

106TH CONGRESS  
1ST SESSION

# S. 1973

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

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 19, 1999

Mr. BINGAMAN introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## 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 “The Mineral Revenue  
5       Payments Clarification Act of 1999”.

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  
11      and revenues from geothermal steam from a 50:50

1 split between the Federal Government and the  
2 States to a complicated formula that entailed de-  
3 ducting from the State share of leasing revenues “50  
4 percent of the portion of the enacted appropriations  
5 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 (2) There is no legislative record to suggest a  
13 sound public policy rationale for deducting prior-  
14 year administrative expenses from the sharing of  
15 current-year receipts, indicating that this change  
16 was made primarily for budget scoring reasons.

17 (3) 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               (4) Given the lack of a substantive rationale for  
9       the 1993 change in law and the complexity and ad-  
10      ministrative burden involved, a return to the sharing  
11      formula prior to the enactment of the Omnibus  
12      Budget Reconciliation Act of 1993 is justified.

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

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

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

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