Disbursements to States increase; American Indian Revenues top $1 Billion for first time

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WASHINGTON – Secretary of the Interior Sally Jewell today announced that the Department of the Interior disbursed more than $13.4 billion in revenue generated by energy production on Federal and American Indian lands and offshore areas in Fiscal Year 2014, with increases in state and Indian Country revenues over the prior year.

The disbursements include more than $1 billion to American Indian Tribes and individual Indian mineral owners, marking the first time disbursements from energy production on American Indian lands topped the billion-dollar mark.

The Interior Department distributes energy revenues to state, local, and federal accounts to support critical reclamation, conservation, recreation, and historic preservation projects. Local governments apply the revenues to meet a variety of needs, ranging from school funding to infrastructure improvements and water conservation projects.

“Revenue generated from developing public energy resources that belong to all Americans helps fund critical investments in communities across the United States and creates American jobs, fosters land and water conservation efforts, improves critical infrastructure, and supports education,” said Jewell. “This year’s disbursements continue to reflect significant energy production from public and tribal lands in the United States.”

The $1.1 billion disbursed to 34 American Indian Tribes and more than 34,000 individual Indian mineral owners for resources held for them in trust or restricted status represents an increase of more than $200 million over FY 2013 disbursements that totaled $932.9 million. This increase to Indian Country is attributed primarily to increasing oil production from the Ft. Berthold Reservation in North Dakota.

The Interior Department disburses 100 percent of the revenues received for energy and mineral production activities on Indian lands directly to the Tribes and individual Indian mineral owners through Interior’s Bureau of Indian Affairs and the Office of Special Trustee for American Indians. Tribes then use the revenues to develop infrastructure, provide healthcare and education, and support other critical community development programs, such as senior centers, public safety projects, and youth initiatives.

Secretary Jewell in June announced a package of regulatory initiatives intended to help tribal leaders to spur investment opportunities and economic development in Indian Country, including efforts to remove regulatory barriers to infrastructure and energy development in Indian Country; increase tribal community access to expanded, high-speed Internet resources via broadband; eliminate leasing impediments to land development; and support the growth of new markets for Native American and

Alaska Native businesses.

“While some tribes continue to experience recent economic progress from energy development, these tribes and many other tribal communities continue to face formidable economic hardship,” said Jewell. “In our efforts to foster tribal self-determination and improve our federal regulations to meet the needs of the 21st century, we will continue to look for opportunities to provide greater deference to tribes to help remove barriers to economic development on tribal lands. Working hand in hand with tribal communities and with my colleagues across the Administration, we hope to help lay a solid foundation for economic development and improve the quality of life for American Indians and Alaska Natives in their homelands.”

More than $2.2 billion of the FY 2014 energy revenues were disbursed to 36 states as their cumulative share of revenues collected from oil, gas and mineral production on federal lands within their borders and from U.S. offshore oil and gas tracts adjacent to their shores. In FY 2013 disbursements to the states totaled about $2 billion. Among the top states receiving FY 2014 revenue are Wyoming ($1 billion); New Mexico ($579 million); Utah ($171 million); Colorado ($169 million); California ($100 million); North Dakota ($68 million); Montana ($38 million); Louisiana ($24 million); Alaska ($20 million); and Texas ($12 million).

Included in the state disbursements is $4.1 million sent directly to 37 individual counties in eight states from geothermal energy production. State disbursements also include $4.3 million to four coastal states and 42 eligible political subdivisions (counties and parishes) under provisions of the Gulf of Mexico Energy Security Act of 2006. A complete list of states receiving revenues through Fiscal Year 2014 is available on Interior’s Office of Natural Resources Revenue’s website at: http://www.onrr.gov/

A total of $7.2 billion was disbursed to the U.S. Treasury to fund programs for the entire nation, making the Department’s mineral revenue disbursements one of the nation’s largest sources of non-tax revenue. The disbursements also fund several special use accounts in the U.S. Treasury, including FY 2014 transfers to the Land & Water Conservation Fund, the Reclamation Fund, and the Historic Preservation Fund.

The Land and Water Conservation Fund, established by Congress in 1964, receives revenue from energy development to provide grants to state, federal and local governments to acquire land, water and easements for recreation use and to protect natural treasures. Receipts deposited in the Reclamation Fund are made available by Congress through annual appropriation acts for authorized water management and efficiency programs that directly benefit 17 Western States. The Historic Preservation Fund provides matching grants to help state and tribal historic preservation offices preserve cultural and other historic resources.

All federal energy revenues are collected and disbursed by Interior’s Office of Natural Resources Revenue (ONRR), which is under the Assistant Secretary for Policy, Management and Budget. ONRR makes disbursements on a monthly basis from the royalties, rents and bonuses it collects from energy and mineral companies.

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