

Committees:

Finance and Appropriations, Ranking Member
Agriculture and Rural Development
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Sponsor Testimony on HB 55 House Energy and Natural Resources Committee

Thank you Chairman Vitale, Vice Chair Kick, and Ranking Member Denson, I am here today to tell you that transparency regarding oil and gas royalty payments is necessary and long overdue. It is with this in mind that I introduce House Bill 55 as a first step to aid landowners with their oil and gas leases.

A royalty statement is a document that keeps track of production and account information between a landowner and an energy company. Right now, royalty statements differ from company to company in terms of the information they provide to landowners. House Bill 55 calls for a uniform means of sharing information on production, sales, taxes, and deductions on the royalty statements landowners receive as part of their lease agreement with oil and gas companies.

A uniform royalty statement creates clarity for all parties involved in an oil and gas lease, while helping to ensure that the property owners are being treated fairly. Many eastern Ohio residents with oil and gas leases deal with great uncertainty around the amount of production happening on their lands, how much it is worth, and what exactly they are being taxed. Uniform and complete royalty statements are a simple tool to create transparency and trust between energy companies and landowners.

House Bill 55 is modeled after legislation in other oil and gas producing states. The information provided on a royalty statement is necessary for a landowner to verify the accuracy of their payments, and this legislation is the right vehicle for helping our constituents with this oversight.

I ask for your support on this legislation and I would be happy to address any questions or concerns.