

105TH CONGRESS  
1ST SESSION

# H. R. 1107

To transfer oil and gas royalty auditing and reconciling functions of the Secretary of the Interior to the Secretary of the Treasury, and to direct the Secretary of the Treasury, in performing functions relating to auditing and reconciling oil and gas production activities, to exercise all available authorities to ensure the United States Government receives all amounts of royalties to which it is entitled.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 1997

Mrs. MALONEY of New York (for herself, Mr. FILNER, Mr. MEEHAN, Mr. DELLUMS, Mr. LEWIS of Georgia, Ms. LOFGREN, and Mr. KUCINICH) introduced the following bill; which was referred to the Committee on Resources

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## A BILL

To transfer oil and gas royalty auditing and reconciling functions of the Secretary of the Interior to the Secretary of the Treasury, and to direct the Secretary of the Treasury, in performing functions relating to auditing and reconciling oil and gas production activities, to exercise all available authorities to ensure the United States Government receives all amounts of royalties to which it is entitled.

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

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1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Royalty Collection Re-  
3 form Act of 1997”.

4 **SEC. 2. TRANSFER OF OIL AND GAS ROYALTY AUDITING**  
5 **FUNCTIONS; ENSURING RECEIPT OF ROYAL-**  
6 **TIES BY UNITED STATES GOVERNMENT.**

7       (a) **TRANSFER OF FUNCTIONS.**—There are trans-  
8 ferred from the Secretary of the Interior to the Secretary  
9 of the Treasury the functions of the Secretary of the Inte-  
10 rior relating to auditing and reconciling oil and gas pro-  
11 duction activities on lease sites on Federal and Indian  
12 lands, including all functions of the Secretary of the Inte-  
13 rior under the Federal Oil and Gas Royalty Management  
14 Act of 1982 (30 U.S.C. 1711).

15       (b) **ENSURING RECEIPT OF ROYALTIES.**—Section  
16 101 of the Federal Oil and Gas Royalty Management Act  
17 of 1982 (30 U.S.C. 1701) is amended by adding at the  
18 end the following new subsection:

19       “(d) In implementing this Act and in performing  
20 under other Federal laws functions relating to auditing  
21 and reconciling oil and gas production activities on lease  
22 sites on Federal and Indian lands, the Secretary shall ex-  
23 ercise all available authorities to ensure that the Govern-  
24 ment of the United States receives all amounts of oil and  
25 gas royalties to which it is entitled.”.

1 **SEC. 3. CONFORMING AMENDMENTS.**

2 (a) FEDERAL OIL AND GAS ROYALTY MANAGEMENT  
3 ACT OF 1982.—

4 (1) Section 3(15) of the Federal Oil and Gas  
5 Royalty Management Act of 1982 (30 U.S.C.  
6 1702(3)) is amended to read as follows:

7 “(15) ‘Secretary’ means the Secretary of the  
8 Treasury, except that in sections 111(e), 114, 303,  
9 and 304 the term means the Secretary of the Inte-  
10 rior;”.

11 (2) Section 106 of the Federal Oil and Gas  
12 Royalty Management Act of 1982 (30 U.S.C. 1716)  
13 is amended by inserting “or the Department of the  
14 Treasury” after “Interior”.

15 (3) Section 108(b) of the Federal Oil and Gas  
16 Royalty Management Act of 1982 (30 U.S.C.  
17 1718(b)) is amended in the first sentence by insert-  
18 ing “of the Treasury or the Secretary of the Inte-  
19 rior” after “Secretary”.

20 (4) Section 108(c) of the Federal Oil and Gas  
21 Royalty Management Act of 1982 (30 U.S.C.  
22 1718(c)) is amended by inserting “of the Treasury  
23 and the Secretary of the Interior” after “Secretary”.

24 (5) Section 101(c)(2) of the Federal Oil and  
25 Gas Royalty Management Act of 1982 (30 U.S.C.  
26 1711(c)(2)) is amended to read as follows:

1       “(2) The Secretary may enter into contracts or other  
2 appropriate arrangements with independent certified pub-  
3 lic accountants, or other entities, that have knowledge of  
4 the financial practices and applicable accounting proce-  
5 dures of oil and gas producers, to undertake audits of ac-  
6 counts and records of any lessee or operator relating to  
7 the lease of oil or gas. Selection of such independent cer-  
8 tified accountants and entities shall be by competitive bid-  
9 ding in accordance with title III of the Federal Property  
10 and Administrative Services Act of 1949 (41 U.S.C. 251  
11 et seq.), except that the Secretary may not enter into a  
12 contract or other arrangement with any independent cer-  
13 tified public accountant or other entity to audit a lessee  
14 or operator if such lessee or operator is a primary audit  
15 client of such certified public accountant or other entity.”.

16 **SEC. 4. REFERENCES.**

17       Any reference in any other Federal law, Executive  
18 order, rule, regulation, or delegation of authority, or any  
19 document of or pertaining to a function transferred by this  
20 Act—

21               (1) to the Secretary of the Interior or to an of-  
22 ficer of the Department of the Interior is deemed to  
23 refer to the Secretary of the Treasury; or

1           (2) to an office or agency of the Department of  
2           the Interior is deemed to refer to the Department of  
3           the Treasury.

4   **SEC. 5. EXERCISE OF AUTHORITIES.**

5           Except as otherwise provided by law, the Secretary  
6   of the Treasury may, for purposes of performing the func-  
7   tions transferred by this Act, exercise all authorities under  
8   any other provision of law that were available with respect  
9   to the performance of that function to the Secretary of  
10  the Interior or any other officer of the Department of the  
11  Interior immediately before the effective date of the trans-  
12  fer of the function under this Act.

13   **SEC. 6. SAVINGS PROVISIONS.**

14           (a) **LEGAL DOCUMENTS.**—All orders, determinations,  
15  rules, regulations, permits, grants, loans, contracts, agree-  
16  ments, certificates, licenses, and privileges—

17           (1) that have been issued, made, granted, or al-  
18       lowed to become effective by the President, the Sec-  
19       retary of the Interior, any officer or employee of the  
20       Department of the Interior, or any other Govern-  
21       ment official, or by a court of competent jurisdic-  
22       tion, in the performance of any function that is  
23       transferred by this Act, and

24           (2) that are in effect on the effective date of  
25       such transfer (or become effective after such date

1       pursuant to their terms as in effect on such effective  
2       date),  
3 shall continue in effect according to their terms until  
4 modified, terminated, superseded, set aside, or revoked in  
5 accordance with law by the President, the Secretary of the  
6 Treasury, any other authorized official, a court of com-  
7 petent jurisdiction, or operation of law.

8       (b) PROCEEDINGS.—This Act shall not affect any  
9 proceedings or any application for any benefits, service,  
10 license, permit, certificate, or financial assistance pending  
11 on the date of the enactment of this Act before regarding  
12 a function transferred by this Act, but such proceedings  
13 and applications shall be continued. Orders shall be issued  
14 in such proceedings, appeals shall be taken therefrom, and  
15 payments shall be made pursuant to such orders, as if this  
16 Act had not been enacted, and orders issued in any such  
17 proceeding shall continue in effect until modified, termi-  
18 nated, superseded, or revoked by a duly authorized official,  
19 by a court of competent jurisdiction, or by operation of  
20 law. Nothing in this subsection shall be considered to pro-  
21 hibit the discontinuance or modification of any such pro-  
22 ceeding under the same terms and conditions and to the  
23 same extent that such proceeding could have been discon-  
24 tinued or modified if this Act had not been enacted.

1       (c) SUITS.—This Act shall not affect suits com-  
2 menced before the date of the enactment of this Act, and  
3 in all such suits, proceeding shall be had, appeals taken,  
4 and judgments rendered in the same manner and with the  
5 same effect as if this Act had not been enacted.

6       (d) NONABATEMENT OF ACTIONS.—No suit, action,  
7 or other proceeding commenced by or against the Depart-  
8 ment of the Interior or the Secretary of the Interior, or  
9 by or against any individual in the official capacity of such  
10 individual as an officer or employee of the Department of  
11 the Interior, shall abate by reason of the enactment of this  
12 Act.

13       (e) CONTINUANCE OF SUITS.—If any Government of-  
14 ficer in the official capacity of such officer is party to a  
15 suit with respect to a function of the officer, and under  
16 this Act such function is transferred to any other officer  
17 or office, then such suit shall be continued with the other  
18 officer or the head of such other office, as applicable, sub-  
19 stituted or added as a party.

20       (f) ADMINISTRATIVE PROCEDURE AND JUDICIAL RE-  
21 VIEW.—Except as otherwise provided by this Act, any  
22 statutory requirements relating to notice, hearings, action  
23 upon the record, or administrative or judicial review that  
24 apply to any function transferred by this Act shall apply  
25 to the exercise of such function by the head of the Federal

1 agency, and other officers of the agency, to which such  
2 function is transferred by this Act.

3 **SEC. 7. TRANSFER OF ASSETS.**

4 (a) IN GENERAL.—Except as otherwise provided in  
5 this Act, so much of the property, records, and unex-  
6 pended balances of appropriations, allocations, and other  
7 funds employed, used, held, available, or to be made avail-  
8 able in connection with a function transferred to the Sec-  
9 retary of the Treasury by this Act shall be available to  
10 the Secretary of the Treasury at such time or times as  
11 the Director of the Office of Management and Budget di-  
12 rects for use in connection with the function transferred.

13 (b) PERSONNEL.—The Director of the Office of Man-  
14 agement and Budget shall provide to the Secretary of the  
15 Treasury such personnel acquisition authority as the Sec-  
16 retary determines to be adequate to carry out functions  
17 transferred to the Secretary of the Treasury under this  
18 Act.

19 (c) TRANSITION PLAN.—Not later than 6 months  
20 after the date of the enactment of this Act, the Secretary  
21 of the Treasury and the Secretary of the Interior shall  
22 jointly prepare and submit to the Congress a plan ensur-  
23 ing orderly transition in the performance of functions and  
24 transfer of assets in accordance with this Act within not  
25 later than 1 year after that date of enactment.



1 **SEC. 8. DELEGATION AND ASSIGNMENT.**

2       Except as otherwise expressly prohibited by law or  
3 otherwise provided in this Act, the Secretary of the Treas-  
4 ury may delegate any of the functions so transferred under  
5 this Act to such officers and employees of the Department  
6 of the Treasury as the Secretary may designate, and may  
7 authorize successive redelegations of such functions as  
8 may be necessary or appropriate. No delegation of func-  
9 tions under this section or under any other provision of  
10 this Act shall relieve the official to whom a function is  
11 transferred under this Act of responsibility for the admin-  
12 istration of the function.

13 **SEC. 9. AUTHORITY OF DIRECTOR OF THE OFFICE OF MAN-**  
14 **AGEMENT AND BUDGET WITH RESPECT TO**  
15 **FUNCTIONS TRANSFERRED.**

16       (a) DETERMINATIONS.—If necessary, the Director  
17 shall make any determination of the functions that are  
18 transferred under this Act.

19       (b) INCIDENTAL TRANSFERS.—The Director, at such  
20 time or times as the Director shall provide, may make  
21 such determinations as may be necessary with regard to  
22 the functions transferred by this Act, and to make such  
23 additional incidental dispositions of personnel, assets, li-  
24 abilities, grants, contracts, property, records, and unex-  
25 pended balances of appropriations, authorizations, alloca-  
26 tions, and other funds held, used, arising from, available

1 to, or to be made available in connection with such func-  
2 tions, as may be necessary to carry out the provisions of  
3 this Act. The Director shall provide for the termination  
4 of the affairs of all entities terminated by this Act and  
5 for such further measures and dispositions as may be nec-  
6 essary to effectuate the purposes of this Act.

7 **SEC. 10. DEFINITIONS.**

8 For purposes of this Act—

9 (1) the term “Director” means the Director of  
10 the Office of Management and Budget;

11 (2) the term “function” includes any duty, obli-  
12 gation, power, authority, responsibility, right, privi-  
13 lege, activity, or program; and

14 (3) the term “office” includes any office, ad-  
15 ministration, agency, bureau, institute, council, unit,  
16 organizational entity, or component thereof.

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