

**AMENDMENT TO H.R. 1231, AS REPORTED  
OFFERED BY MS. JACKSON LEE OF TEXAS**

Add at the end the following:

1 **SEC. \_\_\_\_ . PAYMENTS TO COASTAL PRODUCING STATES.**

2 The Outer Continental Shelf Lands Act (43 U.S.C.  
3 1331 et seq.) is amended by adding at the end the fol-  
4 lowing:

5 **“SEC. 32. PAYMENTS TO COASTAL PRODUCING STATES.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) COASTAL POLITICAL SUBDIVISION.—The  
8 term ‘coastal political subdivision’ means a political  
9 subdivision of a coastal State, any part of which is  
10 located—

11 “(A) within the coastal zone (as defined in  
12 section 304 of the Coastal Zone Management  
13 Act of 1972 (16 U.S.C. 1453)) of the coastal  
14 State as of the date of enactment of this sec-  
15 tion; and

16 “(B) not more than 200 nautical miles  
17 from the geographic center of any leased tract.

18 “(2) COASTAL STATE.—The term ‘coastal  
19 State’ has the meaning given the term in section

1 304 of the Coastal Zone Management Act of 1972  
2 (16 U.S.C. 1453).

3 “(3) COASTAL PRODUCING STATE.—

4 “(A) IN GENERAL.—The term ‘coastal pro-  
5 ducing State’ means a coastal State that has a  
6 coastal seaward boundary within 200 nautical  
7 miles of the geographic center of a leased tract  
8 within any area of the outer Continental Shelf.

9 “(B) EXCLUSION.—The term ‘coastal pro-  
10 ducing State’ does not include any State a ma-  
11 jority of the coastline of which is subject to  
12 leasing moratoria as of January 1, 2006.

13 “(4) LEASED TRACT.—The term ‘leased tract’  
14 means a tract—

15 “(A) maintained under section 6; or

16 “(B) leased under section 8.

17 “(5) QUALIFIED OUTER CONTINENTAL SHELF  
18 REVENUES.—

19 “(A) IN GENERAL.—The term ‘qualified  
20 outer Continental Shelf revenues’ means the  
21 amounts received by the United States from  
22 each leased tract or portion of a leased tract—

23 “(i) lying—

24 “(I) seaward of the zone covered  
25 by section 8(g); or

1                   “(II) within that zone, but to  
2                   which section 8(g) does not apply; and

3                   “(ii) the geographic center of which  
4                   lies within 200 nautical miles from any  
5                   part of the coastline of any coastal State.

6                   “(B) INCLUSIONS.—The term ‘qualified  
7                   outer Continental Shelf revenues’ includes  
8                   bonus bids, rents, royalties (including payments  
9                   for royalty taken in-kind and sold), net profit  
10                  share payments, and related late-payment inter-  
11                  est from natural gas and oil leases issued under  
12                  this Act.

13                  “(C) EXCLUSION.—The term ‘qualified  
14                  outer Continental Shelf revenues’ does not in-  
15                  clude any revenues from a leased tract or por-  
16                  tion of a leased tract that is located in a geo-  
17                  graphic area subject to a leasing moratorium as  
18                  of January 1, 2006, unless the lease was in  
19                  production on that date.

20                  “(b) DISBURSEMENTS.—

21                  “(1) IN GENERAL.—Notwithstanding any other  
22                  provision of law, not later than December 31, 2012,  
23                  and annually thereafter, the Secretary of the Treas-  
24                  ury, without further appropriation and subject to  
25                  subjection (c), shall disburse to coastal producing

1 States 50 percent of qualified outer Continental  
2 Shelf revenues received during the preceding year.

3 “(2) PROPORTIONAL ALLOCATIONS.—

4 “(A) IN GENERAL.—Except as provided in  
5 subparagraph (B), the amounts made available  
6 under paragraph (1) shall be allocated to each  
7 coastal producing State based on the ratio  
8 that—

9 “(i) the amount of qualified outer  
10 Continental Shelf revenues generated off  
11 the coastline of the coastal producing  
12 State; bears to

13 “(ii) the amount of qualified outer  
14 Continental Shelf revenues generated off  
15 the coastline of all coastal producing  
16 States.

17 “(B) EXCEPTION FOR MULTIPLE COASTAL  
18 PRODUCING STATES.—In a case in which more  
19 than 1 coastal producing State is located within  
20 200 nautical miles of any portion of a leased  
21 tract, the amount allocated to each coastal pro-  
22 ducing State for the leased tract shall be in-  
23 versely proportional to the distance between—

24 “(i) the nearest point on the coastline  
25 of the coastal producing State; and

1                   “(ii) the geographic center of the  
2 leased tract.

3                   “(C) FORMULA.—Of the share of each  
4 coastal producing State under this paragraph,  
5 35 percent shall be allocated among and paid  
6 directly to appropriate coastal political subdivi-  
7 sions by the Secretary of the Treasury based on  
8 the following formula:

9                   “(i) 50 percent shall be allocated in  
10 amounts that are inversely proportional to  
11 the respective distances between the points  
12 in each coastal political subdivision that  
13 are closest to the geographic center of each  
14 leased tract, as determined by the Sec-  
15 retary.

16                   “(ii) 25 percent shall be allocated  
17 based on the ratio that—

18                   “(I) the length, in miles, of the  
19 coastline of each coastal political sub-  
20 division; bears to

21                   “(II) the length, in miles, of the  
22 coastline of all coastal political sub-  
23 divisions of the State.

24                   “(iii) 25 percent shall be allocated  
25 based on the ratio that—

1                   “(I) the coastal population of the  
2                   coastal political subdivision; bears to

3                   “(II) the coastal population of all  
4                   coastal political subdivisions of the  
5                   State.

6           “(c) USE OF FUNDS.—A coastal producing State,  
7 and a coastal political subdivision, shall use amounts re-  
8 ceived under this section (including any amounts deposited  
9 into a trust fund administered by the coastal producing  
10 State or coastal political subdivision in accordance with  
11 this subsection), only for 1 or more of the following pur-  
12 poses:

13                   “(1) To conserve, protect, or restore coastal  
14                   areas, including wetlands.

15                   “(2) To mitigate damage to natural resources  
16                   and protect fish and wildlife in the coastal zone.

17                   “(3) To mitigate the impact of outer Conti-  
18                   nental Shelf activity by providing onshore infrastruc-  
19                   ture or public service.

20                   “(4) Hurricane protection, storm damage miti-  
21                   gation, and integrated flood control systems.

22                   “(5) Levee construction and maintenance.

23                   “(6) Marine and coastal subsidence.

24                   “(7) Coastal and riverine erosion.

1           “(8) Coastal and wetlands conservation and  
2 management.

3           “(9) Infrastructure for navigation, ports, and  
4 transportation relating to trade, commerce, evacu-  
5 ation, economic development, and public safety.

6           “(d) ADDITIONAL USE OF FUNDS.—Subject to sub-  
7 section (c), a coastal producing State may use amounts  
8 received under this section (including any amounts depos-  
9 ited into a trust fund administered by the coastal pro-  
10 ducing State or coastal political subdivision in accordance  
11 with this subsection) to make any payment that is eligible  
12 to be made with funds provided to States under section  
13 35 of the Mineral Leasing Act (30 U.S.C. 191 et seq.).”.

