

118TH CONGRESS  
2D SESSION

# H. R. 8491

To amend the Mineral Leasing Act to make certain improvements in the laws relating to coal royalties, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2024

Mr. CARTWRIGHT (for himself, Mr. HUFFMAN, and Mr. MOULTON) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Energy and Commerce, Financial Services, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Mineral Leasing Act to make certain improvements in the laws relating to coal royalties, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Coal Royalty Fairness and Communities Investment Act  
6 of 2024”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—VALUATION OF FEDERAL COAL FOR PURPOSES OF  
 ROYALTIES

Sec. 101. Valuation of coal royalties.

TITLE II—PROGRAMS TO REINVEST IN COAL-IMPACTED  
 COMMUNITIES

Sec. 201. Establishment of Fund.

Sec. 202. Federal economic and workforce development assistance programs.

Sec. 203. Carbon capture and sequestration.

Sec. 204. Additional Federal agency participation.

Sec. 205. Definitions.

3 **TITLE I—VALUATION OF FED-**  
 4 **ERAL COAL FOR PURPOSES**  
 5 **OF ROYALTIES**

6 **SEC. 101. VALUATION OF COAL ROYALTIES.**

7 Section 7 of the Mineral Leasing Act (30 U.S.C. 207)  
 8 is amended—

9 (1) in subsection (a), by striking the fourth sen-  
 10 tence; and

11 (2) by adding at the end the following:

12 “(d) ROYALTIES.—

13 “(1) DEFINITIONS.—In this subsection:

14 “(A) ASSESSMENT VALUE.—

15 “(i) IN GENERAL.—The term ‘assess-  
 16 ment value’, with respect to Federal coal,  
 17 means the gross proceeds accruing to the  
 18 lessee or the affiliate of the lessee’s first

1 arm's length contract for the sale of Fed-  
2 eral coal.

3 “(ii) EXCEPTION.—If the Secretary  
4 cannot identify any arm's length contract  
5 for the sale of Federal coal, then the as-  
6 sessment value means a price imputed by  
7 the Secretary based on the coal price  
8 index.

9 “(B) ARM'S LENGTH CONTRACT.—The  
10 term ‘arm's length contract’ means a contract,  
11 agreement, or transaction for the sale of Fed-  
12 eral coal that is between parties that are inde-  
13 pendent of each other and that are not affili-  
14 ates.

15 “(C) AFFILIATE.—The term ‘affiliate’,  
16 with respect to a lessee, means a party that  
17 controls, is controlled by, or is under common  
18 control with the lessee, and includes a parent or  
19 subsidiary company.

20 “(D) COAL PRICE INDEX.—The term ‘coal  
21 price index’ means the schedule of average mar-  
22 ket prices of Federal coal (in United States dol-  
23 lars) at final sale, based on the quality and type  
24 of the Federal coal, as determined by the Sec-

1           retary, in consultation with the Administrator  
2           of the Energy Information Administration.

3           “(E) SECRETARY.—The term ‘Secretary’  
4           means the Secretary of the Interior.

5           “(2) PAYMENT RATE.—

6           “(A) IN GENERAL.—Except as provided in  
7           subparagraph (B), a lease shall require pay-  
8           ment of a royalty in such amount as the Sec-  
9           retary shall determine, which shall not be less  
10          than 12.5 percent of the assessment value of  
11          Federal coal.

12          “(B) EXCEPTION.—In the case of Federal  
13          coal recovered by an underground mining oper-  
14          ation, the Secretary may establish such lower  
15          royalty payment rate as the Secretary deter-  
16          mines to be appropriate in lieu of the royalty  
17          payment rate described in subparagraph (A).

18          “(3) ADMINISTRATION.—

19          “(A) REPORTING.—The Secretary shall en-  
20          sure that any purchaser of Federal coal shall  
21          annually submit to the Secretary a report con-  
22          taining such information as the Secretary deter-  
23          mines to be necessary to carry out this sub-  
24          section.

1           “(B) AUDITS.—To carry out this sub-  
2 section, the Secretary may examine the records  
3 of any person engaged in the purchase, sale,  
4 transportation, or marketing of Federal coal.

5           “(4) COAL PRICE INDEX.—

6           “(A) IN GENERAL.—The Secretary shall  
7 compile in a coal price index the assessment  
8 values of coal by type and quality of coal.

9           “(B) PUBLICATION.—Not less frequently  
10 than quarterly, the Secretary shall publish in  
11 the Federal Register and on a public website  
12 the coal price index, along with a methodo-  
13 logical description, including—

14                   “(i) the method of calculation;

15                   “(ii) the data used to calculate the  
16 coal price index in an aggregate manner  
17 that does not reveal proprietary informa-  
18 tion; and

19                   “(iii) any other information the Sec-  
20 retary considers appropriate to ensure  
21 transparency.

22           “(C) OTHER INFORMATION.—If a person  
23 believes that the coal price index does not accu-  
24 rately reflect the assessment value of the coal  
25 produced by the person, the person may peti-

1           tion the Secretary to use information supplied  
2           by the person in lieu of the coal price index for  
3           the purpose of determining the assessment  
4           value of the coal produced by such person, in-  
5           cluding all information the Secretary requires  
6           to accurately determine the assessment value  
7           and audit the records of the person.

8           “(5) REVIEWS.—

9                   “(A) IN GENERAL.—To ensure a trans-  
10                  parent, fair, and efficient administration of the  
11                  Federal coal program, and to ensure that citi-  
12                  zens of the United States receive a fair return  
13                  on Federal coal, not later than 3 years after the  
14                  date of the enactment of this subsection and  
15                  every 3 years thereafter during the 15-year pe-  
16                  riod beginning on such date, the Comptroller  
17                  General of the United States shall submit to  
18                  Congress a report containing the results of a  
19                  review conducted by the Comptroller General of  
20                  the Federal coal program, including the admin-  
21                  istration of this subsection.

22                  “(B) CONSULTATION.—In conducting a re-  
23                  view under this paragraph, the Comptroller  
24                  General shall consult with—

25                          “(i) the Secretary;

1                   “(ii) the Director of the Bureau of  
2                   Land Management;

3                   “(iii) the Secretary of Transportation;  
4                   and

5                   “(iv) the Secretary of Energy.

6                   “(C) INCLUSIONS.—In conducting a review  
7                   under this paragraph, the Comptroller General  
8                   shall review—

9                   “(i) the total volume of coal produc-  
10                  tion from Federal land;

11                  “(ii) the total volume of remaining  
12                  coal reserves on Federal land;

13                  “(iii) the total amount of revenues  
14                  generated from the Federal coal program,  
15                  itemized by type of revenue, including lease  
16                  bonus payments and royalties;

17                  “(iv) market prices for coal;

18                  “(v) market prices for transportation  
19                  costs and any other deductible costs; and

20                  “(vi) the appropriateness of royalty  
21                  rates.

22                  “(D) FORMAT.—The Comptroller General  
23                  shall report information in a review under this  
24                  paragraph—

1 “(i) in the aggregate for the United  
2 States; and

3 “(ii) categorized by State for at least  
4 the top 10 Federal coal-producing States,  
5 as determined by the Comptroller General.

6 “(6) STUDY.—The Secretary shall seek to enter  
7 into an agreement with the National Academy of  
8 Sciences to conduct a study to determine the most  
9 equitable method for valuation of coal produced on  
10 Federal lands for purposes of Federal coal leases.  
11 Not later than 18 months after the date of the en-  
12 actment of this subsection, and every 5 years there-  
13 after, the Secretary shall submit to Congress a re-  
14 port containing the findings, of such study.”

15 **TITLE II—PROGRAMS TO REIN-**  
16 **VEST IN COAL-IMPACTED**  
17 **COMMUNITIES**

18 **SEC. 201. ESTABLISHMENT OF FUND.**

19 (a) ESTABLISHMENT.—There is established in the  
20 Treasury of the United States a separate account, to be  
21 administered by the Secretary (acting through the Eco-  
22 nomic Development Administration), to be known as the  
23 “Coal Area Economic Revitalization Fund”.

24 (b) DEPOSITS.—Of the amount of royalty revenues  
25 collected by the United States for each fiscal year from



1 coal leases under section 7 of the Mineral Leasing Act (30  
2 U.S.C. 207) (as amended by section 101(2)), to the extent  
3 the revenues are available, there shall be deposited in the  
4 Coal Area Economic Revitalization Fund \$75,000,000.

5 (c) AVAILABILITY OF AMOUNTS.—

6 (1) IN GENERAL.—Subject to subsection (d)  
7 and notwithstanding any other provision of law, for  
8 each fiscal year, of the amounts deposited in the  
9 Coal Area Economic Revitalization Fund under sub-  
10 section (b), there shall be made available, without  
11 further appropriation, the following amounts:

12 (A) \$70,000,000 to the Secretary to pro-  
13 vide grant assistance under covered programs  
14 for eligible projects, in accordance with section  
15 202.

16 (B) \$5,000,000 to the Secretary of Energy  
17 to provide funding for large-scale projects to  
18 capture and store carbon dioxide emissions  
19 from industrial sources, in accordance with sec-  
20 tion 203.

21 (2) SPECIAL RULE.—If, with respect to a fiscal  
22 year, the amounts in the Coal Area Economic Revi-  
23 talization Fund are insufficient to carry out para-  
24 graph (1), there shall be made available, without  
25 further appropriation, the following:

1           (A) To the Secretary for the purposes de-  
2           scribed in paragraph (1)(A), 93.333 percent of  
3           the amounts available in the Fund.

4           (B) To the Secretary of Energy for the  
5           purposes described in paragraph (1)(B), 6.666  
6           percent of the amounts available in the fund.

7           (d) ADMINISTRATIVE EXPENSES.—A participating  
8           agency that receives funds under subsection (c) may not  
9           use not more than 2 percent of the amount the agency  
10          receives for each fiscal year to cover the administrative  
11          expenses of the participating agency in carrying out the  
12          covered program.

13          (e) PERIOD OF AVAILABILITY.—The amounts depos-  
14          ited in the Coal Area Economic Revitalization Fund shall  
15          remain available without fiscal year limitation until ex-  
16          pended.

17          **SEC. 202. FEDERAL ECONOMIC AND WORKFORCE DEVELOP-**  
18          **MENT ASSISTANCE PROGRAMS.**

19          (a) IN GENERAL.—The Secretary, acting through the  
20          Economic Development Administration, shall use the  
21          amounts made available under section 201(c)(1) to pro-  
22          vide grant assistance under covered programs described  
23          in subsection (c) for eligible projects described in sub-  
24          section (d).

1 (b) ALLOCATION OF FUNDS FOR COVERED PRO-  
2 GRAMS.—

3 (1) IN GENERAL.—The Secretary shall—

4 (A) allocate amounts made available to  
5 carry out this section among the covered pro-  
6 grams in accordance with the criteria described  
7 in paragraph (2); and

8 (B) not later than 30 days after allocations  
9 are determined under subparagraph (A), pro-  
10 vide public notice of the availability of grant as-  
11 sistance under this section through a Federal  
12 Funding Opportunity announcement.

13 (2) ALLOCATION CRITERIA.—Not later than  
14 120 days after the date of enactment of this Act, the  
15 Secretary shall establish and publish criteria for the  
16 allocation of amounts made available to carry out  
17 this section among the covered programs.

18 (c) COVERED PROGRAMS.—

19 (1) IN GENERAL.—On allocation by the Sec-  
20 retary of amounts from the Coal Area Economic Re-  
21 vitalization Fund for a covered program under this  
22 section, the head of the applicable participating  
23 agency shall manage grant selection (including eligi-  
24 bility requirements in addition to the eligibility re-

1 requirements listed in subsection (d)), awards, and  
2 execution of projects with respect to such amounts.

3 (2) TERMS AND CONDITIONS.—Except as other-  
4 wise provided in this section, projects that receive  
5 grant assistance under this section shall be subject  
6 to the eligibility rules, permitted activities, and re-  
7 porting requirements of the covered program under  
8 which the grant is made.

9 (d) ELIGIBLE PROJECTS.—

10 (1) PROJECT PURPOSES.—A project shall be el-  
11 igible for assistance under this section if the purpose  
12 of the project is to assist impacted communities—

13 (A) to organize community stakeholders,  
14 analyze and inventory community assets, evalu-  
15 ate needs and resources, or develop comprehen-  
16 sive economic development strategic plans;

17 (B) to undergo in-depth labor market anal-  
18 ysis and workforce development and dislocated  
19 worker planning associated with the provision  
20 of training and employment services;

21 (C) to implement linked economic and  
22 workforce development strategies to promote  
23 local and regional economic growth;

24 (D) to accelerate job creation by leveraging  
25 local assets;

1 (E) to train and place workers in family-  
2 supporting, high-demand jobs (including reg-  
3 istered apprenticeship and other on-the-job  
4 training models);

5 (F) to create linkages between community  
6 stakeholders, economic development organiza-  
7 tion, public and private entities, and the labor  
8 force that drive local and regional economic  
9 growth; or

10 (G) to carry out other purposes approved  
11 by the Secretary.

12 (2) PRIORITY.—In selecting projects to receive  
13 assistance under this section, the head of a partici-  
14 pating agency shall—

15 (A) give priority to project applications  
16 that establish a clear linkage between the pro-  
17 posed project and the means by which the  
18 project will result in local and regional economic  
19 growth and diversification, job creation, or job  
20 training and reemployment for dislocated work-  
21 ers, without regard to any formula used by a  
22 participating agency to disburse other funds;  
23 and

24 (B) consult directly with impacted commu-  
25 nities to determine the greatest needs of the im-

1           pacted communities and give priority to projects  
2           that address those needs.

3           (3) SPECIFIC ACTIVITIES AND COSTS TO BE  
4           CONSIDERED.—In providing assistance under this  
5           section for projects for economic diversification, the  
6           head of a participating agency shall give consider-  
7           ation for priority, at a minimum, to the following ac-  
8           tivities and costs:

9                   (A) Analysis activities that build from stra-  
10                   tegitic economic development plans, including—

11                           (i) economic and workforce data col-  
12                           lection; and

13                           (ii) supply chain and industry cluster  
14                           analysis.

15                   (B) Outreach and targeted assistance to  
16                   economic development organizations, unions,  
17                   workers, and other stakeholders.

18                   (C) Remediation and redevelopment of coal  
19                   economy sites, as appropriate.

20                   (D) Provision of business planning and  
21                   market exploration services.

22                   (E) Development of business incubator  
23                   programs.

1 (F) Facilitation of access to private capital  
2 investment and capacity building to effectively  
3 use capital investment.

4 (G) Promotion of exports from entities in  
5 the impacted area.

6 (H) Workforce training and dislocated  
7 worker services and supports for impacted  
8 workers.

9 (I) Costs associated with registered ap-  
10 prenticeship and on-the-job training models.

11 (J) Temporary or short-term relocation or  
12 commuting costs for available jobs in other  
13 parts of the applicable State or region.

14 (K) Staffing, operating, and administrative  
15 costs for the recipient organization.

16 (L) Comprehensive strategies that—

17 (i) integrate all of the activities and  
18 costs described in subparagraphs (A)  
19 through (K); and

20 (ii) leverage other investments from  
21 the applicable participating agency and  
22 other Federal departments and agencies.

23 (e) COORDINATION OF ACTIVITIES.—The Secretary  
24 shall—

1           (1) provide a single staff point of Federal con-  
2           tact (with staffing assistance from other partici-  
3           pating agencies, as needed) for grants awarded  
4           under this section; and

5           (2) coordinate cross-agency activities at the re-  
6           gional level that direct additional Federal resources  
7           to impacted communities.

8   **SEC. 203. CARBON CAPTURE AND SEQUESTRATION.**

9           The Secretary of Energy shall use the amounts made  
10          available under section 201(c)(1)(B) to provide financial  
11          assistance for the design, construction, and operation of  
12          large-scale projects to capture and store carbon dioxide  
13          emissions from industrial sources.

14   **SEC. 204. ADDITIONAL FEDERAL AGENCY PARTICIPATION.**

15          (a) IN GENERAL.—The Federal departments and  
16          agencies described in subsection (b) shall provide to im-  
17          pacted communities technical assistance and educational  
18          outreach to fund partnerships, in coordination with avail-  
19          able resources.

20          (b) DESCRIPTION OF DEPARTMENTS AND AGEN-  
21          CIES.—The Federal departments and agencies referred to  
22          in subsection (a) are—

23                  (1) the Rural Business-Cooperative Service of  
24                  the Department of Agriculture;



- 1           (2) the Office of Solid Waste and Emergency  
2     Response of the Environmental Protection Agency;  
3           (3) the Department of Energy;  
4           (4) the Community Development Financial In-  
5     stitutions Fund of the Department of the Treasury;  
6           (5) SelectUSA and the National Institute of  
7     Standards and Technology—Manufacturing Exten-  
8     sion Partnerships of the Department of Commerce;  
9           (6) the Corporation for National and Commu-  
10    nity Service; and  
11           (7) the Office of Surface Mining Reclamation  
12    and Enforcement of the Department of the Interior.

13 **SEC. 205. DEFINITIONS.**

14     In this title:

15           (1) **COAL ECONOMY.**—The term “coal econ-  
16     omy” means the complete supply chain of coal reli-  
17     ant industries, including coal mining, coal-fired  
18     power plants, and related transportation, logistics,  
19     and manufacturing.

20           (2) **COVERED PROGRAM.**—The term “covered  
21     program” means any of the following:

22                 (A) The Assistance to Coal Communities,  
23     Economic Adjustment Assistance, and Partner-  
24     ship Planning program of the Economic Devel-

1           opment Administration of the Department of  
2           Commerce.

3           (B) The Dislocated Worker National  
4           Emergency Grants program of the Employment  
5           and Training Administration of the Department  
6           of Labor.

7           (C) The Regional Innovation Clusters and  
8           Growth Accelerators program of the Small  
9           Business Administration.

10          (D) The Technical Assistance and Dem-  
11          onstration Projects program of the Appalachian  
12          Regional Commission.

13          (3) IMPACTED COMMUNITY.—The term “im-  
14          pacted community” means a community or Indian  
15          tribe (as such term is defined in section 4 of the In-  
16          dian Self-Determination and Education Assistance  
17          Act (25 U.S.C. 450b)) in the United States that has  
18          been negatively impacted as a result of changes in  
19          the coal economy, including a negative impact on its  
20          economy, environment, employment, retirement ben-  
21          efits, infrastructure, public health, or education.

22          (4) PARTICIPATING AGENCY.—The term “par-  
23          ticipating agency” means a Federal agency that has  
24          primary authority over a covered program.

1           (5) SECRETARY.—The term “Secretary” means  
2           the Secretary of Commerce.

○