II

Calendar No. 552

117TH CONGRESS
2D SESSION

S. 2996

[Report No. 117–201]

To provide for the distribution of certain outer Continental Shelf revenues to the State of Alaska, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 2021

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

NOVEMBER 17, 2022

Reported by Mr. MANCHIN, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide for the distribution of certain outer Continental Shelf revenues to the State of Alaska, and for other purposes.

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 ‘‘Alaska Offshore Parity Act’’.

SEC. 2. DEFINITIONS.

In this Act:

(1) COASTAL POLITICAL SUBDIVISION.—The term "coastal political subdivision" means—

(A) a county-equivalent subdivision of the State—

(i) all or part of which lies within the coastal zone (as defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453)) of the State; and

(ii) the closest coastal point of which is not more than 200 nautical miles from the geographical center of any leased tract in the Alaska outer Continental Shelf region; and

(B) a municipal subdivision of the State that is determined by the State to be a significant staging area for oil and gas servicing, supply vessels, operations, suppliers, or workers.

(2) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

(3) QUALIFIED REVENUES.—

(A) IN GENERAL.—The term "qualified revenues" means all revenues derived from all rentals, royalties, bonus bids, and other sums due and payable to the United States from energy development in the Alaska outer Continental Shelf region.

(B) EXCLUSIONS.—The term ''qualified revenues'' does not include—

(i) revenues generated from leases subject to section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)); or

(ii) revenues from the forfeiture of a bond or other surety securing obligations other than royalties, civil penalties, or royalties taken by the Secretary in-kind and not sold.

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

(5) STATE.—The term ''State'' means the State of Alaska.

SEC. 3. DISPOSITION OF QUALIFIED REVENUES IN ALASKA.

(a) IN GENERAL.—Notwithstanding section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) and subject to the other provisions of this section, for fiscal year 2022 and each fiscal year thereafter, the Secretary of the Treasury shall deposit—

(1) 50 percent of qualified revenues in the general fund of the Treasury;

~~(2) 42.5 percent of qualified revenues in a special account in the Treasury, to be distributed by the Secretary to the State; and~~

~~(3) 7.5 percent of qualified revenues in a special account in the Treasury, to be distributed by the Secretary to coastal political subdivisions.~~

(2) 30 percent of qualified revenues in a special account in the Treasury, to be distributed by the Secretary to the State;

(3) 7.5 percent of qualified revenues in a special account in the Treasury, to be distributed by the Secretary to coastal political subdivisions; and

(4) 12.5 percent of qualified revenues in the National Oceans and Coastal Security Fund established under section 904(a) of the National Oceans and Coastal Security Act (16 U.S.C. 7503(a)).

(b) ALLOCATION AMONG COASTAL POLITICAL SUBDIVISIONS.—Of the amount paid by the Secretary to coastal political subdivisions under subsection (a)(3)—

(1) 90 percent shall be allocated among costal political subdivisions described in section 2(1)(A) 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 not more than 200 miles from the geographic center of the leased tract; and

(2) 10 percent shall be divided equally among each coastal political subdivision described in section 2(1)(B).

(c) TIMING.—The amounts required to be deposited under subsection (a) for the applicable fiscal year shall be made available in accordance with that subsection during the fiscal year immediately following the applicable fiscal year.

(d) AUTHORIZED USES.—

(1) IN GENERAL.—Subject to paragraph (2), the State shall use all amounts received under subsection (a)(2) in accordance with all applicable Federal and State laws, for 1 or more of the following purposes:

(A) Projects and activities for the purposes of coastal protection, conservation, and restoration, including onshore infrastructure and relocation of communities directly affected by coastal erosion, melting permafrost, or climate change-related losses.

(B) Mitigation of damage to fish, wildlife, or natural resources.

(C) Mitigation of the impact of outer Continental Shelf activities through the funding of onshore infrastructure projects and related rights-of-way.

(D) Adaptation planning, vulnerability assessments, and emergency preparedness assistance to build healthy and resilient communities.

(E) Installation and operation of energy systems to reduce energy costs and greenhouse gas emissions compared to systems in use as of the date of enactment of this Act.

(F) Programs at institutions of higher education in the State.

(G) Other purposes, as determined by the Governor of the State, with approval from the State legislature.

(H) Planning assistance and the administrative costs of complying with this section.

(2) LIMITATION.—Not more than 3 percent of amounts received by the State under subsection (a)(2) may be used for the purposes described in paragraph (1)(H).

(e) ADMINISTRATION.—Amounts made available under paragraphs (2) and (3) of subsection (a) shall—

(1) be made available, without further appropriation, in accordance with this section;

(2) remain available until expended; and

(3) be in addition to any amounts appropriated under any other provision of law.

(f) REPORTING REQUIREMENT FOR FISCAL YEAR 2023 AND THEREAFTER.—

(1) IN GENERAL.—Beginning with fiscal year 2023, not later than 180 days after the end of each fiscal year in which the State receives amounts under subsection (a)(2), the State shall submit to the Secretary a report that describes the use of the amounts by the State during the preceding fiscal year covered by the report.

(2) PUBLIC AVAILABILITY.—On receipt of a report required under paragraph (1), the Secretary shall make the report available to the public on the website of the Department of the Interior.

(3) LIMITATION.—If the State fails to submit the report required under paragraph (1) by the deadline specified in that paragraph, any amounts that would otherwise be provided to the State under subsection (a)(2) for the succeeding fiscal year shall be withheld

for the succeeding fiscal year until the date on which the report is submitted.

(4) CONTENTS OF REPORT.—Each report required under paragraph (1) shall include, for each project funded in whole or in part using amounts received under subsection (a)(2)—

(A) the name and description of the project;

(B) the amount received under subsection (a)(2) that is allocated to the project; and

(C) a description of how each project is consistent with the authorized uses under subsection (d).

(5) CLARIFICATION.—Nothing in this subsection—

(A) requires or provides authority for the Secretary to delay, modify, or withhold payment under this subsection, other than for failure to submit a report as required under this subsection;

(B) requires or provides authority for the Secretary to review or approve uses of funds reported under this subsection;

(C) requires or provides authority for the Secretary to approve individual projects that receive funds reported under this subsection;

(D) requires the State to obtain the approval of, or review by, the Secretary prior to spending funds disbursed under subsection (a)(2);

(E) requires or provides authority for the Secretary to issue guidance relating to the contents of, or to determine the completeness of, the report required under this subsection;

(F) requires the State to obligate or expend funds disbursed under subsection (a)(2) by a certain date; or

(G) requires or provides authority for the Secretary to request the State to return unobligated funds.

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