II

113TH CONGRESS
1ST SESSION

S. 630

To establish a partnership between States that produce energy onshore and offshore for our country with the Federal Government.

IN THE SENATE OF THE UNITED STATES

MARCH 20, 2013

Ms. MURKOWSKI (for herself, Ms. LANDRIEU, Mr. BEGICH, and Ms. HEITKAMP) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To establish a partnership between States that produce energy onshore and offshore for our country with the Federal Government.

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 ''Fixing America's Inequities with Revenues Act of 2013'' or the ''FAIR Act of 2013''.

SEC. 2. DISTRIBUTION OF REVENUES TO COASTAL STATES.

Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended to read as follows:

"SEC. 9. DISPOSITION OF REVENUES.

"(a) DEFINITIONS.—In this section:

"(1) ALTERNATIVE AND RENEWABLE ENERGY.—The term 'alternative and renewable energy' means energy derived from—

"(A) a wind, solar, renewable biomass, or ocean (including tidal, wave, current, and thermal) source; or

"(B) hydrogen derived from renewable biomass or water using an energy source described in subparagraph (A).

"(2) COASTAL POLITICAL SUBDIVISION.—The term 'coastal political subdivision' means a county-equivalent subdivision of a coastal State all or part of which—

"(A) lies within the coastal zone (as defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453)); and

"(B) the closest point of which is not more than 200 nautical miles from the geographical center of any leased tract.

"(3) COASTAL STATE.—The term 'coastal State' means a State with a coastal seaward boundary within 200 nautical miles distance of the geographical center of a leased tract in an outer Continental Shelf area that is not a Gulf producing State (as defined in section 102 of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432)).

"(4) DISTANCE.—The terms 'distance' and 'distances' mean minimum great circle distance and distances, respectively.

"(5) SECRETARY.—The term 'Secretary' means the Secretary of the Interior.

"(b) COASTAL STATE REVENUE SHARING FOR OUTER CONTINENTAL SHELF ENERGY SOURCES.—

"(1) IN GENERAL.—Subject to the other provisions of this section, for fiscal year 2013 and each subsequent fiscal year—

"(A) the Secretary of the Treasury shall deposit in the Treasury, 37.5 percent of all revenues derived from all rentals, royalties, bonus bids, and other sums due and payable to the United States from energy development on the outer Continental Shelf areas of coastal States; and

"(B) the Secretary shall, in accordance with subsection (b), disburse—

"(i) 27.5 percent of the revenues described in subparagraph (A) to coastal

States and coastal political subdivisions; and

"(ii) 10 percent of the revenues to coastal States that establish funds in the treasuries of the coastal States to support projects and activities relating to alternative and renewable energy, energy research and development, energy efficiency, or conservation.

"(2) EXCLUSIONS.—The revenues described in paragraph (1) do not include revenues generated from leases subject to section 8(g).

"(3) ALLOCATION AMONG COASTAL STATES AND COASTAL POLITICAL SUBDIVISIONS.—

"(A) IN GENERAL.—Subject to paragraph (2), for each fiscal year, the amount made available under subsection (a) from any lease shall be allocated to each coastal State in amounts (based on a formula established by the Secretary by regulation) that are inversely proportional to the respective distances between the point on the coastline of each coastal State that is closest to the geographic center of the applicable leased tract and the geographic center of the leased tract.

"(B) LIMITATION.—The allocable share of a coastal State is limited to the revenues collected from a leased tract located no more than 200 nautical miles from the coastline of the coastal State.

"(C) PAYMENTS TO COASTAL POLITICAL SUBDIVISIONS.—

"(i) IN GENERAL.—The Secretary shall pay 25 percent of the allocable share of each coastal State, as determined under paragraph (1), to the coastal political subdivisions of the coastal State.

"(ii) ALLOCATION.—The amount paid by the Secretary to coastal political subdivisions shall be allocated to each coastal political subdivision in accordance with subparagraphs (B) and (C) of section 31(b)(4) of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a(b)(4)).

"(iii) EXCEPTION FOR THE STATE OF ALASKA.—For purposes of carrying out subparagraph (A) in the State of Alaska, of the amount paid by the Secretary to coastal political subdivisions—

"(I) 90 percent shall be allocated in amounts (based on a formula established by the Secretary by regulation) that are inversely proportional to the respective distances between the point in each coastal political subdivision that is closest to the geographic center of the applicable leased tract and the geographic center of the leased tract; and

"(II) 10 percent shall be divided equally among each coastal political subdivision that—

"(aa) is more than 200 nautical miles from the geographic center of a leased tract; and

"(bb) the State of Alaska determines to be a significant staging area for oil and gas servicing, supply vessels, operations, suppliers, or workers.

"(4) ADMINISTRATION.—The Secretary shall ensure that revenues from all sources of alternative and renewable energy leased, developed, or produced from any outer Continental Shelf area are distributed among coastal States, coastal political subdivisions, and Gulf producing States (as defined in section 102 of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432)) in accordance with this section.

"(c) REVENUE SHARING FOR CERTAIN ONSHORE ENERGY SOURCES.—The Secretary of the Treasury shall disburse 50 percent of all revenues derived from all rentals, royalties, bonus bids, rights-of-way, and other amounts due and payable to the United States from the development of alternative and renewable onshore energy sources to the State within the boundaries of which the energy source is located.".

SEC. 3. DISTRIBUTION OF REVENUES TO GULF PRODUCING STATES.

(a) DEFINITION OF QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—Section 102(9) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432) is amended—

(1) by striking subparagraph (A); and

(2) by inserting the following:

"(A) IN GENERAL.—The term 'qualified outer Continental Shelf revenues' means all rentals, royalties, bonus bids, and other sums due and payable to the United States received on or after October 1, 2012, from leases entered into on or after the date of enactment of Public Law 109–432 for—

“(i) the 181 Area;

“(ii) the 181 South Area; and

“(iii) the 2002–2007 planning area.”.

(b) DISPOSITION OF QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—Section 105 of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in the paragraph heading, by striking “2016” and inserting “2012”; and

(ii) in subparagraph (A), by striking “2016” and inserting “2012”; and

(B) in paragraph (2)—

(i) in the paragraph heading, by striking “2017” and inserting “2013”; and

(ii) in subparagraph (A), by striking “2017” and inserting “2013”; and

(2) by striking subsection (f) and inserting the following:

“(f) LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—

"(1) DISTRIBUTION TO GULF PRODUCING STATES.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the total amount of qualified outer Continental Shelf revenues made available under subsection (a)(2) shall not exceed $500,000,000 for each fiscal year.

"(B) CAP INCREASE FOR GULF PRODUCING STATES.—In the case of the qualified outer Continental Shelf revenues that may be made available to Gulf producing States under subsection (a)(2)(A), the cap on amounts specified in subparagraph (A) shall be for—

"(i) fiscal year 2014, $600,000,000; and

"(ii) each of fiscal years 2015 through 2023, the applicable amount for the previous fiscal year increased by $100,000,000.

"(C) SUBSEQUENT FISCAL YEARS.—For fiscal year 2024 and each fiscal year thereafter, all qualified outer Continental Shelf revenues made available under subsection (a)(2)(A) shall be made available without limitation for allocation to the Gulf producing States in accordance with subsection (b).

"(2) PRO RATA REDUCTIONS.—If paragraph (1) limits the amount of qualified outer Continental Shelf revenues that would be paid under subsection (a)(2)(A)—

"(A) the Secretary shall reduce the amount of qualified outer Continental Shelf revenues provided to each recipient on a pro rata basis; and

"(B) any remainder of the qualified outer Continental Shelf revenues shall revert to the general fund of the Treasury.".

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act take effect on October 1, 2012.

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