

117TH CONGRESS
2D SESSION

H. R. 8437

To distribute revenues from oil, gas, and wind leasing on the Outer Continental Shelf, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2022

Mr. SCALISE (for himself and Mr. CARTER of Louisiana) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To distribute revenues from oil, gas, and wind leasing on the Outer Continental Shelf, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Budgeting for Renew-
5 able Electrical Energy Zone Earnings Act” or the
6 “BREEZE Act”.

1 **SEC. 2. GULF OF MEXICO OUTER CONTINENTAL SHELF**
 2 **REVENUE.**

3 (a) DISTRIBUTION OF OUTER CONTINENTAL SHELF
 4 REVENUE TO GULF PRODUCING STATES.—Section 105 of
 5 the Gulf of Mexico Energy Security Act of 2006 (43
 6 U.S.C. 1331 note) is amended—

7 (1) in subsection (a)—

8 (A) in paragraph (1), by striking “50” and
 9 inserting “37.5”; and

10 (B) in paragraph (2)—

11 (i) by striking “50” and inserting
 12 “62.5”;

13 (ii) in subparagraph (A), by striking
 14 “75” and inserting “80”; and

15 (iii) in subparagraph (B), by striking
 16 “25” and inserting “20”; and

17 (2) by striking subsection (f).

18 (b) EXEMPTION OF CERTAIN PAYMENTS FROM SE-
 19 QUESTRATION.—

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

25 “Payments to States pursuant to section
 26 105(a)(2)(A) of the Gulf of Mexico Energy Security

1 Act of 2006 (Public Law 109–432; 43 U.S.C. 1331
2 note) (014–5535–0–2–302).”.

3 (2) APPLICABILITY.—The amendment made by
4 this subsection shall apply to any sequestration
5 order issued under the Balanced Budget and Emer-
6 gency Deficit Control Act of 1985 (2 U.S.C. 900 et
7 seq.) on or after the date of enactment of this Act.

8 **SEC. 3. PARITY IN OFFSHORE WIND REVENUE SHARING.**

9 (a) PAYMENTS AND REVENUES.—Section 8(p)(2) of
10 the Outer Continental Shelf Lands Act (43 U.S.C.
11 1337(p)(2)) is amended—

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

14 “(A) IN GENERAL.—Subject to subpara-
15 graphs (B) and (C), the Secretary”;

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

18 “(B) DISPOSITION OF REVENUES FOR
19 PROJECTS LOCATED WITHIN 3 NAUTICAL MILES
20 SEAWARD OF STATE SUBMERGED LAND.—The
21 Secretary”; and

22 (3) by adding at the end the following:

23 “(C) DISPOSITION OF REVENUES FOR OFF-
24 SHORE WIND PROJECTS IN CERTAIN AREAS.—

1 “(i) DEFINITIONS.—In this subpara-
2 graph:

3 “(I) COVERED OFFSHORE WIND
4 PROJECT.—The term ‘covered off-
5 shore wind project’ means a wind
6 powered electric generation project in
7 a wind energy area on the outer Con-
8 tinental Shelf that is not wholly or
9 partially located within an area sub-
10 ject to subparagraph (B).

11 “(II) ELIGIBLE STATE.—The
12 term ‘eligible State’ means a State a
13 point on the coastline of which is lo-
14 cated within 75 miles of the geo-
15 graphic center of a covered offshore
16 wind project.

17 “(III) QUALIFIED OUTER CONTI-
18 NENTAL SHELF REVENUES.—The
19 term ‘qualified outer Continental
20 Shelf revenues’ means all royalties,
21 fees, rentals, bonuses, or other pay-
22 ments from covered offshore wind
23 projects carried out pursuant to this
24 subsection.

25 “(ii) REQUIREMENT.—

1 “(I) IN GENERAL.—The Sec-
2 retary of the Treasury shall deposit—

3 “(aa) 12.5 percent of quali-
4 fied outer Continental Shelf reve-
5 nues in the general fund of the
6 Treasury;

7 “(bb) 37.5 percent of quali-
8 fied outer Continental Shelf reve-
9 nues in the North American Wet-
10 lands Conservation Fund; and

11 “(cc) 50 percent of qualified
12 outer Continental Shelf revenues
13 in a special account in the Treas-
14 ury from which the Secretary
15 shall disburse to each eligible
16 State an amount determined pur-
17 suant to subclause (II).

18 “(II) ALLOCATION.—

19 “(aa) IN GENERAL.—Sub-
20 ject to item (bb), for each fiscal
21 year beginning after the date of
22 enactment of this subparagraph,
23 the amount made available under
24 subclause (I)(cc) shall be allo-
25 cated to each eligible State in

1 amounts (based on a formula es-
2 tablished by the Secretary by
3 regulation) that are inversely
4 proportional to the respective dis-
5 tances between the point on the
6 coastline of each eligible State
7 that is closest to the geographic
8 center of the applicable leased
9 tract and the geographic center
10 of the leased tract.

11 “(bb) MINIMUM ALLOCA-
12 TION.—The amount allocated to
13 an eligible State each fiscal year
14 under item (aa) shall be at least
15 10 percent of the amounts made
16 available under subclause (I)(cc).

17 “(cc) PAYMENTS TO COAST-
18 AL POLITICAL SUBDIVISIONS.—

19 “(AA) IN GENERAL.—
20 The Secretary shall pay 20
21 percent of the allocable
22 share of each eligible State,
23 as determined pursuant to
24 item (aa), to the coastal po-

1 litical subdivisions of the eli-
2 gible State.

3 “(BB) ALLOCATION.—

4 The amount paid by the
5 Secretary to coastal political
6 subdivisions under subitem
7 (AA) shall be allocated to
8 each coastal political sub-
9 division in accordance with
10 subparagraphs (B) and (C)
11 of section 31(b)(4) of this
12 Act.

13 “(iii) TIMING.—The amounts required
14 to be deposited under subclause (I) of
15 clause (ii) for the applicable fiscal year
16 shall be made available in accordance with
17 such subclause during the fiscal year im-
18 mediately following the applicable fiscal
19 year.

20 “(iv) AUTHORIZED USES.—

21 “(I) IN GENERAL.—Subject to
22 subclause (II), each eligible State
23 shall use all amounts received under
24 clause (ii)(II) in accordance with all
25 applicable Federal and State laws,

only for 1 or more of the following purposes:

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

“(bb) Mitigation of damage to fish, wildlife, or natural resources, including through fisheries science and research.

“(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.

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

4 “(II) LIMITATION.—Of the
 5 amounts received by an eligible State
 6 under clause (ii)(II), not more than 3
 7 percent shall be used for the purposes
 8 described in subclause (I)(ee).

9 “(v) ADMINISTRATION.—Subject to
 10 clause (vi)(III), amounts made available
 11 under items (aa) and (cc) of clause (ii)(I)
 12 shall—

13 “(I) be made available, without
 14 further appropriation, in accordance
 15 with this subparagraph;

16 “(II) remain available until ex-
 17 pended; and

18 “(III) be in addition to any
 19 amount appropriated under any other
 20 Act.

21 “(vi) REPORTING REQUIREMENT.—

22 “(I) IN GENERAL.—Not later
 23 than 180 days after the end of each
 24 fiscal year, the Governor of each eligi-
 25 ble State that receives amounts under

1 clause (ii)(II) for the applicable fiscal
2 year shall submit to the Secretary a
3 report that describes the use of the
4 amounts by the eligible State during
5 the period covered by the report.

6 “(II) PUBLIC AVAILABILITY.—On
7 receipt of a report submitted under
8 subclause (I), the Secretary shall
9 make the report available to the pub-
10 lic on the website of the Department
11 of the Interior.

12 “(III) LIMITATION.—If the Gov-
13 ernor of an eligible State that receives
14 amounts under clause (ii)(II) fails to
15 submit the report required under sub-
16 clause (I) by the deadline specified in
17 that subclause, any amounts that
18 would otherwise be provided to the eli-
19 gible State under clause (ii)(II) for
20 the succeeding fiscal year shall be de-
21 posited in the Treasury.”.

22 (b) EXEMPTION OF CERTAIN PAYMENTS FROM SE-
23 QUESTRATION.—

24 (1) IN GENERAL.—Section 255(g)(1)(A) of the
25 Balanced Budget and Emergency Deficit Control

1 Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended by
2 inserting after “Payments to Social Security Trust
3 Funds (28–0404–0–1–651).” the following:

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

7 (2) APPLICABILITY.—The amendment made by
8 this subsection shall apply to any sequestration
9 order issued under the Balanced Budget and Emer-
10 gency Deficit Control Act of 1985 (2 U.S.C. 900 et
11 seq.) on or after the date of enactment of this Act.

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