

# January 2008

The Minerals Management Service (MMS) is an agency within the U.S. Department of the Interior. Through its Minerals Revenue Management program, MMS manages the collection, verification, and disbursement of revenues associated with leasing and production of oil, natural gas, alternative and renewable energy and minerals on the Outer Continental Shelf (OCS) and onshore Federal and Indian lands. Through the Offshore Minerals Management program, MMS manages the Nation's oil, natural gas, and other energy and mineral resources on the Federal OSC. Each year, the MMS collects and disburses billions of dollars. For example, in FY 2007, MMS collected and disbursed approximately \$11 billion (\$3.9 billion from onshore and \$7 billion from offshore) to the recipients below. The American taxpayers benefit from the management of these energy and mineral resources and the revenues they generate.

### **Recipients of Energy and Mineral Revenue**

### • U.S. Treasury

Energy and mineral leasing revenues disbursed to the U.S. Treasury are one of the Federal Government's greatest sources of non-tax receipts. These revenues help fund various government functions and programs through the General Fund of the U.S. Treasury.

### • Federal Agencies

Energy and mineral revenue receipts are disbursed to various Federal agencies to fund programs that benefit the American public.

#### • States

- o Energy and mineral revenues disbursed to the states are a significant element of a state's financial resources and are spent as they deem necessary.
- O States with Federal mineral leases receive 50 percent of the revenues generated from those leases. (Alaska receives 90 percent).
- o Coastal States with Federal OCS activity off their coastline receive 27 percent of revenues from offshore 8(g) leases and are eligible for Coastal Impact Assistance Funds.
- Coastal producing states in the Gulf of Mexico share in revenues from new OCS leasing under the Gulf of Mexico Energy Security Act.

#### • Land and Water Conservation Fund

Energy and mineral revenues disbursed to this fund are used for State grant and Federal programs for the acquisition, development and conservation of park and recreation lands and facilities. Revenues from the OCS oil and gas program provide about 90 percent of the monies going into this Fund each year.

## • Reclamation Fund

Forty percent of onshore energy and mineral revenue receipts are disbursed to this Fund and used by the U.S. Bureau of Reclamation for water resource development and maintenance work in the western states.

#### • National Historic Preservation Fund

Energy and mineral revenue receipts disbursed to this fund are used to expand historic preservation plans and activities through grants for State and Federal projects. Each year, 100 percent of the monies are from OCS oil and gas revenues.

To find out more information on the royalty disbursements, visit our website at <a href="https://www.mrm.mms.gov/MRMWebStats/Home.aspx">www.mrm.mms.gov/MRMWebStats/Home.aspx</a> or call the MMS Office of Congressional Affairs at (202) 208-3502.