MMS Fast Facts

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The Minerals Management Service (MMS) is the bureau in the United States Department of the Interior that manages all Federal and Indian mineral revenues and all Federal offshore energy and mineral resources. Through its Minerals Revenue Management program, MMS manages the collection, verification, and disbursement of revenues associated with leasing and production of oil, natural gas, solid minerals, and renewable energy and minerals Federal and Indian lands. Through the Offshore Energy and Minerals Management program, MMS manages the Nation's oil, natural gas, and other energy and mineral resources on the Federal OCS. Each year, the MMS collects and disburses billions of dollars. For example, in Fiscal Year 2008, MMS collected and disbursed approximately $23.4 billion (approximately $5.5 billion and $18 billion was reported from onshore and offshore, respectively) to the recipients below, as directed by statute. The American taxpayers benefit from the management of these energy and mineral resources and the revenues they generate.

Recipients of Energy and Mineral Revenues

- **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 distribution to the General Fund and other Federal agency funds.

- **States**
  - States with Federal mineral leases receive 50 percent of the revenues generated from those leases within their state boundaries (Alaska receives 90 percent). These revenues are a significant element of a state's financial resources and are spent as they deem necessary. Some states do not receive the full 50% due to the Net Receipts Sharing methodology, which states "the Secretary shall deduct 2 percent from the amount payable to each State in FY 2008 and deposit the amount deducted to miscellaneous receipts of the Treasury."

  - Coastal States with Federal OCS activity off their coastline receive 27 percent of revenues from offshore 8(g) leases. The OCS Lands Act was amended in 1986 and mandated the Federal government share with affected coastal States 27 percent of revenues generated from the leasing and development of oil and natural gas resources located in the federal "8(g)" zone. This zone is three-miles wide and is located directly adjacent to a State's seaward boundary.

  - Coastal Impact Assistance Program (CIAP). For Fiscal Years 2007 through 2010, $250 million from OCS revenues will be distributed to producing coastal states and their coastal political subdivisions to mitigate the impacts of OCS oil and gas activities. Funds are allocated and distributed to Alabama, Alaska, California, Louisiana, Mississippi, and Texas.

- Coastal producing states in the Gulf of Mexico – Texas, Alabama, Louisiana, Mississippi, and Texas and their political subdivisions share in 37.5 percent of all revenues generated from lease sales mandated in two areas in the Central and Eastern Gulf under the Gulf of Mexico Energy Security Act. In addition, 37.5 percent of all future revenues generated from all leases issued after the enactment of the Act will be shared with the Gulf Coast States beginning in 2017.

- **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 $900 million annually -- about 90 percent of the monies going into this Fund each year.

- **Reclamation Fund**
  Forty percent of the Federal share 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 for this fund are from OCS oil and gas revenues.

Provided below is a breakdown of where the $23.4 billion in energy and mineral revenues were disbursed in Fiscal Year 2008 by the Minerals Management Service:

- $17.3 billion to U.S. Treasury
- $2.6 billion to 35 states
  - $2.5 billion from onshore revenue
  - $103.6 million from OCS 8(g) revenue to 7 coastal states
- $897 million Land and Water Conservation Fund
- $2 billion for Reclamation Fund
- $150 million to Historic Preservation Fund
- $534 million to Trust Funds for 34 tribes and 30,000 Indian mineral owners

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

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