

114TH CONGRESS
1ST SESSION

S. 1280

To direct the Secretary of the Interior to establish an annual production incentive fee with respect to Federal onshore and offshore land that is subject to a lease for production of oil or natural gas under which production is not occurring, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 11, 2015

Mr. MARKEY introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To direct the Secretary of the Interior to establish an annual production incentive fee with respect to Federal onshore and offshore land that is subject to a lease for production of oil or natural gas under which production is not occurring, 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 “United States Explo-
5 ration on Idle Tracts Act” or the “USE IT Act”.

6 **SEC. 2. PRODUCTION INCENTIVE FEE.**

7 (a) ESTABLISHMENT.—

1 (1) IN GENERAL.—Not later than 180 days
2 after the date of enactment of this Act, the Sec-
3 retary of the Interior (referred to in this section as
4 the “Secretary”) shall issue regulations to establish
5 an annual production incentive fee with respect to
6 Federal onshore and offshore land that is subject to
7 a lease for production of oil or natural gas under
8 which production is not occurring.

9 (2) APPLICATION.—The annual production in-
10 centive fee described in paragraph (1) shall apply
11 with respect to land that is subject to a lease de-
12 scribed in paragraph (1) that is—

13 (A) in effect on the date on which final
14 regulations are issued pursuant to this sub-
15 section; or

16 (B) executed after that date.

17 (b) AMOUNT.—For each acre of land from which oil
18 or natural gas is produced for less than 90 days in a cal-
19 endar year, the amount of the fee shall be—

20 (1) in the case of onshore land—

21 (A) for each of the first 3 years of the
22 lease, \$4 per acre (in 2015 dollars);

23 (B) for the fourth year of the lease, \$6 per
24 acre (in 2015 dollars); and

1 (C) for the fifth year of the lease and each
2 year thereafter for which the lease is otherwise
3 in effect, \$8 per acre (in 2015 dollars); and
4 (2) in the case of offshore land—

5 (A) for each of the third, fourth, and fifth
6 years of the lease, \$4 per acre (in 2015 dol-
7 lars);

8 (B) for the sixth year of the lease, \$6 per
9 acre (in 2015 dollars); and

10 (C) for the seventh year of the lease and
11 each year thereafter for which the lease is oth-
12 erwise in effect, \$8 per acre (in 2015 dollars).

13 (c) ASSESSMENT AND COLLECTION.—The Secretary
14 shall assess and collect the fee established under this sec-
15 tion.

16 (d) DEPOSIT.—Amounts received by the Secretary
17 for the fee under this section shall be reserved for the Sec-
18 retary for expenditures on inspection, enforcement, and
19 permitting relating to oil and gas.

20 (e) REGULATIONS.—The Secretary may issue regula-
21 tions to prevent evasion of the fee under this section.

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