

**As Introduced**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**H. B. No. 55**

**Representative Cera**

**Cosponsors: Representatives Rogers, Scherer, Riedel, Crossman, Smith, K.,  
Miller, A., O'Brien**

---

**A BILL**

To amend sections 1509.30 and 1509.99 of the 1  
Revised Code to require the owner of an oil or 2  
gas well to provide a royalty statement to the 3  
royalty interest holder when the owner makes 4  
payment to the holder. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 1509.30 and 1509.99 of the 6  
Revised Code be amended to read as follows: 7

**Sec. 1509.30.** ~~The holder of a royalty interest in any 8  
natural gas well may request the owner to report to him, no more 9  
frequently than the payment period in his contract with the 10  
owner: 11~~

(A) When, pursuant to a lease, another agreement between 12  
an owner and the holder of a royalty interest in an oil or gas 13  
well, or an order by the division of oil and gas resources 14  
management, payment is made to the holder of the royalty 15  
interest from the proceeds derived from the sale of oil or gas, 16  
the owner shall include with the payment all of the following 17

information with respect to the applicable payment period on the 18  
check stub, an attachment to the payment form, or another 19  
remittance device: 20

(1) The lease, property, or well name; 21

(2) Any lease, property, or well identification number 22  
used to identify the lease, property, or well; 23

(3) The county and state in which the lease, property, or 24  
well is located; 25

(4) The beginning and ending date of the payment period. 26

(5) The volume of natural gas or number of barrels of oil 27  
for which ~~he~~ the holder was or is being paid for the most recent 28  
period in his contract with the owner, and for any other 29  
previous periods within two years of the date of production for 30  
which the owner has not already given him such a report during 31  
the payment period and for each month of the payment period; 32

~~(B)~~ (6) The price per thousand cubic feet or per barrel of 33  
oil paid to the holder for such gas or oil; 34

~~(C)~~ (7) The volume of natural gas ~~which~~ that was shown to 35  
have passed through the owner's meter ~~for~~ or the number of 36  
barrels of oil that were removed from the field containing the 37  
holder's well during the payment period and for each month of 38  
the payment period; 39

(8) The total amount of state severance taxes and any 40  
other production taxes paid on the holder's interest during the 41  
payment period and for each month of the payment period; 42

(9) Any windfall profit tax paid on the holder's interest 43  
during the payment period and for each month of the payment 44  
period; 45

(10) Any other deductions from or adjustments to the holder's interest during the payment period and for each month of the payment period; 46  
47  
48

(11) The net value of total sales of oil and natural gas produced from the lease, property, or well after deductions during the payment period and for each month of the payment period; 49  
50  
51  
52

(12) The holder's royalty interest in sales from the lease, property, or well during the payment period and for each month of the payment period expressed as a decimal; 53  
54  
55

(13) The holder's share of the total value of sales from the lease, property, or well before any tax deductions during the payment period and for each month of the payment period; 56  
57  
58

(14) The holder's share of the value of sales from the lease, property, or well less the holder's share of taxes and deductions during the payment period and for each month of the payment period; 59  
60  
61  
62

(15) An address and telephone number at which additional information regarding the payment may be obtained and questions may be answered. 63  
64  
65

(B) The owner shall report the volume of gas that the owner is required to report under this section on the basis of a standard cubic foot of gas. The owner shall report the volume of oil that the owner is required to report under this section on the basis of a standard barrel. 66  
67  
68  
69  
70

(C) The owner shall preserve records of ~~such volume~~ the information required to be provided under division (A) of this section for at least two years after the date on which the record information is made provided. ~~Upon receipt by~~ 71  
72  
73  
74

(D) If the owner does not provide the holder of the 75  
royalty interest with information required to be provided under 76  
division (A) of this section, the holder may submit a written 77  
request by certified mail to the owner that the information be 78  
provided. If the owner or his the owner's agent of receives a 79  
request by the holder pursuant to this ~~section~~ division, the 80  
owner shall supply the information to the holder by certified 81  
mail within fifteen thirty days, or the end of the current 82  
payment period in the contract, whichever is later. 83

~~If the holder's well is metered, the owner shall in such~~ 84  
~~report also inform the holder of the volume of natural gas which~~ 85  
~~was shown to have passed through such meter during the period.~~ 86

~~The volume of gas required to be reported by this section~~ 87  
~~shall be indicated on the basis of a standard cubic foot of gas~~ 88  
~~holder makes a written request and the owner does not provide~~ 89  
~~the requested information within the applicable time period, the~~ 90  
~~holder may bring a civil action against the owner to enforce~~ 91  
~~this section. The prevailing party is entitled to recover~~ 92  
~~reasonable court costs and attorney's fees.~~ 93

(E) No owner shall fail to comply with this section. 94

**Sec. 1509.99.** (A) Whoever violates sections 1509.01 to 95  
1509.31 of the Revised Code or any rules adopted or orders or 96  
terms or conditions of a permit issued pursuant to these 97  
sections for which no specific penalty is provided in this 98  
section shall be fined not less than one hundred nor more than 99  
one thousand dollars for a first offense; for each subsequent 100  
offense the person shall be fined not less than two hundred nor 101  
more than two thousand dollars. 102

(B) Whoever violates section 1509.221 of the Revised Code 103

or any rules adopted or orders or terms or conditions of a permit issued thereunder shall be fined not more than five thousand dollars for each violation.

(C) Whoever knowingly violates section 1509.072, division (A), (B), or (D) of section 1509.22, division (A) (1) or (C) of section 1509.222, or division (A) or (D) of section 1509.223 of the Revised Code or any rules adopted or orders issued under division (C) of section 1509.22 or rules adopted or orders or terms or conditions of a registration certificate issued under division (E) of section 1509.222 of the Revised Code shall be fined ten thousand dollars or imprisoned for six months, or both for a first offense; for each subsequent offense the person shall be fined twenty thousand dollars or imprisoned for two years, or both. Whoever negligently violates those divisions, sections, rules, orders, or terms or conditions of a registration certificate shall be fined not more than five thousand dollars.

(D) Whoever violates division (C) of section 1509.223 of the Revised Code shall be fined not more than five hundred dollars for a first offense and not more than one thousand dollars for a subsequent offense.

(E) Whoever recklessly violates division (E) of section 1509.30 of the Revised Code shall be fined not less than one hundred nor more than one thousand dollars for a first offense; for each subsequent offense the person shall be fined not less than two hundred nor more than two thousand dollars.

(F) The prosecuting attorney of the county in which the offense was committed or the attorney general may prosecute an action under this section.

<del>(F)</del> <u>(G)</u> For purposes of this section, each day of	133
violation constitutes a separate offense.	134
<b>Section 2.</b> That existing sections 1509.30 and 1509.99 of	135
the Revised Code are hereby repealed.	136