

112TH CONGRESS
1ST SESSION

H. R. 927

To direct the Secretary of the Interior to establish an annual production incentive fee with respect to Federal onshore and offshore lands that are subject to a lease for production of oil or natural gas under which production is not occurring, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2011

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

A BILL

To direct the Secretary of the Interior to establish an annual production incentive fee with respect to Federal onshore and offshore lands that are subject to a lease for production of oil or natural gas under which production is not occurring, 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 “United States Explo-
5 ration on Idle Tracts Act” or the “USE IT Act”.

1 **SEC. 2. PRODUCTION INCENTIVE FEE.**

2 (a) ESTABLISHMENT.—The Secretary of the Interior
3 shall, within 180 days after the date of enactment of this
4 Act, issue regulations to establish an annual production
5 incentive fee with respect to Federal onshore and offshore
6 lands that are subject to a lease for production of oil or
7 natural gas under which production is not occurring. Such
8 fee shall apply with respect to lands that are subject to
9 such a lease that is in effect on the date final regulations
10 are promulgated under this subsection or that is issued
11 thereafter.

12 (b) AMOUNT.—The amount of the fee shall be, for
13 each acre of land from which oil or natural gas is produced
14 for less than 90 days in a calendar year—

15 (1) in the case of onshore land—

16 (A) for each of the first 3 years of the
17 lease, \$4 per acre in 2011 dollars;

18 (B) for the fourth year of the lease, \$6 per
19 acre in 2011 dollars; and

20 (C) for the fifth year of the lease and each
21 year thereafter for which the lease is otherwise
22 in effect, \$8 per acre in 2011 dollars; and

23 (2) in the case of offshore land—

24 (A) for each of the third, fourth, and fifth
25 years of the lease, \$4 per acre in 2011 dollars;

1 (B) for the sixth year of the lease, \$6 per
2 acre in 2011 dollars; and

3 (C) for the seventh year of the lease and
4 each year thereafter for which the lease is oth-
5 erwise in effect, \$8 per acre in 2011 dollars.

6 (c) ASSESSMENT AND COLLECTION.—The Secretary
7 shall assess and collect the fee established under this sec-
8 tion.

9 (d) DEPOSIT.—Amounts received by the United
10 States as the fee under this section shall be deposited in
11 the general fund of the Treasury.

12 (e) REGULATIONS.—The Secretary of the Interior
13 may issue regulations to prevent evasion of the fee under
14 this section.

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