

114TH CONGRESS
2D SESSION

H. R. 4389

To amend the Mineral Leasing Act to ensure fair returns for Federal onshore oil and gas resources.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 2016

Mr. LOWENTHAL (for himself and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To amend the Mineral Leasing Act to ensure fair returns for Federal onshore oil and gas resources.

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 “Ensuring the Taxpayer
5 a Fair Return for Federal Onshore Oil and Gas Resources
6 Act of 2015”.

1 **SEC. 2. ADJUSTMENT OF MINIMUM BIDS AND ANNUAL**
2 **RENTALS FOR OIL AND GAS AND TAR SANDS**
3 **LEASES TO REFLECT INFLATION.**

4 (a) IN GENERAL.—Section 17 of the Mineral Leasing
5 Act (30 U.S.C. 226) is amended—

6 (1) in subsection (b)(1)(B), by striking “\$2 per
7 acre” and inserting “\$4 per acre”;

8 (2) in subsection (b)(2)(C), by striking “\$2 per
9 acre” and inserting “\$5 per acre”;

10 (3) in subsection (d)—

11 (A) by striking “\$1.50 per acre” and in-
12 serting “\$3 per acre”; and

13 (B) by striking “\$2 per acre” and insert-
14 ing “\$4 per acre”; and

15 (4) by adding at the end the following:

16 “(q) INFLATION ADJUSTMENT.—

17 “(1) IN GENERAL.—The Secretary shall—

18 “(A) by regulation, at least once every 4
19 years, adjust each of the dollar amounts that
20 applies under subsections (b)(1)(B), (b)(2)(C),
21 and (d) by the cost-of-living adjustment; and

22 “(B) publish each such regulation in the
23 Federal Register.

24 “(2) DEFINITIONS.—In this subsection:

1 “(A) COST-OF-LIVING ADJUSTMENT.—The
 2 term ‘cost-of-living adjustment’ means the per-
 3 centage (if any) for a dollar amount by which—

4 “(i) the Consumer Price Index for the
 5 month of June of the calendar year pre-
 6 ceding the adjustment, exceeds

7 “(ii) the Consumer Price Index for
 8 the month of June of the calendar year in
 9 which the dollar amount was last set or ad-
 10 justed pursuant to law.

11 “(B) CONSUMER PRICE INDEX.—The term
 12 ‘Consumer Price Index’ means the Consumer
 13 Price Index for all urban consumers published
 14 by the Department of Labor.”.

15 (b) CONFORMING AMENDMENT.—Section
 16 17(b)(1)(B) of the Mineral Leasing Act (30 U.S.C.
 17 226(b)(1)(B)) is amended beginning in the first sentence
 18 by striking “for a period” and all that follows through
 19 “‘Thereafter, the” and inserting “. The”.

20 **SEC. 3. AMENDMENT OF ROYALTY RATES.**

21 (a) ROYALTY RATES.—Section 17 of the Mineral
 22 Leasing Act (30 U.S.C. 226) is amended—

23 (1) by striking “12.5” each place such term ap-
 24 pears and inserting “18.75”; and

(2) by striking “12½” each place such term appears and inserting “18.75”.

(b) APPLICATION.—The amendments made by subsection (a) shall apply only to new leases issued on or after the date of enactment of this Act.

6 SEC. 4. ON-SHORE FEDERAL OIL AND GAS ROYALTY SHAR-
7 ING.

8 (a) IN GENERAL.—Section 35 of the Mineral Leasing
9 Act (30 U.S.C. 191) is amended—

10 (1) by striking “SEC. 35. (a)” and all that fol-
11 lows through “50 per centum thereof” and inserting
12 the following:

13 **“SEC. 35. ON-SHORE OIL AND GAS ROYALTY SHARING.**

14 “(a) ROYALTY SHARING.—

“(1) IN GENERAL.—Of the amounts received by the United States from sales, bonuses, and royalties, including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982, and from rentals of the public lands in Alaska under the provisions of this Act and the Geothermal Steam Act of 1970—

22 “(A) 33.33 percent shall be used as de-
23 scribed in paragraph (2); and

24 “(B) the remainder shall be used as de-
25 scribed in paragraph (3).

1 “(2) DISTRIBUTION OF 33.33 PERCENT.—

2 “(A) IN GENERAL.—Of the amount re-
3 ferred to in paragraph (1)(A)—

4 “(i) 30 percent, but not to exceed
5 \$50,000,000 per fiscal year, shall be trans-
6 ferred by the Secretary of the Treasury to
7 the Bureau of Land Management for use
8 for oil and gas inspection and enforcement;

9 “(ii) 15 percent, but not to exceed
10 \$25,000,000 per fiscal year, shall be avail-
11 able to the Secretary of the Interior to re-
12 mediate, reclaim, and properly plug and
13 abandon orphan oil and gas wells on Fed-
14 eral lands;

15 “(iii) 45 percent shall be paid by the
16 Secretary of the Treasury to the State
17 within the boundaries of which the leased
18 land is located or the deposits were de-
19 rived, for use by such State in accordance
20 with paragraph (3); and

21 “(iv) the remainder shall be deposited
22 into the Treasury as miscellaneous re-
23 cepts.

1 “(B) ADMINISTRATION.—Amounts to be
2 paid or available under clauses (i), (ii), and (iii)
3 of subparagraph (A) shall—

4 “(i) be available without further ap-
5 propriation; and

6 “(ii) remain available until expended.

7 “(3) DISTRIBUTION OF REMAINDER.—Of the
8 amount referred to in paragraph (1)(B), and subject
9 to subsection (b), 50 per centum thereof”; and

10 (2) in subsection (a), by striking “All moneys
11 received” and inserting the following:

12 “(4) GENERAL PROVISIONS.—All moneys re-
13 ceived”.

14 (b) CONFORMING AMENDMENT.—Section 35(c)(1) of
15 the Mineral Leasing Act (30 U.S.C. 191(c)(1)) is amended
16 by striking “the first sentence of”.

17 (c) LIMITATIONS ON APPLICATION.—The amend-
18 ments made by subsection (a)—

19 (1) shall apply only to amounts received by the
20 United States under new leases issued on or after
21 the date of enactment of this Act; and

22 (2) shall not affect the application of section
23 35(a) of the Mineral Leasing Act (30 U.S.C. 191(a))
24 to amounts received by the United States before the

- 1 first fiscal year beginning after the date of the en-
- 2 actment of this Act.

