

May 16, 2017
House Ways & Means Committee
Proponent Testimony for HB 105

Chairman Schaffer, Vice Chairman Scherer, Ranking Member Rogers and members of the House Ways and Means Committee. I want to thank you for the opportunity to testify today in support of House Bill 105. My name is Calvin Mangun and I live in Augusta Township in Carroll County. I have the privilege to have been elected as a trustee for our township. I also serve as the Executive Committeeman for the Carroll County Township Association. I come today not only with my own excitement of what benefits HB 105 would do for my township, but also on behalf of all the townships and residents of Carroll County.

My understanding in reading HB 105 is that it would allow additional funding to the areas impacted by the oil and gas industry. The excess money from the current severance tax, which now is funding the Division of Oil and Gas at ODNR, would greatly benefit local services provided by the county and townships. The oil and gas industry has provided numerous benefits to the region. But along with those benefits we have seen a lot of additional wear and tear on our roads due to the large, heavy loads required by the industry. To adequately support this important industry, the entire county needs to improve its infrastructure and increase emergency and safety services. We also need to provide training to support the work force needed by the industry.

The counties and townships that are located in the drilling area have had additional costs placed upon them as by law roads have to be safe for travel. Due to the increased traffic, we have to make sure the quality and safety of our roadways is first, as that is what our residents deserve. The additional funding provided for in HB 105 would allow my county and township to maintain and improve the infrastructure required to support this new industry. Over 90% of the unimproved roads (gravel) are in the shale area. These are roads that were horse and buggy paths that have evolved into today's township roadways. We are required to allow the same loads on these roads as interstates and state highways. The oil and gas industry has improved some of our roads and have assisted us with maintenance through the use of RUMAS where well pads and are located so that the drilling projects can get started. This has been a big benefit to us.

But that is where the joint efforts have stopped. Now that these wells have been put into production, the roads that have been improved from gravel roads need to be maintained. The industry is shifting all costs back to the counties and townships to upkeep the improved infrastructure. My township has seen an increase of over 30% in material cost in the last few years and have added part-time employees to help with the additional work load. Any of the severance tax dollars that can be sent back to the areas of origin through HB 105 would assist greatly.

This legislation will also create a grant program for the local safety departments in the county. In 2012 when oil and gas was just starting in Carroll County, we had 373 crashes during the peak drilling period. In 2013, we had 575 crashes. In 2016, during the slump in drilling Carroll County, we had 370 reported accidents. The numbers show the impact this industry has on an area. The grant program would provide an alternative funding source to maintain and modernize the fire and EMS departments. With the assistance in local funding and the addition of the grant program, the citizens of Carroll County and the industry would see a tremendous boost in the infrastructure and safety services. We would be able to accomplish all this with no new taxes.

To recap, House Bill 105 would give the shale region over \$20 million dollars per year. Townships would be able develop a more aggressive approach to improving and maintaining their roads. The establishment of the county funds would allow infrastructure project such as: water and sewer, economic development, better EMS, fire and police services.

In conclusion, I support HB 105 and I urge you, Mr. Chairman and members of the committee, to please pass HB 105 and allow residents of Carroll County and the surrounding shale region to have a safer and more productive style of life without the increase of taxes. Thank you very much for the opportunity to testify in support of HB 105. I would be happy to answer any questions.