

116TH CONGRESS
2D SESSION

S. 3330

To amend the Mineral Leasing Act to increase certain royalty rates, minimum bid amounts, and rental rates, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2020

Mr. UDALL (for himself and Mr. GRASSLEY) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Mineral Leasing Act to increase certain royalty rates, minimum bid amounts, and rental rates, 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 “Fair Returns for Pub-
5 lic Lands Act of 2020”.

6 **SEC. 2. INCREASED ONSHORE OIL AND GAS ROYALTY**
7 **RATES.**

8 Section 17 of the Mineral Leasing Act (30 U.S.C.
9 226) is amended—

1 (1) by striking “12.5” each place it appears
 2 and inserting “18.75”; and

3 (2) by striking “12½ per centum” each place
 4 it appears and inserting “18.75 percent”.

5 **SEC. 3. INCREASED MINIMUM BID AMOUNT.**

6 Section 17(b) of the Mineral Leasing Act (30 U.S.C.
 7 226(b)) is amended—

8 (1) in paragraph (1)(B)—

9 (A) by striking the subparagraph designa-
 10 tion and all that follows through the period at
 11 the end of the first sentence and inserting the
 12 following:

13 “(B) NATIONAL MINIMUM ACCEPTABLE
 14 BID.—

15 “(i) IN GENERAL.—Except as pro-
 16 vided in clauses (ii) and (v), the national
 17 minimum acceptable bid shall be \$10 per
 18 acre.”;

19 (B) in the second sentence—

20 (i) by striking “Thereafter, the Sec-
 21 retary” and inserting the following:

22 “(ii) ADJUSTMENT.—The Secretary”;

23 (ii) by striking “is necessary: (i) to
 24 enhance” and inserting the following: “is
 25 necessary—

1 “(I) to enhance”; and

2 (iii) by striking “(ii) to promote” and
3 inserting the following:

4 “(II) to promote”;

5 (C) in the third sentence, by striking
6 “Ninety days” and inserting the following:

7 “(iii) NOTIFICATION.—90 days”;

8 (D) in the fourth sentence, by striking
9 “The proposal” and inserting the following:

10 “(iv) NEPA.—The proposal”; and

11 (E) by adding at the end the following:

12 “(v) EXCEPTION.—To ensure a return
13 of fair market value, as determined by the
14 Secretary, the Secretary may establish in a
15 notice of competitive lease sale a minimum
16 acceptable bid applicable to the lease sale
17 or one or more parcels within the lease sale
18 that is higher than the national minimum
19 bid under clause (i).”; and

20 (2) in subsection (b)(2)(C), by striking “\$2 per
21 acre” and inserting “\$10 per acre”.

22 **SEC. 4. INCREASED ONSHORE OIL AND GAS RENTAL RATES.**

23 Section 17(d) of the Mineral Leasing Act (30 U.S.C.
24 226(d)) is amended, in the first sentence—

1 (1) by striking “\$1.50 per acre” and inserting
 2 “\$3 per acre”; and
 3 (2) by striking “\$2 per acre” and inserting “\$5
 4 per acre”.

5 **SEC. 5. FEE FOR EXPRESSION OF INTEREST.**

6 Section 17 of the Mineral Leasing Act (30 U.S.C.
 7 226) is amended by adding at the end the following:

8 “(q) FEE FOR EXPRESSION OF INTEREST.—

9 “(1) IN GENERAL.—The Secretary shall charge
 10 any person who submits, in accordance with proce-
 11 dures established by the Secretary to carry out this
 12 subsection, an expression of interest in leasing land
 13 available for disposition under this section for explo-
 14 ration for, and development of, oil or gas a fee, in
 15 an amount determined by the Secretary under para-
 16 graph (2).

17 “(2) AMOUNT.—The fee authorized under para-
 18 graph (1) shall be established by the Secretary in an
 19 amount that is determined by the Secretary to be
 20 appropriate to cover the aggregate cost of processing
 21 an expression of interest under this subsection, but
 22 not less than \$15 per acre of the area covered by the
 23 applicable expression of interest.”.

1 **SEC. 6. ADJUSTMENT.**

2 Section 17 of the Mineral Leasing Act (30 U.S.C.
3 226) (as amended by section 5) is amended by adding at
4 the end the following:

5 “(r) ADJUSTMENT TO CERTAIN FEES.—The Sec-
6 retary shall—

7 “(1) not later than 4 years after the date of en-
8 actment of the Fair Returns for Public Lands Act
9 of 2020, and at least once every 4 years thereafter,
10 promulgate regulations adjusting each of the per-
11 acre dollar amounts of fees imposed under sub-
12 sections (b), (d), and (q) and subsections (e) and (f)
13 of section 31 to reflect the change in the Consumer
14 Price Index for All Urban Consumers published by
15 the Bureau of Labor Statistics; and

16 “(2) as the Secretary determines to be nec-
17 essary to enhance financial returns to the United
18 States or to promote more efficient management of
19 oil and gas resources on Federal land, promulgate
20 regulations adjusting any of the applicable per-acre
21 dollar amounts of fees imposed under subsection (b),
22 (d), or (q) or subsection (e) or (f) of section 31, as
23 applicable.”.

24 **SEC. 7. REINSTATEMENT OF COMPETITIVE LEASES.**

25 Section 31 of the Mineral Leasing Act (30 U.S.C.
26 188) is amended—

1 (1) in subsection (e)—

2 (A) by striking paragraph (2) and insert-
3 ing the following:

4 “(2) payment of back rentals and the inclusion
5 in a reinstated lease of a requirement for future
6 rentals at a rate of not less than \$20 per acre per
7 year;”;

8 (B) in paragraph (3)—

9 (i) in subparagraph (A)—

10 (I) by striking the subparagraph
11 designation;

12 (II) by striking “issued pursuant
13 to the provisions of section 17(b) of
14 this Act”;

15 (III) by striking “16²/₃” and in-
16 serting “25”; and

17 (IV) by inserting “and” after the
18 semicolon; and

19 (ii) by striking subparagraph (B); and

20 (C) in the second sentence of the undesig-
21 nated matter following paragraph (4), by strik-
22 ing “, but not to exceed \$500”; and

23 (2) in subsection (f)—

24 (A) in paragraph (3), by striking “\$5” and
25 inserting “\$10”; and

1 (B) in paragraph (4), by striking “12½”
2 and inserting “25”.

3 **SEC. 8. FISCAL REFORM STUDY AND REPORT.**

4 (a) IN GENERAL.—The Comptroller General of the
5 United States shall offer to enter into an arrangement
6 with the National Academy of Sciences under which the
7 National Academy of Sciences, in cooperation with the
8 Comptroller General of the United States, shall conduct
9 a study evaluating the efficiency and effectiveness of the
10 implementation of this Act and the amendments made by
11 this Act.

12 (b) CONSIDERATIONS.—The study conducted under
13 subsection (a) shall include consideration of—

14 (1) the systems of the Department of the Inte-
15 rior for collecting and auditing payments under this
16 Act and the amendments made by this Act;

17 (2) the performance of the stewardship of the
18 Department of the Interior and the disposition of re-
19 cepts by the Department of the Interior in carrying
20 out this Act and the amendments made by this Act;
21 and

22 (3) the performance of the valuation approach
23 carried out under this Act and the amendments
24 made by this Act, including a review of whether
25 other approaches could more fully capture foregone

1 revenue of leasing in low-market conditions in light
2 of other possible economic uses at different points in
3 the future.

4 (c) REPORT.—If the Comptroller General of the
5 United States enters into an arrangement with the Na-
6 tional Academy of Sciences under subsection (a), not ear-
7 lier than 3, but not later than 5, years after the date of
8 enactment of this Act, the Comptroller General shall sub-
9 mit to Congress a report that describes the results of the
10 study conducted under that subsection.

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