this Act to any eligible county for any
17 fiscal year, the Governor must approve the plan submitted
18 by the eligible county pursuant to subsection (a) and no-
19 tify the Secretary of such approval. State approval of any
20 such plan shall be consistent with all applicable State and
21 federal law. In the event the Governor disapproves any
22 such plan, the funds that would otherwise be paid to the
23 eligible county shall be placed in escrow by the Secretary
24 pending modification and approval of such plan, at which

1 time such funds together with interest thereon shall be
2 paid to the eligible county.

3 (c) CERTIFICATION.—No later than 60 days after the
4 end of the fiscal year, any eligible county receiving funds
5 under this Act must certify to the Governor—

6 (1) the amount of such funds expended by the
7 county during the previous fiscal year;

8 (2) the amounts expended on each project or
9 activity; and

10 (3) the status of each project or activity.

11 **SEC. 5. ANNUAL REPORT, REFUNDS.**

12 (a) On June 15 of each fiscal year, the Governor of
13 each State receiving monies from the Fund shall account
14 for all monies so received for the previous fiscal year in
15 a written report to Congress.

16 (b) In those instances where through judicial deci-
17 sion, administrative review, arbitration or other means
18 there are royalty refunds owed to entities generating new
19 revenues under this Act, repayment of such refunds in the
20 same proportion as monies were received under section 2
21 shall be the responsibility of the governmental entities re-
22 ceiving distributions under the Fund.

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