

Union Calendar No. 589106TH CONGRESS
2^D SESSION**H. R. 4340****[Report No. 106–1012]**

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

OCTOBER 26, 2000

Additional sponsors: Mr. JOHN, Mr. ISTOOK, Mr. COOK, Mr. POMEROY, Mr. MORAN of Kansas, Mr. GIBBONS, Mr. RADANOVICH, Mr. MOORE, and Mr. RYUN of Kansas

OCTOBER 26, 2000

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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,*

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) Subtitle C of title X of the Omnibus Budget
7 Reconciliation Act of 1993 (Public Law 103–66)
8 changed the sharing of onshore mineral revenues
9 and revenues from geothermal steam from a 50:50
10 split between the Federal Government and the
11 States to a complicated formula, which provides that
12 “50 percent of the portion of the enacted appropria-
13 tion of the Department of the Interior and any other
14 agency during the preceding fiscal year allocable to
15 the administration of all laws providing for the leas-
16 ing of any onshore lands or interest in land owned
17 by the United States for the production of the same
18 types of minerals leasable under this Act or of geo-
19 thermal steam, and to enforcement of such laws,
20 shall be deducted from the receipts derived under
21 those laws in approximately equal amounts each
22 month (subject to paragraph (4)) prior to the divi-
23 sion and distribution of such receipts between the
24 States and the United States.”.

25 (2) The system put in place by this change in
26 law has proved difficult to administer and has given

1 rise to disputes between the Federal Government
2 and the States as to the nature of allocable ex-
3 penses. Federal accounting systems have proven to
4 be poorly suited to breaking down administrative
5 costs in the manner required by the law. Different
6 Federal agencies implementing this law have used
7 varying methodologies to identify allocable costs, re-
8 sulting in an inequitable distribution of costs during
9 fiscal years 1994 through 1996. In November, 1997,
10 the Inspector General of the Department of the In-
11 terior found that “the congressionally approved
12 method for cost sharing deductions effective in fiscal
13 year 1997 may not accurately compute the deduc-
14 tions.”.

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

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

19 Section 35(b) of the Mineral Leasing Act (30 U.S.C.
20 191(b)) is amended to read as follows:

21 “(b) In determining the amount of payments to the
22 States under this section, the amount of such payments
23 shall not be reduced by any administrative or other costs
24 incurred by the United States.”.

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