## CITY OF SANTA FE, NEW MEXICO 1 **RESOLUTION NO. 2015-94** 2 INTRODUCED BY: 3 4 Councilor Peter Ives 5 6 7 8 9 A RESOLUTION 10 IN SUPPORT OF INCREASING THE FEDERAL ROYALTY RATE FOR OIL AND GAS 11 PRODUCED ON FEDERAL PUBLIC LANDS; DIRECTING STAFF TO SEND COPIES 12 OF THE RESOLUTION TO THE DEPARTMENT OF THE INTERIOR AND THE 13 BUREAU OF LAND MANAGEMENT. 14 15 the Bureau of Land Management is responsible for ensuring that WHEREAS, 16 American taxpayers receive a fair return for oil and gas developed on federal public lands; and 17 WHEREAS, oil and gas production has reached record levels while antiquated federal 18 royalty rates have been permitted to lag behind the rates charged by Western states; and 19 WHEREAS, the Bureau of Land Management currently charges a royalty rate of only 20 12.5% for oil and gas produced on federal lands, while New Mexico charges up to 18.75% for oil 21 and gas produced on state lands; and 22 the federal royalty rate has not been increased in nearly a century; WHEREAS, 23 the Department of Interior and Bureau of Land Management have been WHEREAS, 24 discussing a possible increase in the royalty rate for years; and 25

1	WHEREAS,	the Government Accountability Office has repeatedly called on the
2	Department of Interior to increase onshore oil and gas royalty rates; and	
3	WHEREAS,	New Mexico receives approximately half of the royalties generated by
4	energy produced on federal public lands within the state; and	
5	WHEREAS,	New Mexico is a major oil and gas producer, and received over \$546
6	million in federal royalties for FY2014; and	
7	WHEREAS,	independent analysis shows that the failure of the federal government
8	over time to moderniz	e the royalty structure has resulted in the loss of hundreds of millions of
9	dollars in revenue for New Mexico; and	
10	WHEREAS,	the vast majority of federal royalties returned to New Mexico go to the
11	Public School Fund, a	and an increased royalty rate will provide critical funds that will benefit
12	students in our community and across the state; and	
13	WHEREAS,	increasing the federal royalty rate will ensure a fair share of revenue to
14	New Mexico taxpayers.	
15	NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE	
16	CITY OF SANTA FE that the Bureau of Land Management is respectfully requested to move	
17	forward with updating the regulations governing the royalty charged for oil and gas produced on	
18	federal public lands to ensure a fair share for taxpayers.	
19	BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to the	
20	Secretary of the Depar	tment of the Interior and the Director of the Bureau of Land Management.
21	PASSED, API	PROVED AND ADOPTED this 14 <sup>th</sup> day of October, 2015.
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24		JAVIER M. GONZALES, MAYOR
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4	YOLANDA Y. VIGIL, CITY CLERK
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6	APPROVED AS TO FORM:
7	Wille A Lance
8	ally A. Buruan
9	KELLEY A. BRENNAN, CITY ATTORNEY
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