

2018 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 48

BY REPRESENTATIVE GAROFALO

CONGRESS: Memorializes congress and the Louisiana Congressional Delegation to work towards a dependable and equitable revenue sharing for Louisiana mineral and gas production

1 A CONCURRENT RESOLUTION

2 To memorialize the United States Congress and the Louisiana Congressional Delegation to
 3 take such actions as are necessary to rectify the revenue sharing inequities between
 4 coastal and interior energy producing states and to ensure the dependability of such
 5 revenue sharing.

6 WHEREAS, since 1920, interior states with mineral production in the United States
 7 have been privy to a revenue sharing agreement with the federal government that allowed
 8 those states to keep fifty percent of the revenues generated in their states from mineral
 9 production on federal lands within their borders, including royalties, severance taxes, and
 10 bonuses; and

11 WHEREAS, coastal states with onshore and offshore oil and gas production were not
 12 included in that revenue sharing agreement and therefore face inequities under the federal
 13 energy policies because those coastal states have not been party to this same level of revenue
 14 sharing partnership with the federal government; and

15 WHEREAS, coastal energy producing states have a limited partnership with the
 16 federal government that allows them to retain very little revenue generated from their
 17 offshore energy production and transportation, and activities associated with energy that are
 18 produced and transported for use throughout the nation; and

19 WHEREAS, in 2006 the United States Congress passed the Gulf of Mexico Energy
 20 Security Act (GOMESA) from which the state of Louisiana will begin receiving revenue

1 sharing payments from mineral production in the Gulf of Mexico in 2017; an Act that calls
2 for a sharing of thirty-seven and five tenths percent of coastal production revenues with four
3 gulf states with a cap of five hundred million dollars per year; and

4 WHEREAS, according to the most recent data from the United States Energy
5 Information Administration, Louisiana, including its state waters, is the ninth largest
6 producer of oil in the United States while if offshore oil production from federal waters is
7 included, it is the second largest oil producer in the country; and from wells located within
8 the state boundaries including the state waters, Louisiana is the fourth largest producer of
9 gas in the United States while if gas production from federal offshore waters in the Gulf of
10 Mexico is included, it is the second largest gas producer in the United States; and

11 WHEREAS, with eighteen operating refineries in the state, Louisiana is second only
12 to Texas in both total number of refineries and total refinery operating capacity, accounting
13 for nearly one-fifth of the nation's total refining capacity; and

14 WHEREAS, Louisiana contributes to the United States Strategic Petroleum Reserve
15 with two facilities located in the state consisting of twenty-nine caverns capable of holding
16 nearly three hundred million barrels of crude oil; and

17 WHEREAS, with three onshore liquified natural gas (LNG) facilities and others
18 already permitted, more LNG facilities than any other state in the country, and the Louisiana
19 Offshore Oil Port, the nation's only deepwater oil port, Louisiana plays an essential role in
20 the movement of natural gas from the United States Gulf Coast region to markets throughout
21 the country; and

22 WHEREAS, it is apparent that Louisiana plays an essential role in supplying the
23 nation with energy and it is vital to the security of our nation's energy supply, roles that
24 should be recognized and compensated at an appropriate revenue sharing level; and

25 WHEREAS, the majority of the oil and gas production from the Gulf of Mexico
26 enters the United States through coastal Louisiana with all of the infrastructure necessary to
27 receive and transport such production, infrastructure that has for many decades damaged the
28 coastal areas of Louisiana, an impact that should be compensated through appropriate
29 revenue sharing with the federal government; and

1 WHEREAS, because Louisiana is losing more coastal wetlands than any other state
2 in the country, in 2006 the people of Louisiana overwhelmingly approved a constitutional
3 amendment dedicating revenues received from Outer Continental Shelf oil and gas activity
4 through GOMESA to the Coastal Protection and Restoration Fund for the purposes of coastal
5 protection, including conservation, coastal restoration, hurricane protection, and
6 infrastructure directly impacted by coastal wetland losses; and

7 WHEREAS, the state of Louisiana has developed, through a science-based and stake-
8 holder-involved process, a "2017 Comprehensive Master Plan for a Sustainable Coast"
9 which identifies and prioritizes the most efficient and effective projects in order to meet the
10 state's critical coastal protection and restoration needs and has received many accolades from
11 the country's scientific community; and

12 WHEREAS, the Coastal Protection and Restoration Authority is making great
13 progress implementing the projects in the "Comprehensive Master Plan for a Sustainable
14 Coast" with all available funding, projects that are essential to the protection of the
15 infrastructure that is critical to the energy needs of the United States; and

16 WHEREAS, in order to properly compensate the coastal states for the infrastructure
17 demands that result from production of energy and fuels that heat and cool the nation's
18 homes, offices, and businesses and fuel the nation's transportation needs, revenue sharing
19 for coastal states needs to at least be at the same rate as interior states that produce oil, gas,
20 and coal.

21 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
22 memorialize the United States Congress and the Louisiana Congressional Delegation to take
23 such actions as are necessary to treat oil and gas production in the Gulf Coast states in a
24 manner that is at least equal to onshore oil, gas, and coal production in interior states for
25 revenue purposes; and to rectify the revenue sharing inequities between coastal and interior
26 energy producing states in order to address the nationally significant crisis of wetland loss
27 in the state of Louisiana.

28 BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby
29 memorialize the United States Congress and the Louisiana Congressional Delegation, along
30 with the delegations from the other Gulf of Mexico states, to ensure that the agreement

1 codified through the Gulf of Mexico Energy Security Act remains in place and that the Gulf
2 Coast states receive their anticipated revenue sharing payments during Fiscal Year 2018-
3 2019 and thereafter as provided for in the Act.

4 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
5 presiding officers of the Senate and the House of Representatives of the Congress of the
6 United States of America and to each member of the Louisiana Congressional Delegation.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Garofalo

Memorializes the U.S. Congress and the La. Congressional Delegation to take such actions as are necessary to rectify the revenue sharing inequities between coastal and interior energy producing states and to ensure the dependability of such revenue sharing.