

**State Representatives Glenn Holmes and Michael O'Brien**  
**Joint Sponsor Testimony House Bill 578**  
**House Energy and Natural Resources Committee - November 27 2018**

Chairman Landis, Vice Chair Hagan, and members of the House Energy and Natural Resources Committee, Representative O'Brien and I thank you for the opportunity to provide sponsor testimony today on House Bill 578.

This legislation ensures that local communities in which injection wells are located receive more direct financial relief from the costs involved, and establishes new setback requirements for Class II injection wells.

The oil and gas extraction industry continues to be a great boon to both our state and local economies. However, the more we extract, the more demand there is for the storage of fracking wastewater, which, if not recycled, is stored in Class II injection wells. There are more than 250 such wells in Ohio. Our state has become a popular dumping ground for fracking waste from other states, primarily our neighbor Pennsylvania but also states as far away as New Jersey, due to the low cost and our relatively swift permitting process.

While the Ohio Department of Natural Resources Division of Oil & Gas does an outstanding job of monitoring the injections wells in our state, the presence of these wells has led to problems in the past. In recent memory, the 4.0 magnitude earthquake linked to an injection well in the Youngstown area in 2011, and the Vienna Township spill in 2015, weigh heavily on the minds of residents who live near these wells. In addition, a well recently closed in Weathersfield Township due to seismic activity. Concerns regarding drinking water and ecological contamination, as well as other issues like noise and excessive wear and tear on roads, add to the human and economic costs laid upon areas in which the oil and gas industry is most active.

In order to address these costs, and encourage more neighborly relations between citizens and the industry, this bill allocates 50% of the proceeds from already established fees imposed on out-of-state fracking waste to be transferred directly to the coffers of the township or municipal corporation in which the injection well is located. **To be clear: this does not constitute a rate increase**, but rather a redistribution of fee proceeds already collected by ODNR. Furthermore, the minimum setback requirement for Class II injection wells would be increased to 300 feet.

Many of our local communities have paid, and continue to pay, a high price for hosting an industry that has provided so much wealth for the rest of the state. This bill aims to provide much needed relief to our local communities. Thank you for your consideration of House Bill 578. We will be pleased to answer any questions the committee may have.