

AMENDMENT NO. _____ Calendar No. _____

Purpose: To modify the disposition of certain outer Continental Shelf revenues and to open Federal financial sharing to heighten opportunities for renewable energy.

IN THE SENATE OF THE UNITED STATES—116th Cong., 2d Sess.

H. R. 1957

To amend the Internal Revenue Code of 1986 to modernize and improve the Internal Revenue Service, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by
_____ to the amendment (No. 1617)
proposed by Mr. GARDNER

Viz:

1 At the end, add the following:

2 **SEC. 4. OUTER CONTINENTAL SHELF REVENUES.**

3 (a) GULF OF MEXICO OUTER CONTINENTAL SHELF
4 REVENUES.—

5 (1) DEFINITION OF QUALIFIED OUTER CONTI-
6 NENTAL SHELF REVENUES.—Section 102(9)(A) of
7 the Gulf of Mexico Energy Security Act of 2006 (43

1 U.S.C. 1331 note; Public Law 109–432) is amend-
2 ed—

3 (A) in clause (i)(II), by striking “and”
4 after the semicolon;

5 (B) in clause (ii)—

6 (i) in the matter preceding subclause
7 (I), by striking “fiscal year 2017 and each
8 fiscal year thereafter” and inserting “each
9 of fiscal years 2017 through 2020”; and

10 (ii) in subclause (III), by striking the
11 period and inserting “; and”; and

12 (C) by adding at the end the following:

13 “(iii) in the case of fiscal year 2021
14 and each fiscal year thereafter, all rentals,
15 royalties, bonus bids, and other sums due
16 and payable to the United States received
17 on or after October 1, 2020, from leases
18 entered into on or after October 1, 2000,
19 for—

20 “(I) the 181 Area;

21 “(II) the 181 South Area; and

22 “(III) the 2002–2007 planning
23 area.”.

24 (2) ELIMINATION OF LIMITATION ON AMOUNT
25 OF DISTRIBUTED QUALIFIED OUTER CONTINENTAL

1 SHELF REVENUES.—Section 105 of the Gulf of Mex-
2 ico Energy Security Act of 2006 (43 U.S.C. 1331
3 note; Public Law 109–432) is amended by striking
4 subsection (f) and inserting the following:

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

7 “(1) LIMITATIONS.—

8 “(A) FISCAL YEARS 2016 THROUGH 2020.—

9 Subject to paragraph (2), the total amount of
10 qualified outer Continental Shelf revenues made
11 available under subsection (a)(2) shall not ex-
12 ceed—

13 “(i) \$500,000,000 for each of fiscal
14 years 2016 through 2019; and

15 “(ii) \$650,000,000 for fiscal year
16 2020.

17 “(B) FISCAL YEARS 2021 THROUGH 2055.—

18 Subject to paragraph (2), the total amount of
19 qualified outer Continental Shelf revenues made
20 available under subsection (a)(2)(B) shall not
21 exceed \$125,000,000 for each of fiscal years
22 2021 through 2055.

23 “(2) EXPENDITURES.—

24 “(A) FISCAL YEARS 2016 THROUGH 2020.—

25 For the purpose of paragraph (1)(A), for each

1 of fiscal years 2016 through 2020, expenditures
2 under subsection (a)(2) shall be net of receipts
3 from that fiscal year from any area in the 181
4 Area in the Eastern Planning Area and the 181
5 South Area.

6 “(B) FISCAL YEARS 2021 THROUGH 2055.—
7 For the purpose of paragraph (1)(B), for each
8 of fiscal years 2021 through 2055, expenditures
9 under subsection (a)(2)(B) shall be net of re-
10 cepts from that fiscal year from any area in
11 the 181 Area in the Eastern Planning Area and
12 the 181 South Area.

13 “(3) PRO RATA REDUCTIONS; REVERSION.—

14 “(A) FISCAL YEARS 2016 THROUGH 2020.—
15 If paragraph (1)(A) limits the amount of quali-
16 fied outer Continental Shelf revenues that
17 would be paid under subparagraphs (A) and
18 (B) of subsection (a)(2)—

19 “(i) the Secretary shall reduce the
20 amount of qualified outer Continental
21 Shelf revenues provided to each recipient
22 on a pro rata basis; and

23 “(ii) any remainder of the qualified
24 outer Continental Shelf revenues shall re-
25 vert to the general fund of the Treasury.

1 miles from the geographical center of
2 any leased tract in the Alaska outer
3 Continental Shelf region; and

4 (ii) a municipal subdivision of the
5 State that is determined by the State to be
6 a significant staging area for oil and gas
7 servicing, supply vessels, operations, sup-
8 pliers, or workers.

9 (B) INSTITUTION OF HIGHER EDU-
10 CATION.—The term “institution of higher edu-
11 cation” has the meaning given the term in sec-
12 tion 102 of the Higher Education Act of 1965
13 (20 U.S.C. 1002).

14 (C) QUALIFIED REVENUES.—

15 (i) IN GENERAL.—The term “qualified
16 revenues” means all revenues derived from
17 all rentals, royalties, bonus bids, and other
18 sums due and payable to the United States
19 from energy development in the Alaska
20 outer Continental Shelf region.

21 (ii) EXCLUSIONS.—The term “quali-
22 fied revenues” does not include—

23 (I) revenues generated from
24 leases subject to section 8(g) of the

1 Outer Continental Shelf Lands Act
2 (43 U.S.C. 1337(g)); or

3 (II) revenues from the forfeiture
4 of a bond or other surety securing ob-
5 ligations other than royalties, civil
6 penalties, or royalties taken by the
7 Secretary in-kind and not sold.

8 (D) SECRETARY.—The term “Secretary”
9 means the Secretary of the Interior.

10 (E) STATE.—The term “State” means the
11 State of Alaska.

12 (2) DISPOSITION OF QUALIFIED REVENUES IN
13 ALASKA.—Notwithstanding section 9 of the Outer
14 Continental Shelf Lands Act (43 U.S.C. 1338) and
15 subject to the other provisions of this subsection, for
16 fiscal year 2021 and each fiscal year thereafter, the
17 Secretary of the Treasury shall deposit—

18 (A) 50 percent of qualified revenues in the
19 general fund of the Treasury;

20 (B) 42.5 percent of qualified revenues in a
21 special account in the Treasury, to be distrib-
22 uted by the Secretary to the State; and

23 (C) 7.5 percent of qualified revenues in a
24 special account in the Treasury, to be distrib-

1 uted by the Secretary to coastal political sub-
2 divisions.

3 (3) ALLOCATION AMONG COASTAL POLITICAL
4 SUBDIVISIONS.—Of the amount paid by the Sec-
5 retary to coastal political subdivisions under para-
6 graph (2)(C)—

7 (A) 90 percent shall be allocated among
8 costal political subdivisions described in para-
9 graph (1)(A)(i) in amounts (based on a formula
10 established by the Secretary by regulation) that
11 are inversely proportional to the respective dis-
12 tances between the point in each coastal polit-
13 ical subdivision that is closest to the geographic
14 center of the applicable leased tract and not
15 more than 200 miles from the geographic cen-
16 ter of the leased tract; and

17 (B) 10 percent shall be divided equally
18 among each coastal political subdivision de-
19 scribed in paragraph (1)(A)(ii).

20 (4) TIMING.—The amounts required to be de-
21 posited under paragraph (2) for the applicable fiscal
22 year shall be made available in accordance with that
23 paragraph during the fiscal year immediately fol-
24 lowing the applicable fiscal year.

25 (5) AUTHORIZED USES.—

1 (A) IN GENERAL.—Subject to subpara-
2 graph (B), the State shall use all amounts re-
3 ceived under paragraph (2)(B) in accordance
4 with all applicable Federal and State laws, for
5 1 or more of the following purposes:

6 (i) Projects and activities for the pur-
7 poses of coastal protection, conservation,
8 and restoration, including onshore infra-
9 structure and relocation of communities di-
10 rectly affected by coastal erosion, melting
11 permafrost, or climate change-related
12 losses.

13 (ii) Mitigation of damage to fish, wild-
14 life, or natural resources.

15 (iii) Mitigation of the impact of outer
16 Continental Shelf activities through the
17 funding of onshore infrastructure projects
18 and related rights-of-way.

19 (iv) Adaptation planning, vulnerability
20 assessments, and emergency preparedness
21 assistance to build healthy and resilient
22 communities.

23 (v) Installation and operation of en-
24 ergy systems to reduce energy costs and
25 greenhouse gas emissions compared to sys-

1 tems in use as of the date of enactment of
2 this Act.

3 (vi) Programs at institutions of higher
4 education in the State.

5 (vii) Other purposes, as determined by
6 the Governor of the State, with approval
7 from the State legislature.

8 (viii) Planning assistance and the ad-
9 ministrative costs of complying with this
10 subsection.

11 (B) LIMITATION.—Not more than 3 per-
12 cent of amounts received by the State under
13 paragraph (2)(B) may be used for the purposes
14 described in subparagraph (A)(viii).

15 (6) ADMINISTRATION.—Amounts made avail-
16 able under subparagraphs (B) and (C) of paragraph
17 (2) shall—

18 (A) be made available, without further ap-
19 propriation, in accordance with this subsection;

20 (B) remain available until expended; and

21 (C) be in addition to any amounts appro-
22 priated under any other provision of law.

1 **SEC. 5. NATIONAL OCEANS AND COASTAL SECURITY FUND;**
2 **PARITY IN OFFSHORE WIND REVENUE SHAR-**
3 **ING.**

4 (a) DEFINITIONS IN THE NATIONAL OCEANS AND
5 COASTAL SECURITY ACT.—Section 902 of the National
6 Oceans and Coastal Security Act (16 U.S.C. 7501) is
7 amended—

8 (1) by striking paragraph (5) and inserting the
9 following:

10 “(5) INDIAN TRIBE.—The term ‘Indian tribe’
11 has the meaning given that term in section 4 of the
12 Indian Self-Determination and Education Assistance
13 Act (25 U.S.C. 5304).”; and

14 (2) in paragraph (7), by striking “has the
15 meaning given that term pursuant to” and inserting
16 “means a ‘tidal shoreline’ or a ‘Great Lake shore-
17 line’, as those terms are used in”.

18 (b) NATIONAL OCEANS AND COASTAL SECURITY
19 FUND.—Section 904 of the National Oceans and Coastal
20 Security Act (16 U.S.C. 7503) is amended—

21 (1) in subsection (a), by inserting “and jointly
22 manage” after “establish”;

23 (2) in subsection (b), by striking paragraph (1)
24 and inserting the following:

25 “(1) IN GENERAL.—The Fund shall consist of
26 such amounts as—

1 “(A) are deposited in the Fund under sec-
2 tion 105(f)(3)(B) of the Gulf of Mexico Energy
3 Security Act of 2006 (43 U.S.C. 1331 note;
4 Public Law 109–432);

5 “(B) are deposited in the Fund under sub-
6 paragraph (C)(ii)(I)(bb) of section 8(p)(2) of
7 the Outer Continental Shelf Lands Act (43
8 U.S.C. 1337(p)(2)); and

9 “(C) are appropriated or otherwise made
10 available for the Fund.”;

11 (3) by striking subsection (d) and inserting the
12 following:

13 “(d) EXPENDITURE.—

14 “(1) IN GENERAL.—Of the amounts deposited
15 into, and amounts appropriated or otherwise made
16 available for, the Fund for each fiscal year—

17 “(A) not more than 75 percent may be
18 used for the award of grants under section
19 906(b);

20 “(B) not more than 20 percent may be
21 used for the award of grants under section
22 906(c); and

23 “(C) not more than 5 percent may be used
24 by the Administrator and the Foundation for
25 administrative expenses to carry out this title.

1 “(2) LIMITATION.—If less than \$50,000,000 is
2 deposited into, or appropriated or otherwise made
3 available for, the Fund for a fiscal year, in that fis-
4 cal year—

5 “(A) amounts in the Fund shall be used
6 for the award of grants only under section
7 906(c); and

8 “(B) not more than 5 percent may be used
9 by the Administrator and the Foundation for
10 administrative expenses to carry out this title.

11 “(3) DIVISION OF AMOUNTS FOR ADMINISTRA-
12 TIVE EXPENSES.—The amounts referred to in para-
13 graphs (1)(C) and (2)(B) shall be divided between
14 the Administrator and the Foundation pursuant to
15 an agreement reached and documented by both the
16 Administrator and the Foundation.”; and

17 (4) in subsection (e)(2), by striking “section
18 906(a)(1)” and inserting “section 906(a)”.

19 (c) ELIGIBLE USES OF AMOUNTS IN THE NATIONAL
20 OCEANS AND COASTAL SECURITY FUND.—Section 905 of
21 the National Oceans and Coastal Security Act (16 U.S.C.
22 7504) is amended to read as follows:

23 **“SEC. 905. ELIGIBLE USES.**

24 “(a) IN GENERAL.—Amounts in the Fund may be
25 allocated by the Administrator and the Foundation to sup-

1 port programs and activities carried out by States, local
2 governments, Indian tribes, regional and interstate
3 collaboratives such as regional ocean partnerships, non-
4 governmental organizations, public-private partnerships,
5 and academic institutions for the purposes described in
6 subsection (b).

7 “(b) PURPOSES DESCRIBED.—The purposes de-
8 scribed in this subsection are the following:

9 “(1) Ocean, coastal, and Great Lakes restora-
10 tion and protection, including efforts to address po-
11 tential impacts to natural resources, communities,
12 and coastal economies of sea level change, sedi-
13 mentation, erosion, changes in ocean chemistry, hur-
14 ricanes and other extreme coastal storms, flooding,
15 and changes in ocean temperature.

16 “(2) Restoration, protection, or maintenance of
17 ocean, coastal, and Great Lakes resources and ma-
18 rine habitats.

19 “(3) Projects to address management, planning,
20 or resiliency and readiness at a regional scope, such
21 as through regional ocean partnerships or similar
22 bodies, including sustainable coastal development.

23 “(4) Scientific research that contributes to the
24 understanding and mitigation of ecological, eco-
25 nomic, societal, and national security threats driven

1 by sea level change, sedimentation, erosion, changes
2 in ocean chemistry, hurricanes and other extreme
3 weather that result in declarations of major disas-
4 ters pursuant to section 401 of the Robert T. Staf-
5 ford Disaster Relief and Emergency Assistance Act
6 (42 U.S.C. 5170), flooding, and changes in ocean
7 temperature, including specific attention to how
8 those conditions impact commercial and recreational
9 fishing businesses, aquaculture, boat building, ports,
10 or other coastal-related businesses.

11 “(5) Efforts to assist coastal States in strength-
12 ening, stabilizing, elevating, modifying, repositioning,
13 or otherwise enhancing the resiliency of onshore in-
14 frastructure, including public infrastructure, affected
15 by coastal land loss or erosion, hurricanes or other
16 extreme coastal storms, or flooding from sea level
17 change.

18 “(6) The collection, compilation, and sharing of
19 data that supports and includes regular stakeholder
20 engagement to minimize actual or potential conflicts
21 among ocean users.

22 “(c) PROHIBITION ON USE OF FUNDS FOR LITIGA-
23 TION OR OTHER PURPOSES.—No funds made available
24 under this title may be used—

1 “(1) to fund litigation against the Federal Gov-
2 ernment; or

3 “(2) to fund the creation of national marine
4 monuments, marine protected areas, or marine spa-
5 tial plans.”.

6 (d) GRANTS UNDER THE NATIONAL OCEANS AND
7 COASTAL SECURITY ACT.—Section 906 of the National
8 Oceans and Coastal Security Act (16 U.S.C. 7505) is
9 amended—

10 (1) in subsection (a)—

11 (A) by striking paragraph (2);

12 (B) by striking “(a) ADMINISTRATION OF
13 GRANTS.—” and all that follows through “the
14 following:” and inserting the following:

15 “(a) ADMINISTRATION OF GRANTS.—Not later than
16 90 days after funds are deposited into the Fund and made
17 available to the Administrator and the Foundation for ad-
18 ministrative purposes, the Administrator and the Founda-
19 tion shall establish the following:”;

20 (C) in subparagraph (A), by striking “such
21 subsections” and inserting “this section”;

22 (D) by striking subparagraph (B) and in-
23 sserting the following:

24 “(B) Selection procedures and criteria for
25 the awarding of grants under this section that

1 require consultation with the Administrator and
2 the Secretary of the Interior.”;

3 (E) in subparagraph (C), by striking
4 clause (ii) and inserting the following:

5 “(ii) under subsection (c) to entities
6 including States, local governments, Indian
7 tribes, regional and interstate
8 collaboratives such as regional ocean part-
9 nerships, nongovernmental organizations,
10 public-private partnerships, and academic
11 institutions.”;

12 (F) in subparagraph (D), by striking “Per-
13 formance accountability and monitoring” and
14 inserting “Performance, accountability, and
15 monitoring”; and

16 (G) by redesignating subparagraphs (A)
17 through (H) as paragraphs (1) through (8), re-
18 spectively, and moving such paragraphs, as so
19 redesignated, 2 ems to the left;

20 (2) by striking subsection (b) and inserting the
21 following:

22 “(b) GRANTS TO COASTAL STATES.—

23 “(1) IN GENERAL.—The Administrator shall
24 award grants to coastal States as follows:

1 “(A) 50 percent of available amounts shall
2 be allocated equally among coastal States.

3 “(B) 25 percent of available amounts shall
4 be allocated on the basis of the ratio of tidal
5 shoreline miles in a coastal State to the tidal
6 shoreline miles of all coastal States.

7 “(C) 25 percent of available amounts shall
8 be allocated on the basis of the ratio of popu-
9 lation density of the coastal counties of a coast-
10 al State to the average population density of all
11 coastal counties based on the most recent data
12 available from the Bureau of the Census.

13 “(2) MAXIMUM ALLOCATION TO STATES.—Not-
14 withstanding paragraph (1), not more than 5 per-
15 cent of the total funds distributed under this sub-
16 section may be allocated to any single coastal State.
17 Any amount exceeding that limitation shall be redis-
18 tributed equally among the remaining coastal States.

19 “(3) REQUIREMENT TO SUBMIT PLANS.—

20 “(A) IN GENERAL.—To be eligible to re-
21 ceive a grant under this subsection, a coastal
22 State shall submit to the Administrator for re-
23 view and approval a 5-year plan, which shall in-
24 clude the following:

1 “(i) Criteria to determine eligibility
2 for entities that may receive funding under
3 this subsection.

4 “(ii) A description of the process the
5 coastal State will use in allocating amounts
6 received under this subsection, which shall
7 include—

8 “(I) a description of the relative
9 roles in the State process of—

10 “(aa) the State coastal zone
11 management program approved
12 under the Coastal Zone Manage-
13 ment Act of 1972 (16 U.S.C.
14 1451 et seq.), if the coastal State
15 has such a program; and

16 “(bb) any sea grant pro-
17 gram (as defined in section 203
18 of the National Sea Grant Col-
19 lege Program Act (33 U.S.C.
20 1122)), if the coastal State has
21 such a program; and

22 “(II) a demonstration the process
23 is consistent with the procedures es-
24 tablished by the Administrator and
25 the Foundation under subsection (a).

1 “(iii) A process to certify that a
2 project or program carried out using
3 amounts received under this subsection,
4 and the awarding of a contract for the ex-
5 penditure of such amounts, are consistent
6 with the standard procurement rules and
7 regulations governing a comparable project
8 or program in the coastal State, including
9 all applicable competitive bidding and audit
10 requirements.

11 “(iv) Procedures to make publicly
12 available on the internet a list of all
13 projects and programs receiving amounts
14 under this subsection that includes, at a
15 minimum—

16 “(I) an identification of each en-
17 tity receiving amounts under this sub-
18 section;

19 “(II) the amount of funds re-
20 ceived by each such entity;

21 “(III) a description of each such
22 project and program; and

23 “(IV) a statement of the status
24 of each such project and program.

1 “(B) UPDATES.—As a condition of receiv-
2 ing a grant under this subsection, a coastal
3 State shall submit to the Administrator, not
4 less frequently than once every 5 years, an up-
5 date to the plan submitted by the coastal State
6 under subparagraph (A) for the 5-year period
7 immediately following the most recent submittal
8 under this paragraph.

9 “(C) INAUGURAL YEAR.—In the first year
10 after the date of the enactment of the Great
11 American Outdoors Act in which the Adminis-
12 trator awards grants under this subsection—

13 “(i) a plan approved under this para-
14 graph shall not be required; and

15 “(ii) a coastal State may use amounts
16 received under this subsection to develop a
17 plan under this paragraph to receive fund-
18 ing in future years.

19 “(4) OPPORTUNITY FOR PUBLIC COMMENT.—In
20 determining whether to approve a plan or an update
21 to a plan under paragraph (3), the Administrator
22 shall provide the opportunity for, and take into con-
23 sideration, public input and comment on the plan.

24 “(5) NONPARTICIPATION BY A STATE.—In any
25 year, if a coastal State does not submit a plan as

1 required by paragraph (3) or declines amounts dis-
2 tributed under this subsection, the amounts that
3 would have been allocated to the coastal State shall
4 be redistributed equally among the remaining coastal
5 States.”; and

6 (3) in subsection (c)—

7 (A) in paragraph (2)(B)—

8 (i) in clause (ii), by striking “; and”
9 and inserting a semicolon;

10 (ii) by redesignating clause (iii) as
11 clause (iv); and

12 (iii) by inserting after clause (ii) the
13 following:

14 “(iii) nongovernmental organizations;
15 and”; and

16 (B) by adding at the end the following:

17 “(3) MATCHING REQUIREMENT.—As a condi-
18 tion of receiving a grant under this subsection, the
19 entity seeking to receive the grant shall demonstrate
20 that funds are available from non-Federal sources to
21 match the amount of the grant.

22 “(4) EXCLUSION OF FUNDS FROM LIMITA-
23 TION.—The amount of a grant awarded under this
24 subsection shall not count toward the limitation

1 under subsection (b)(2) on funding to coastal States
2 through grants awarded under subsection (b).”.

3 (e) ANNUAL REPORT ON OPERATION OF THE NA-
4 TIONAL OCEANS AND COASTAL SECURITY FUND.—Sec-
5 tion 907(a) of the National Oceans and Coastal Security
6 Act (16 U.S.C. 7506(a)) is amended by striking “Subject
7 to” and all that follows through “the Foundation” and
8 inserting the following: “Not later than 60 days after the
9 end of each fiscal year, the Administrator and the Founda-
10 tion”.

11 (f) REPEAL OF AUTHORIZATION OF APPROPRIATIONS
12 FOR FISCAL YEARS 2017, 2018, AND 2019.—Section 908
13 of the National Oceans and Coastal Security Act (16
14 U.S.C. 7507) is repealed.

15 (g) EXTENSION OF CONSTITUTION, LAWS, AND JU-
16 RISDICTION OF THE UNITED STATES TO ENERGY FACILI-
17 TIES AND DEVICES ON THE OUTER CONTINENTAL
18 SHELF.—Section 4(a)(1) of the Outer Continental Shelf
19 Lands Act (43 U.S.C. 1333(a)(1)) is amended—

20 (1) by inserting “or producing or supporting
21 the production of energy from sources other than oil
22 and gas” before “, or any such installation”;

23 (2) by inserting “or transmitting energy” after
24 “transporting such resources”; and

1 continental Shelf that is not wholly or
2 partially located within an area sub-
3 ject to subparagraph (B).

4 “(II) ELIGIBLE STATE.—The
5 term ‘eligible State’ means a State a
6 point on the coastline of which is lo-
7 cated within 75 miles of the geo-
8 graphic center of the covered offshore
9 wind project.

10 “(ii) REQUIREMENT.—

11 “(I) IN GENERAL.—Of the oper-
12 ating fees, rentals, bonuses, royalties,
13 and other payments that are paid to
14 the Secretary under subparagraph (A)
15 from covered offshore wind projects—

16 “(aa) 50 percent shall be de-
17 posited in the Treasury and cred-
18 ited to miscellaneous receipts;

19 “(bb) 12.5 percent shall be
20 deposited in the National Oceans
21 and Coastal Security Fund estab-
22 lished under section 904(a) of
23 the National Oceans and Coastal
24 Security Act (16 U.S.C.
25 7503(a)); and

1 “(cc) 37.5 percent shall be
2 deposited in a special account in
3 the Treasury, from which the
4 Secretary, subject to subclause
5 (II), shall disburse to each eligi-
6 ble State an amount (based on a
7 formula established by the Sec-
8 retary of the Interior by rule-
9 making not later than 180 days
10 after the date of enactment of
11 the Great American Outdoors
12 Act) that is inversely propor-
13 tional to the respective distances
14 between—

15 “(AA) the point on the
16 coastline of each eligible
17 State that is closest to the
18 geographic center of the ap-
19 plicable leased tract; and

20 “(BB) the geographic
21 center of the leased tract.

22 “(II) MINIMUM ALLOCATION.—
23 The amount allocated to an eligible
24 State each fiscal year under item (cc)
25 of subclause (I) shall be at least 10

1 percent of the amounts available
2 under that item.

3 “(iii) TIMING.—The amounts required
4 to be deposited under item (cc) of clause
5 (ii)(I) for the applicable fiscal year shall be
6 made available in accordance with that
7 item during the fiscal year immediately fol-
8 lowing the applicable fiscal year.

9 “(iv) AUTHORIZED USES.—

10 “(I) IN GENERAL.—Subject to
11 subclause (II), each State shall use all
12 amounts received under clause
13 (ii)(I)(cc) in accordance with all appli-
14 cable Federal and State laws, only for
15 1 or more of the following purposes:

16 “(aa) Projects and activities
17 for the purposes of coastal pro-
18 tection, including conservation,
19 coastal restoration, hurricane
20 protection, and infrastructure di-
21 rectly affected by coastal wetland
22 losses.

23 “(bb) Mitigation of damage
24 to fish, wildlife, or natural re-
25 sources.

1 “(cc) Implementation of a
2 federally approved marine, coast-
3 al, or comprehensive conservation
4 management plan.

5 “(dd) Mitigation of the im-
6 pact of outer Continental Shelf
7 activities through the funding of
8 onshore infrastructure projects.

9 “(ee) Planning assistance
10 and the administrative costs of
11 complying with this section.

12 “(II) LIMITATION.—Of the
13 amounts received by a State under
14 clause (ii)(I)(cc), not more than 3 per-
15 cent shall be used for the purposes de-
16 scribed in subclause (I)(ee).

17 “(v) ADMINISTRATION.—Subject to
18 clause (vi)(III), amounts made available
19 under clause (ii)(I) shall—

20 “(I) be made available, without
21 further appropriation, in accordance
22 with this paragraph;

23 “(II) remain available until ex-
24 pended; and

1 “(III) be in addition to any
2 amount appropriated under any other
3 Act.

4 “(vi) REPORTING REQUIREMENT.—

5 “(I) IN GENERAL.—Not later
6 than 180 days after the end of each
7 fiscal year, the Governor of each eligi-
8 ble State that receives amounts under
9 clause (ii)(I)(cc) for the applicable fis-
10 cal year shall submit to the Secretary
11 a report that describes the use of the
12 amounts by the eligible State during
13 the period covered by the report.

14 “(II) PUBLIC AVAILABILITY.—On
15 receipt of a report under subclause
16 (I), the Secretary shall make the re-
17 port available to the public on the
18 website of the Department of the In-
19 terior.

20 “(III) LIMITATION.—If the Gov-
21 ernor of an eligible State that receives
22 amounts under clause (ii)(I)(cc) for
23 the applicable fiscal year fails to sub-
24 mit the report required under sub-
25 clause (I) by the deadline specified in

1 that subclause, any amounts that
2 would otherwise be provided to the eli-
3 gible State under clause (ii)(I)(cc) for
4 the succeeding fiscal year shall be de-
5 posited in the National Oceans and
6 Coastal Security Fund established
7 under section 904(a) of the National
8 Oceans and Coastal Security Act (16
9 U.S.C. 7503(a)).”.

10 (i) EXEMPTION OF CERTAIN PAYMENTS FROM SE-
11 QUESTRATION.—

12 (1) IN GENERAL.—Section 255(g)(1)(A) of the
13 Balanced Budget and Emergency Deficit Control
14 Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended by
15 inserting after “Payments to Social Security Trust
16 Funds (28–0404–0–1–651).” the following:

17 “Payments to States pursuant to subpara-
18 graph (C)(ii)(I)(cc) of section 8(p)(2) of the
19 Outer Continental Shelf Lands Act (43 U.S.C.
20 1337(p)(2)).”.

21 (2) APPLICABILITY.—The amendment made by
22 this section shall apply to any sequestration order
23 issued under the Balanced Budget and Emergency
24 Deficit Control Act of 1985 (2 U.S.C. 900 et seq.)
25 on or after the date of enactment of this Act.