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**Alaska Earns \$17.5 Million in FY '04
Mineral Revenues**

The State of Alaska received more than \$17.5 million as part of their share of federal revenues collected by the Department of the Interior's Minerals Management Service. The MMS distributed more than \$1.24 billion to 36 states during Fiscal Year 2004.

The \$1,248,693,178 distributed to states during the fiscal year that ended Sept. 30 compares with Fiscal Year 2003 payments to states that totaled \$1,019,980,807.

"These revenues can be crucial to states where energy production occurs," said Johnnie Burton, Director of the Minerals Management Service. "In many cases," she said, "states share their revenues with individual counties and the money is used for a variety of local needs ranging from school funding to infrastructure improvements."

The \$1.24 billion distributed through September of this year represents 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 boundary.

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. Most states receive 50 percent of the revenue collected from leases on onshore federal land, 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 them 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 MMS are deposited in various accounts of the U.S. Treasury, with the majority of those revenues going to the General Fund.

Since its creation in 1982, MMS has collected and distributed approximately \$143 billion to federal, state and American Indian accounts. MMS is one of the largest annual contributors to the U.S. Treasury.