II

109TH CONGRESS
2D SESSION

S. 2420

To amend the Outer Continental Shelf Lands Act to provide for payments for producing coastal States.

IN THE SENATE OF THE UNITED STATES

MARCH 15, 2006

Ms. LANDRIEU (for herself and Mr. VITTER) 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 amend the Outer Continental Shelf Lands Act to provide for payments for producing coastal States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Gulf Coast Protection Act of 2006’’.

SEC. 2. PAYMENTS TO COASTAL PRODUCING STATES.

The Outer Continental Shelf Lands Act (43 U.S.C. 1301 et seq.) is amended by adding at the end the following:

"SEC. 32. PAYMENTS TO COASTAL PRODUCING STATES.

''(a) DEFINITIONS.—In this section:

''(1) COASTAL POLITICAL SUBDIVISION.—The term 'coastal political subdivision' means a political subdivision of a coastal State, any part of which is located—

''(A) within the coastal zone (as defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453)) of the coastal State as of the date of enactment of this section; and

''(B) not more than 200 nautical miles from the geographic center of any leased tract.

''(2) COASTAL STATE.—The term 'coastal State' has the meaning given the term in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453).

''(3) COASTAL PRODUCING STATE.—

''(A) IN GENERAL.—The term 'coastal producing State' means a coastal State that has a coastal seaward boundary within 200 nautical miles of the geographic center of a leased tract within any area of the outer Continental Shelf.

''(B) EXCLUSION.—The term 'coastal producing State' does not include any State a majority of the coastline of which is subject to leasing moratoria as of January 1, 2006.

"(4) LEASED TRACT.—The term 'leased tract' means a tract—

"(A) maintained under section 6; or

"(B) leased under section 8.

"(5) QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—

"(A) IN GENERAL.—The term 'qualified outer Continental Shelf revenues' means the amounts received by the United States from each leased tract or portion of a leased tract—

"(i) lying—

"(I) seaward of the zone covered by section 8(g); or

"(II) within that zone, but to which section 8(g) does not apply; and

"(ii) the geographic center of which lies within 200 nautical miles from any part of the coastline of any coastal State.

"(B) INCLUSIONS.—The term 'qualified outer Continental Shelf revenues' includes bonus bids, rents, royalties (including payments for royalty taken in-kind and sold), net profit share payments, and related late-payment interest from natural gas and oil leases issued under this Act.

"(C) EXCLUSION.—The term 'qualified outer Continental Shelf revenues' does not include any revenues from a leased tract or portion of a leased tract that is located in a geographic area subject to a leasing moratorium as of January 1, 2006, unless the lease was in production on that date.

"(b) DISBURSEMENTS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, not later than December 31, 2006, and annually thereafter, the Secretary of the Treasury, without further appropriation and subject to subjection (c), shall disburse to coastal producing States 50 percent of qualified outer Continental Shelf revenues received during the preceding year.

"(2) PROPORTIONAL ALLOCATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the amounts made available under paragraph (1) shall be allocated to each coastal producing State based on the ratio that—

"(i) the amount of qualified outer Continental Shelf revenues generated off the coastline of the coastal producing State; bears to

"(ii) the amount of qualified outer Continental Shelf revenues generated off the coastline of all coastal producing States.

"(B) EXCEPTION FOR MULTIPLE COASTAL PRODUCING STATES.—In a case in which more than 1 coastal producing State is located within 200 nautical miles of any portion of a leased tract, the amount allocated to each coastal producing State for the leased tract shall be inversely proportional to the distance between—

"(i) the nearest point on the coastline of the coastal producing State; and

"(ii) the geographic center of the leased tract.

"(C) FORMULA.—Of the share of each coastal producing State under this paragraph, 35 percent shall be allocated among and paid directly to appropriate coastal political subdivisions by the Secretary of the Treasury based on the following formula:

"(i) 50 percent shall be allocated in amounts that are inversely proportional to the respective distances between the points in each coastal political subdivision that are closest to the geographic center of each leased tract, as determined by the Secretary.

"(ii) 25 percent shall be allocated based on the ratio that—

"(I) the length, in miles, of the coastline of each coastal political subdivision; bears to

"(II) the length, in miles, of the coastline of all coastal political subdivisions of the State.

"(iii) 25 percent shall be allocated based on the ratio that—

"(I) the coastal population of the coastal political subdivision; bears to

"(II) the coastal population of all coastal political subdivisions of the State.

"(c) USE OF FUNDS.—A coastal producing State, and a coastal political subdivision, shall use amounts received under this section (including any amounts deposited into a trust fund administered by the coastal producing State or coastal political subdivision in accordance with this subsection), only for 1 or more of the following purposes:

"(1) To conserve, protect, or restore coastal areas, including wetlands.

"(2) To mitigate damage to natural resources and protect fish and wildlife in the coastal zone.

"(3) To mitigate the impact of outer Continental Shelf activity by providing onshore infrastructure or public service.

"(4) Hurricane protection, storm damage mitigation, and integrated flood control systems.

"(5) Levee construction and maintenance.

"(6) Marine and coastal subsidence.

"(7) Coastal and riverine erosion.

"(8) Coastal and wetlands conservation and management.

"(9) Infrastructure for navigation, ports, and transportation relating to trade, commerce, evacuation, economic development, and public safety.

"(d) ADDITIONAL USE OF FUNDS.—Subject to subsection (c), a coastal producing State may use amounts received under this section (including any amounts deposited into a trust fund administered by the coastal producing State or coastal political subdivision in accordance with this subsection) to make any payment that is eligible to be made with funds provided to States under section 35 of the Mineral Leasing Act (30 U.S.C. 191).''.

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