



## **Heinrich Announces Legislation To Ensure Budget Certainty For Fossil Fuel Producing States**

Thursday, May 13, 2021

WASHINGTON – Today, U.S. Senator Martin Heinrich (D-N.M.), a member of the Senate Energy and Natural Resources Committee, announced legislation to assist federal fossil fuel producing states like New Mexico as revenues decline in the coming years due to market forces and policies to curb carbon pollution. The Schools and State Budgets Certainty Act would provide a predictable transition for states, counties, and Tribes and give those governments time to transition their budgets to more sustainable and reliable sources of revenue.

[AUDIO: Heinrich Announces Legislation To Ensure Budget Certainty For Fossil Fuel Producing States](#)

This is part of a larger effort by Senator Heinrich to develop concrete solutions to help states plan for revenue replacement and create targeted, place-specific programs for career re-training and economic diversification. Senator Heinrich is committed to putting every community in our country in the best possible position to thrive in the new clean energy economy.

“The global energy landscape is undergoing a massive transformation, and states like New Mexico need to be ready,” said Heinrich. “The Schools and State Budgets Certainty Act will provide a predictable glide path for state, county, and Tribal governments to move away from their current dependence on federal fossil fuel revenues and allow a managed transition to more reliable sources of funding. If we make the right choices now and invest in new growth opportunities, we can put New Mexico and our energy veterans who have long worked to power our country in the best possible position to thrive.”

Under the Mineral Leasing Act, the Mineral Leasing Act for Acquired Lands, the Indian Mineral Leasing Act, and the Gulf of Mexico Energy Security Act, states, Tribes, and counties receive revenue from mineral development within their borders or off their coast. States with significant federal mineral resources have come to rely on the state share of mineral revenues for a portion of their state budget revenue.

As the federal government implements policies designed to reduce greenhouse pollution from fossil fuels that causes climate change and transition our economy to net-zero energy sources, states that rely on federal mineral revenue will see a significant impact to their state budgets.

Senator Heinrich's legislation sets a baseline mineral revenue amount for each fiscal year based on a historical average of federal mineral revenue, declining by 5% each year. If the regular mineral revenue payment to a state, county, or Tribe would fall below the baseline amount for that year, an "energy transition payment" would be provided to make up the difference between the actual mineral payment and the calculated baseline.

A copy of the Schools and State Budgets Certainty Act, which will be introduced next week, is available [here](#).