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.


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 Revenues.—

4  "(1) Definition of qualified outer continental shelf revenues.—Section 102(9)(A) of the Gulf of Mexico Energy Security Act of 2006 (43
U.S.C. 1331 note; Public Law 109–432) is amended—

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

(B) in clause (ii)—

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

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

(C) by adding at the end the following:

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

“(I) the 181 Area;

“(II) the 181 South Area; and

“(III) the 2002–2007 planning area.”.

(2) Elimination of limitation on amount of distributed qualified outer continental
SHELF REVENUES.—Section 105 of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432) is amended by striking subsection (f) and inserting the following:

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

“(1) LIMITATIONS.—

“(A) FISCAL YEARS 2016 THROUGH 2020.—

Subject to paragraph (2), the total amount of qualified outer Continental Shelf revenues made available under subsection (a)(2) shall not exceed—

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

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

“(B) FISCAL YEARS 2021 THROUGH 2055.—

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

“(2) EXPENDITURES.—

“(A) FISCAL YEARS 2016 THROUGH 2020.—

For the purpose of paragraph (1)(A), for each
of fiscal years 2016 through 2020, expenditures under subsection (a)(2) shall be net of receipts from that fiscal year from any area in the 181 Area in the Eastern Planning Area and the 181 South Area.

“(B) FISCAL YEARS 2021 THROUGH 2055.—
For the purpose of paragraph (1)(B), for each of fiscal years 2021 through 2055, expenditures under subsection (a)(2)(B) shall be net of receipts from that fiscal year from any area in the 181 Area in the Eastern Planning Area and the 181 South Area.

“(3) PRO RATA REDUCTIONS; REVERSION.—

“(A) FISCAL YEARS 2016 THROUGH 2020.—
If paragraph (1)(A) limits the amount of qualified outer Continental Shelf revenues that would be paid under subparagraphs (A) and (B) of subsection (a)(2)—

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

“(ii) any remainder of the qualified outer Continental Shelf revenues shall revert to the general fund of the Treasury.
“(B) Fiscal Years 2021 Through 2055.—

If paragraph (1)(B) limits the amount of qualified outer Continental Shelf revenues that would be paid under subsection (a)(2)(B), any remainder of the qualified outer Continental Shelf revenues shall be deposited 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) Alaska Outer Continental Shelf Revenues.—

(1) Definitions.—In this subsection:

(A) Coastal political subdivision.—

The term “coastal political subdivision” means—

(i) 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
(ii) 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.

(B) 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).

(C) QUALIFIED REVENUES.—
(i) 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.
(ii) 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.

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

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

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

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

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

(C) 7.5 percent of qualified revenues in a special account in the Treasury, to be distrib-
uted by the Secretary to coastal political subdivisions.

(3) Allocation among coastal political subdivisions.—Of the amount paid by the Secretary to coastal political subdivisions under paragraph (2)(C)—

(A) 90 percent shall be allocated among coastal political subdivisions described in paragraph (1)(A)(i) 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

(B) 10 percent shall be divided equally among each coastal political subdivision described in paragraph (1)(A)(ii).

(4) Timing.—The amounts required to be deposited under paragraph (2) for the applicable fiscal year shall be made available in accordance with that paragraph during the fiscal year immediately following the applicable fiscal year.

(5) Authorized uses.—
(A) In general.—Subject to subparagraph (B), the State shall use all amounts received under paragraph (2)(B) in accordance with all applicable Federal and State laws, for 1 or more of the following purposes:

   (i) 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.

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

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

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

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

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

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

(viii) Planning assistance and the administrative costs of complying with this subsection.

(B) LIMITATION.—Not more than 3 percent of amounts received by the State under paragraph (2)(B) may be used for the purposes described in subparagraph (A)(viii).

(6) ADMINISTRATION.—Amounts made available under subparagraphs (B) and (C) of paragraph (2) shall—

(A) be made available, without further appropriation, in accordance with this subsection;

(B) remain available until expended; and

(C) be in addition to any amounts appropriated under any other provision of law.
SEC. 5. NATIONAL OCEANS AND COASTAL SECURITY FUND; PARITY IN OFFSHORE WIND REVENUE SHARING.

(a) Definitions in the National Oceans and Coastal Security Act.—Section 902 of the National Oceans and Coastal Security Act (16 U.S.C. 7501) is amended—

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

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

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

(b) National Oceans and Coastal Security Fund.—Section 904 of the National Oceans and Coastal Security Act (16 U.S.C. 7503) is amended—

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

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

“(1) In general.—The Fund shall consist of such amounts as—
“(A) are deposited in the Fund under section 105(f)(3)(B) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432);

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

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

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

“(d) EXPENDITURE.—

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

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

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

“(C) not more than 5 percent may be used by the Administrator and the Foundation for administrative expenses to carry out this title.
“(2) LIMITATION.—If less than $50,000,000 is deposited into, or appropriated or otherwise made available for, the Fund for a fiscal year, in that fiscal year—

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

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

“(3) DIVISION OF AMOUNTS FOR ADMINISTRATIVE EXPENSES.—The amounts referred to in paragraphs (1)(C) and (2)(B) shall be divided between the Administrator and the Foundation pursuant to an agreement reached and documented by both the Administrator and the Foundation.”; and

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

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

“SEC. 905. ELIGIBLE USES.

“(a) IN GENERAL.—Amounts in the Fund may be allocated by the Administrator and the Foundation to sup-
port programs and activities carried out by States, local
governments, Indian tribes, regional and interstate
collaboratives such as regional ocean partnerships, non-
governmental organizations, public-private partnerships,
and academic institutions for the purposes described in
subsection (b).

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

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

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

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

“(4) Scientific research that contributes to the
understanding and mitigation of ecological, eco-

onomic, societal, and national security threats driven
by sea level change, sedimentation, erosion, changes in ocean chemistry, hurricanes and other extreme weather that result in declarations of major disasters pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), flooding, and changes in ocean temperature, including specific attention to how those conditions impact commercial and recreational fishing businesses, aquaculture, boat building, ports, or other coastal-related businesses.

“(5) Efforts to assist coastal States in strengthening, stabilizing, elevating, modifying, repositioning, or otherwise enhancing the resiliency of onshore infrastructure, including public infrastructure, affected by coastal land loss or erosion, hurricanes or other extreme coastal storms, or flooding from sea level change.

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

“(c) PROHIBITION ON USE OF FUNDS FOR LITIGATION OR OTHER PURPOSES.—No funds made available under this title may be used—
“(1) to fund litigation against the Federal Government; or

“(2) to fund the creation of national marine monuments, marine protected areas, or marine spatial plans.”.

(d) Grants Under the National Oceans and Coastal Security Act.—Section 906 of the National Oceans and Coastal Security Act (16 U.S.C. 7505) is amended—

(1) in subsection (a)—

(A) by striking paragraph (2);

(B) by striking “(a) Administration of Grants.—” and all that follows through “the following;” and inserting the following:

“(a) Administration of Grants.—Not later than 90 days after funds are deposited into the Fund and made available to the Administrator and the Foundation for administrative purposes, the Administrator and the Foundation shall establish the following;”;

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

(D) by striking subparagraph (B) and inserting the following:

“(B) Selection procedures and criteria for the awarding of grants under this section that
require consultation with the Administrator and
the Secretary of the Interior.”;

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

“(ii) under subsection (c) to entities including States, local governments, Indian tribes, regional and interstate collaboratives such as regional ocean partnerships, nongovernmental organizations, public-private partnerships, and academic institutions.”;

(F) in subparagraph (D), by striking “Performance accountability and monitoring” and inserting “Performance, accountability, and monitoring”; and

(G) by redesignating subparagraphs (A) through (H) as paragraphs (1) through (8), respectively, and moving such paragraphs, as so redesignated, 2 ems to the left;

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

“(b) GRANTS TO COASTAL STATES.—

“(1) IN GENERAL.—The Administrator shall award grants to coastal States as follows:
“(A) 50 percent of available amounts shall be allocated equally among coastal States.

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

“(C) 25 percent of available amounts shall be allocated on the basis of the ratio of population density of the coastal counties of a coastal State to the average population density of all coastal counties based on the most recent data available from the Bureau of the Census.

“(2) MAXIMUM ALLOCATION TO STATES.—Notwithstanding paragraph (1), not more than 5 percent of the total funds distributed under this subsection may be allocated to any single coastal State. Any amount exceeding that limitation shall be redistributed equally among the remaining coastal States.

“(3) REQUIREMENT TO SUBMIT PLANS.—

“(A) IN GENERAL.—To be eligible to receive a grant under this subsection, a coastal State shall submit to the Administrator for review and approval a 5-year plan, which shall include the following:
“(i) Criteria to determine eligibility for entities that may receive funding under this subsection.

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

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

“(aa) the State coastal zone management program approved under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.), if the coastal State has such a program; and

“(bb) any sea grant program (as defined in section 203 of the National Sea Grant College Program Act (33 U.S.C. 1122)), if the coastal State has such a program; and

“(II) a demonstration the process is consistent with the procedures established by the Administrator and the Foundation under subsection (a).
“(iii) A process to certify that a project or program carried out using amounts received under this subsection, and the awarding of a contract for the expenditure of such amounts, are consistent with the standard procurement rules and regulations governing a comparable project or program in the coastal State, including all applicable competitive bidding and audit requirements.

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

“(I) an identification of each entity receiving amounts under this subsection;

“(II) the amount of funds received by each such entity;

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

“(IV) a statement of the status of each such project and program.
“(B) Updates.—As a condition of receiving a grant under this subsection, a coastal State shall submit to the Administrator, not less frequently than once every 5 years, an update to the plan submitted by the coastal State under subparagraph (A) for the 5-year period immediately following the most recent submittal under this paragraph.

“(C) Inaugural Year.—In the first year after the date of the enactment of the Great American Outdoors Act in which the Administrator awards grants under this subsection—

“(i) a plan approved under this paragraph shall not be required; and

“(ii) a coastal State may use amounts received under this subsection to develop a plan under this paragraph to receive funding in future years.

“(4) Opportunity for Public Comment.—In determining whether to approve a plan or an update to a plan under paragraph (3), the Administrator shall provide the opportunity for, and take into consideration, public input and comment on the plan.

“(5) Nonparticipation by a State.—In any year, if a coastal State does not submit a plan as
required by paragraph (3) or declines amounts distributed under this subsection, the amounts that would have been allocated to the coastal State shall be redistributed equally among the remaining coastal States.”; and

(3) in subsection (c)—

(A) in paragraph (2)(B)—

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

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

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

“(iii) nongovernmental organizations; and”;

and

(B) by adding at the end the following:

“(3) Matching Requirement.—As a condition of receiving a grant under this subsection, the entity seeking to receive the grant shall demonstrate that funds are available from non-Federal sources to match the amount of the grant.

“(4) Exclusion of Funds from Limitation.—The amount of a grant awarded under this subsection shall not count toward the limitation
under subsection (b)(2) on funding to coastal States through grants awarded under subsection (b).

(c) Annual Report on Operation of the National Oceans and Coastal Security Fund.—Section 907(a) of the National Oceans and Coastal Security Act (16 U.S.C. 7506(a)) is amended by striking “Subject to” and all that follows through “the Foundation” and inserting the following: “Not later than 60 days after the end of each fiscal year, the Administrator and the Foundation”.


(g) Extension of Constitution, Laws, and Jurisdiction of the United States to Energy Facilities and Devices on the Outer Continental Shelf.—Section 4(a)(1) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333(a)(1)) is amended—

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

(2) by inserting “or transmitting energy” after “transporting such resources”; and
(3) in the proviso, by inserting “and other energy” after “That mineral”.

(h) Parity in Offshore Wind Revenue Sharing.—Section 8(p)(2) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(p)(2)) is amended—

(1) in subparagraph (A), by striking “(A) The Secretary” and inserting the following:

“(A) In general.—Subject to subparagraphs (B) and (C), the Secretary”;

(2) in subparagraph (B), by striking “(B) The Secretary” and inserting the following:

“(B) Disposition of revenues for projects located within 3 nautical miles seaward of state submerged land.—The Secretary”; and

(3) by adding at the end the following:

“(C) Disposition of revenues for offshore wind projects in certain areas.—

“(i) Definitions.—In this subparagraph:

“(I) Covered offshore wind project.—The term ‘covered offshore wind project’ means a wind-powered electric generation project in a wind energy area on the outer Con-
tinental Shelf that is not wholly or partially located within an area subject to subparagraph (B).

“(II) Eligible state.—The term ‘eligible State’ means a State a point on the coastline of which is located within 75 miles of the geographic center of the covered offshore wind project.

“(ii) Requirement.—

“(I) In general.—Of the operating fees, rentals, bonuses, royalties, and other payments that are paid to the Secretary under subparagraph (A) from covered offshore wind projects—

“(aa) 50 percent shall be deposited in the Treasury and credited to miscellaneous receipts;

“(bb) 12.5 percent shall be deposited 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)); and
“(cc) 37.5 percent shall be deposited in a special account in the Treasury, from which the Secretary, subject to subclause (II), shall disburse to each eligible State an amount (based on a formula established by the Secretary of the Interior by rule-making not later than 180 days after the date of enactment of the Great American Outdoors Act) that is inversely proportional to the respective distances between—

“(AA) the point on the coastline of each eligible State that is closest to the geographic center of the applicable leased tract; and

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

“(II) Minimum Allocation.—
The amount allocated to an eligible State each fiscal year under item (cc) of subclause (I) shall be at least 10
percent of the amounts available under that item.

“(iii) TIMING.—The amounts required to be deposited under item (ee) of clause (ii)(I) for the applicable fiscal year shall be made available in accordance with that item during the fiscal year immediately following the applicable fiscal year.

“(iv) AUTHORIZED USES.—

“(I) IN GENERAL.—Subject to subclause (II), each State shall use all amounts received under clause (ii)(I)(ee) in accordance with all applicable Federal and State laws, only for 1 or more of the following purposes:

“(aa) Projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses.

“(bb) Mitigation of damage to fish, wildlife, or natural resources.
“(cc) Implementation of a federally approved marine, coastal, or comprehensive conservation management plan.

“(dd) Mitigation of the impact of outer Continental Shelf activities through the funding of onshore infrastructure projects.

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

“(II) LIMITATION.—Of the amounts received by a State under clause (ii)(I)(cc), not more than 3 percent shall be used for the purposes described in subclause (I)(ee).

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

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

“(II) remain available until expended; and
“(III) be in addition to any amount appropriated under any other Act.

“(vi) REPORTING REQUIREMENT.—

“(I) IN GENERAL.—Not later than 180 days after the end of each fiscal year, the Governor of each eligible State that receives amounts under clause (ii)(I)(cc) for the applicable fiscal year shall submit to the Secretary a report that describes the use of the amounts by the eligible State during the period covered by the report.

“(II) PUBLIC AVAILABILITY.—On receipt of a report under subclause (I), the Secretary shall make the report available to the public on the website of the Department of the Interior.

“(III) LIMITATION.—If the Governor of an eligible State that receives amounts under clause (ii)(I)(cc) for the applicable fiscal year fails to submit the report required under subclause (I) by the deadline specified in
that subclause, any amounts that would otherwise be provided to the eligible State under clause (ii)(I)(cc) for the succeeding fiscal year shall be deposited 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))."

(i) Exemption of Certain Payments From Sequestration.—

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

“Payments to States pursuant to subparagraph (C)(ii)(I)(cc) of section 8(p)(2) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(p)(2)).”.

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