



NEWS RELEASE

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States receive record \$1.7 billion in mineral revenues *MMS reports FY 2005 disbursements*

DENVER – A record \$1.7 billion was distributed to 35 states during Fiscal Year 2005 as part of their share of federal revenues collected by the Department of the Interior’s Minerals Management Service (MMS).

The \$1,705,016,400 distributed to states during the Fiscal Year that ended Sept. 30, 2005, compares with Fiscal Year 2004 payments to states that totaled \$1.24 billion. The disbursements represent the states’ cumulative share of revenues collected from mineral production on federal lands located within their borders, and from federal offshore oil and gas tracts adjacent to their state waters.

“These revenues are an extremely important source of funds to many states today,” said Johnnie Burton, Director of the Minerals Management Service. “States use the money to fund local education, critical infrastructure projects, and assistance to local counties where the energy production occurs.”

In addition to the state disbursements, Burton noted that MMS also contributed \$5.4 billion to the U.S. Treasury in Fiscal Year 2005; approximately \$2.3 billion to special use funds, including the Reclamation Fund, the Historic Preservation Fund, and the Land and Water Conservation Fund; and approximately \$420 million to American Indian Tribes and individual Indian mineral owners.

During Fiscal Year 2005, the state of Wyoming again led all states by receiving more than \$878 million as its share of revenues collected from mineral production on federal lands within its borders, including oil, gas and coal production. New Mexico’s share was more than \$444 million, while the state of Colorado received more than \$106 million. Other energy-producing states sharing revenues included Utah with more than \$87.4 million; Montana with \$35.5 million; Louisiana at \$32.4 million; California with more than \$23.4 million; Alaska at \$22.9 million; and Texas, which received more than \$15.8 million in Fiscal Year 2005.

MMS is the federal agency responsible for collecting, auditing and disbursing revenues associated with mineral leases on federal and American Indian lands. Disbursements are made to states on a monthly basis as royalties, rents, bonuses and other revenues are collected by MMS.

A state is entitled to a share of the mineral revenues collected from federal lands located within that state's boundaries. For the majority of onshore federal lands, states receive 50 percent of the revenues while the other 50 percent goes to various funds of the U.S. Treasury, including the Reclamation Fund for water projects. Alaska receives a 90 percent share as prescribed by the Alaska Statehood Act. States may also receive appropriations from the offshore royalty-funded Land and Water Conservation Fund to help with park and land acquisitions.

In addition, coastal states with producing federal offshore tracts adjacent to their seaward boundaries receive 27 percent of those mineral royalties. Remaining offshore revenues collected by the Minerals Management Service are deposited in various accounts of the U.S. Treasury, with the majority of those revenues going to the General Fund.

For a complete list of states receiving revenues please visit: www.mms.gov

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments. The OCS provides 30 percent of oil and 21 percent of natural gas produced domestically, and sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, and contributes to the Land and Water Conservation Fund and other special use funds, with Fiscal Year 2005 disbursements of approximately \$9.9 billion and \$153 billion since 1982.

MMS Main Website: www.mms.gov

*****MMS: Securing Ocean Energy & Economic Value for America*****