

116TH CONGRESS  
2D SESSION

# S. 3330

To amend the Mineral Leasing Act to increase certain royalty rates, minimum bid amounts, and rental rates, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2020

Mr. UDALL (for himself and Mr. GRASSLEY) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To amend the Mineral Leasing Act to increase certain royalty rates, minimum bid amounts, and rental rates, 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 “Fair Returns for Pub-  
5 lic Lands Act of 2020”.

6 **SEC. 2. INCREASED ONSHORE OIL AND GAS ROYALTY**  
7 **RATES.**

8 Section 17 of the Mineral Leasing Act (30 U.S.C.  
9 226) is amended—

1           (1) by striking “12.5” each place it appears  
2           and inserting “18.75”; and

3           (2) by striking “12½ per centum” each place  
4           it appears and inserting “18.75 percent”.

5 **SEC. 3. INCREASED MINIMUM BID AMOUNT.**

6           Section 17(b) of the Mineral Leasing Act (30 U.S.C.  
7 226(b)) is amended—

8           (1) in paragraph (1)(B)—

9                   (A) by striking the subparagraph designa-  
10                   tion and all that follows through the period at  
11                   the end of the first sentence and inserting the  
12                   following:

13                           “(B) NATIONAL MINIMUM ACCEPTABLE  
14                           BID.—

15                                   “(i) IN GENERAL.—Except as pro-  
16                                   vided in clauses (ii) and (v), the national  
17                                   minimum acceptable bid shall be \$10 per  
18                                   acre.”;

19                           (B) in the second sentence—

20                                   (i) by striking “Thereafter, the Sec-  
21                                   retary” and inserting the following:

22   “(ii) ADJUSTMENT.—The Secretary”;

23   (ii) by striking “is necessary: (i) to  
24   enhance” and inserting the following: “is  
25   necessary—

1 “(I) to enhance”; and  
2 (iii) by striking “(ii) to promote” and  
3 inserting the following:  
4 “(II) to promote”;  
5 (C) in the third sentence, by striking  
6 “Ninety days” and inserting the following:  
7 “(iii) NOTIFICATION.—90 days”;  
8 (D) in the fourth sentence, by striking  
9 “The proposal” and inserting the following:  
10 “(iv) NEPA.—The proposal”; and  
11 (E) by adding at the end the following:  
12 “(v) EXCEPTION.—To ensure a return  
13 of fair market value, as determined by the  
14 Secretary, the Secretary may establish in a  
15 notice of competitive lease sale a minimum  
16 acceptable bid applicable to the lease sale  
17 or one or more parcels within the lease sale  
18 that is higher than the national minimum  
19 bid under clause (i).”; and  
20 (2) in subsection (b)(2)(C), by striking “\$2 per  
21 acre” and inserting “\$10 per acre”.

22 **SEC. 4. INCREASED ONSHORE OIL AND GAS RENTAL RATES.**

23 Section 17(d) of the Mineral Leasing Act (30 U.S.C.  
24 226(d)) is amended, in the first sentence—

1           (1) by striking “\$1.50 per acre” and inserting  
2           “\$3 per acre”; and

3           (2) by striking “\$2 per acre” and inserting “\$5  
4           per acre”.

5 **SEC. 5. FEE FOR EXPRESSION OF INTEREST.**

6           Section 17 of the Mineral Leasing Act (30 U.S.C.  
7 226) is amended by adding at the end the following:

8           “(q) FEE FOR EXPRESSION OF INTEREST.—

9           “(1) IN GENERAL.—The Secretary shall charge  
10          any person who submits, in accordance with proce-  
11          dures established by the Secretary to carry out this  
12          subsection, an expression of interest in leasing land  
13          available for disposition under this section for explo-  
14          ration for, and development of, oil or gas a fee, in  
15          an amount determined by the Secretary under para-  
16          graph (2).

17          “(2) AMOUNT.—The fee authorized under para-  
18          graph (1) shall be established by the Secretary in an  
19          amount that is determined by the Secretary to be  
20          appropriate to cover the aggregate cost of processing  
21          an expression of interest under this subsection, but  
22          not less than \$15 per acre of the area covered by the  
23          applicable expression of interest.”.

1 **SEC. 6. ADJUSTMENT.**

2 Section 17 of the Mineral Leasing Act (30 U.S.C.  
3 226) (as amended by section 5) is amended by adding at  
4 the end the following:

5 “(r) **ADJUSTMENT TO CERTAIN FEES.**—The Sec-  
6 retary shall—

7 “(1) not later than 4 years after the date of en-  
8 actment of the Fair Returns for Public Lands Act  
9 of 2020, and at least once every 4 years thereafter,  
10 promulgate regulations adjusting each of the per-  
11 acre dollar amounts of fees imposed under sub-  
12 sections (b), (d), and (q) and subsections (e) and (f)  
13 of section 31 to reflect the change in the Consumer  
14 Price Index for All Urban Consumers published by  
15 the Bureau of Labor Statistics; and

16 “(2) as the Secretary determines to be nec-  
17 essary to enhance financial returns to the United  
18 States or to promote more efficient management of  
19 oil and gas resources on Federal land, promulgate  
20 regulations adjusting any of the applicable per-acre  
21 dollar amounts of fees imposed under subsection (b),  
22 (d), or (q) or subsection (e) or (f) of section 31, as  
23 applicable.”.

24 **SEC. 7. REINSTATEMENT OF COMPETITIVE LEASES.**

25 Section 31 of the Mineral Leasing Act (30 U.S.C.  
26 188) is amended—

1 (1) in subsection (e)—

2 (A) by striking paragraph (2) and insert-  
3 ing the following:

4 “(2) payment of back rentals and the inclusion  
5 in a reinstated lease of a requirement for future  
6 rentals at a rate of not less than \$20 per acre per  
7 year;”;

8 (B) in paragraph (3)—

9 (i) in subparagraph (A)—

10 (I) by striking the subparagraph  
11 designation;

12 (II) by striking “issued pursuant  
13 to the provisions of section 17(b) of  
14 this Act”;

15 (III) by striking “16<sup>2</sup>/<sub>3</sub>” and in-  
16 sserting “25”; and

17 (IV) by inserting “and” after the  
18 semicolon; and

19 (ii) by striking subparagraph (B); and

20 (C) in the second sentence of the undesig-  
21 nated matter following paragraph (4), by strik-  
22 ing “, but not to exceed \$500”; and

23 (2) in subsection (f)—

24 (A) in paragraph (3), by striking “\$5” and  
25 inserting “\$10”; and

1 (B) in paragraph (4), by striking “12½”  
2 and inserting “25”.

3 **SEC. 8. FISCAL REFORM STUDY AND REPORT.**

4 (a) IN GENERAL.—The Comptroller General of the  
5 United States shall offer to enter into an arrangement  
6 with the National Academy of Sciences under which the  
7 National Academy of Sciences, in cooperation with the  
8 Comptroller General of the United States, shall conduct  
9 a study evaluating the efficiency and effectiveness of the  
10 implementation of this Act and the amendments made by  
11 this Act.

12 (b) CONSIDERATIONS.—The study conducted under  
13 subsection (a) shall include consideration of—

14 (1) the systems of the Department of the Inte-  
15 rior for collecting and auditing payments under this  
16 Act and the amendments made by this Act;

17 (2) the performance of the stewardship of the  
18 Department of the Interior and the disposition of re-  
19 ceipts by the Department of the Interior in carrying  
20 out this Act and the amendments made by this Act;  
21 and

22 (3) the performance of the valuation approach  
23 carried out under this Act and the amendments  
24 made by this Act, including a review of whether  
25 other approaches could more fully capture foregone

1 revenue of leasing in low-market conditions in light  
2 of other possible economic uses at different points in  
3 the future.

4 (c) REPORT.—If the Comptroller General of the  
5 United States enters into an arrangement with the Na-  
6 tional Academy of Sciences under subsection (a), not ear-  
7 lier than 3, but not later than 5, years after the date of  
8 enactment of this Act, the Comptroller General shall sub-  
9 mit to Congress a report that describes the results of the  
10 study conducted under that subsection.

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