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Federal Mineral Revenues Net \$548 Million to 35 States in First Half of Year

More than \$548 million has been distributed to 35 states in the first six months of Calendar Year 2003 as part of the federal revenues collected by the Interior Department's Minerals Management Service.

"This money is particularly important to states that may be struggling today with declining revenues from other sources," said Johnnie Burton, director of the Minerals Management Service. In many cases, states share their revenues with individual counties which, in turn, apply that money to a variety of local needs.

The \$548,831,486 distributed through June 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 shores.

In the first half of 2003, the state of Wyoming led all other states by receiving more than \$262 million as its share of revenues collected from mineral production, primarily coal. New Mexico's share was more than \$159 million, while \$24.3 million was received by the state of Colorado. Other states sharing revenues included Utah with more than \$22 million; California with \$13.6 million; Louisiana with \$15.2 million; Montana at more than \$12.8 million; and Texas, which received \$10.8 million in the first half of the year.

The Minerals Management Service (MMS) is the federal Interior Department 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. For the majority of onshore federal lands, states receive 50 percent of the revenues while the other 50 percent goes to various funds of the US 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 Minerals Management Service are deposited in various accounts of the US Treasury, with the majority of those revenues going to the General Fund.

Since its creation in 1982, the Minerals Management Service has collected and distributed more than \$127 billion to federal, state and American Indian accounts. It is the second largest contributor to the U.S. Treasury on an annual basis, behind only the Internal Revenue Service.

States receiving revenues through the first six months of 2003 include:

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|-------------------|--------------|-----------------------|---------------|-----------------------|---------------|
| Alabama | \$7,504,154 | Kentucky | \$22,280 | Ohio | \$162,426 |
| Alaska | \$7,078,702 | Louisiana | \$15,288,654 | Oklahoma | \$1,336,904 |
| Arizona | \$62,916 | Michigan | \$235,556 | Oregon | \$10,152 |
| Arkansas | \$3,355,526 | Minnesota | \$360 | Pennsylvania | \$10,241 |
| California | \$13,620,440 | Mississippi | \$606,441 | South Carolina | \$20,602 |
| Colorado | \$24,343,924 | Missouri | \$168,949 | South Dakota | \$190,287 |
| Florida | \$293,139 | Montana | \$12,868,173 | Texas | \$10,871,276 |
| Georgia | \$54 | Nebraska | \$6,630 | Utah | \$22,065,502 |
| Idaho | \$603,423 | Nevada | \$2,124,340 | Washington | \$655,073 |
| Illinois | \$30,501 | New Mexico | \$159,444,559 | West Virginia | \$184,081 |
| Indiana | \$6,379 | North Carolina | \$118 | Wyoming | \$262,131,175 |
| Kansas | \$990,137 | North Dakota | \$2,548,398 | | |

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MMS Internet website address: <http://www.boem.gov>