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Am. Sub. H. B. No. 133

Representative Adams, J.

**Cosponsors: Representatives Beck, Blessing, Boose, Brenner, Buchy,
Burke, Combs, Gonzales, Goodwin, Grossman, Hackett, Hall, Hayes,
Huffman, Landis, Maag, Martin, McKenney, Rosenberger, Ruhl, Sears,
Stebelton, Thompson, Uecker, Wachtmann, Young, Amstutz, Blair, Hagan, C.,
Hottinger, Mecklenborg, Newbold, Roegner, Slaby
Senators Faber, Schaffer, Bacon, Coley, Daniels, Hite, Jones, Jordan,
Niehaus, Seitz, Widener, Wilson, Lehner**

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A B I L L

To amend sections 123.01, 1531.06, 1531.33, and	1
3345.181, to enact sections 131.50, 1503.012,	2
1509.70, 1509.71, 1509.72, 1509.73, 1509.74,	3
1509.75, 1509.76, 1509.77, 1509.78, and 1541.26,	4
and to repeal sections 5119.40, 5120.12, and	5
5123.23 of the Revised Code to create the Oil and	6
Gas Leasing Commission, to establish a procedure	7
for leasing land owned or under the control of	8
state agencies for oil and gas production in order	9
to provide funding for capital costs for the	10
agencies, and to exclude nature preserves from	11
drilling.	12

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

Section 1. That sections 123.01, 1531.06, 1531.33, and	13
3345.181 be amended and sections 131.50, 1503.012, 1509.70,	14

1509.71, 1509.72, 1509.73, 1509.74, 1509.75, 1509.76, 1509.77, 15
1509.78, and 1541.26 of the Revised Code be enacted to read as 16
follows: 17

Sec. 123.01. (A) The department of administrative services, 18
in addition to those powers enumerated in Chapters 124. and 125. 19
of the Revised Code and provided elsewhere by law, shall exercise 20
the following powers: 21

(1) To prepare, or contract to be prepared, by licensed 22
engineers or architects, surveys, general and detailed plans, 23
specifications, bills of materials, and estimates of cost for any 24
projects, improvements, or public buildings to be constructed by 25
state agencies that may be authorized by legislative 26
appropriations or any other funds made available therefor, 27
provided that the construction of the projects, improvements, or 28
public buildings is a statutory duty of the department. This 29
section does not require the independent employment of an 30
architect or engineer as provided by section 153.01 of the Revised 31
Code in the cases to which that section applies nor affect or 32
alter the existing powers of the director of transportation. 33

(2) To have general supervision over the construction of any 34
projects, improvements, or public buildings constructed for a 35
state agency and over the inspection of materials previous to 36
their incorporation into those projects, improvements, or 37
buildings; 38

(3) To make contracts for and supervise the construction of 39
any projects and improvements or the construction and repair of 40
buildings under the control of a state agency, except contracts 41
for the repair of buildings under the management and control of 42
the departments of public safety, job and family services, mental 43
health, developmental disabilities, rehabilitation and correction, 44
and youth services, the bureau of workers' compensation, the 45

rehabilitation services commission, and boards of trustees of 46
educational and benevolent institutions and except contracts for 47
the construction of projects that do not require the issuance of a 48
building permit or the issuance of a certificate of occupancy and 49
that are necessary to remediate conditions at a hazardous waste 50
facility, solid waste facility, or other location at which the 51
director of environmental protection has reason to believe there 52
is a substantial threat to public health or safety or the 53
environment. These contracts shall be made and entered into by the 54
directors of public safety, job and family services, mental 55
health, developmental disabilities, rehabilitation and correction, 56
and youth services, the administrator of workers' compensation, 57
the rehabilitation services commission, the boards of trustees of 58
such institutions, and the director of environmental protection, 59
respectively. All such contracts may be in whole or in part on 60
unit price basis of maximum estimated cost, with payment computed 61
and made upon actual quantities or units. 62

(4) To prepare and suggest comprehensive plans for the 63
development of grounds and buildings under the control of a state 64
agency; 65

(5) To acquire, by purchase, gift, devise, lease, or grant, 66
all real estate required by a state agency, in the exercise of 67
which power the department may exercise the power of eminent 68
domain, in the manner provided by sections 163.01 to 163.22 of the 69
Revised Code; 70

(6) To make and provide all plans, specifications, and models 71
for the construction and perfection of all systems of sewerage, 72
drainage, and plumbing for the state in connection with buildings 73
and grounds under the control of a state agency; 74

(7) To erect, supervise, and maintain all public monuments 75
and memorials erected by the state, except where the supervision 76
and maintenance is otherwise provided by law; 77

(8) To procure, by lease, storage accommodations for a state agency;	78 79
(9) To lease or grant easements or licenses for unproductive and unused lands or other property under the control of a state agency. Such leases, easements, or licenses shall be granted for a period not to exceed fifteen years and shall be executed for the state by the director of administrative services and the governor and shall be approved as to form by the attorney general, provided that leases, easements, or licenses may be granted to any county, township, municipal corporation, port authority, water or sewer district, school district, library district, health district, park district, soil and water conservation district, conservancy district, or other political subdivision or taxing district, or any agency of the United States government, for the exclusive use of that agency, political subdivision, or taxing district, without any right of sublease or assignment, for a period not to exceed fifteen years, and provided that the director shall grant leases, easements, or licenses of university land for periods not to exceed twenty-five years for purposes approved by the respective university's board of trustees wherein the uses are compatible with the uses and needs of the university and may grant leases of university land for periods not to exceed forty years for purposes approved by the respective university's board of trustees pursuant to section 123.77 of the Revised Code.	80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101
(10) To lease space for the use of a state agency;	102
(11) To have general supervision and care of the storerooms, offices, and buildings leased for the use of a state agency;	103 104
(12) To exercise general custodial care of all real property of the state;	105 106
(13) To assign and group together state offices in any city in the state and to establish, in cooperation with the state	107 108

agencies involved, rules governing space requirements for office 109
or storage use; 110

(14) To lease for a period not to exceed forty years, 111
pursuant to a contract providing for the construction thereof 112
under a lease-purchase plan, buildings, structures, and other 113
improvements for any public purpose, and, in conjunction 114
therewith, to grant leases, easements, or licenses for lands under 115
the control of a state agency for a period not to exceed forty 116
years. The lease-purchase plan shall provide that at the end of 117
the lease period, the buildings, structures, and related 118
improvements, together with the land on which they are situated, 119
shall become the property of the state without cost. 120

(a) Whenever any building, structure, or other improvement is 121
to be so leased by a state agency, the department shall retain 122
either basic plans, specifications, bills of materials, and 123
estimates of cost with sufficient detail to afford bidders all 124
needed information or, alternatively, all of the following plans, 125
details, bills of materials, and specifications: 126

(i) Full and accurate plans suitable for the use of mechanics 127
and other builders in the improvement; 128

(ii) Details to scale and full sized, so drawn and 129
represented as to be easily understood; 130

(iii) Accurate bills showing the exact quantity of different 131
kinds of material necessary to the construction; 132

(iv) Definite and complete specifications of the work to be 133
performed, together with such directions as will enable a 134
competent mechanic or other builder to carry them out and afford 135
bidders all needed information; 136

(v) A full and accurate estimate of each item of expense and 137
of the aggregate cost thereof. 138

(b) The department shall give public notice, in such 139
newspaper, in such form, and with such phraseology as the director 140
of administrative services prescribes, published once each week 141
for four consecutive weeks, of the time when and place where bids 142
will be received for entering into an agreement to lease to a 143
state agency a building, structure, or other improvement. The last 144
publication shall be at least eight days preceding the day for 145
opening the bids. The bids shall contain the terms upon which the 146
builder would propose to lease the building, structure, or other 147
improvement to the state agency. The form of the bid approved by 148
the department shall be used, and a bid is invalid and shall not 149
be considered unless that form is used without change, alteration, 150
or addition. Before submitting bids pursuant to this section, any 151
builder shall comply with Chapter 153. of the Revised Code. 152

(c) On the day and at the place named for receiving bids for 153
entering into lease agreements with a state agency, the director 154
of administrative services shall open the bids and shall publicly 155
proceed immediately to tabulate the bids upon duplicate sheets. No 156
lease agreement shall be entered into until the bureau of workers' 157
compensation has certified that the person to be awarded the lease 158
agreement has complied with Chapter 4123. of the Revised Code, 159
until, if the builder submitting the lowest and best bid is a 160
foreign corporation, the secretary of state has certified that the 161
corporation is authorized to do business in this state, until, if 162
the builder submitting the lowest and best bid is a person 163
nonresident of this state, the person has filed with the secretary 164
of state a power of attorney designating the secretary of state as 165
its agent for the purpose of accepting service of summons in any 166
action brought under Chapter 4123. of the Revised Code, and until 167
the agreement is submitted to the attorney general and the 168
attorney general's approval is certified thereon. Within thirty 169
days after the day on which the bids are received, the department 170
shall investigate the bids received and shall determine that the 171

bureau and the secretary of state have made the certifications 172
required by this section of the builder who has submitted the 173
lowest and best bid. Within ten days of the completion of the 174
investigation of the bids, the department shall award the lease 175
agreement to the builder who has submitted the lowest and best bid 176
and who has been certified by the bureau and secretary of state as 177
required by this section. If bidding for the lease agreement has 178
been conducted upon the basis of basic plans, specifications, 179
bills of materials, and estimates of costs, upon the award to the 180
builder the department, or the builder with the approval of the 181
department, shall appoint an architect or engineer licensed in 182
this state to prepare such further detailed plans, specifications, 183
and bills of materials as are required to construct the building, 184
structure, or improvement. The department shall adopt such rules 185
as are necessary to give effect to this section. The department 186
may reject any bid. Where there is reason to believe there is 187
collusion or combination among bidders, the bids of those 188
concerned therein shall be rejected. 189

(15) To acquire by purchase, gift, devise, or grant and to 190
transfer, lease, or otherwise dispose of all real property 191
required to assist in the development of a conversion facility as 192
defined in section 5709.30 of the Revised Code as that section 193
existed before its repeal by Amended Substitute House Bill 95 of 194
the 125th general assembly; 195

(16) To lease for a period not to exceed forty years, 196
notwithstanding any other division of this section, the 197
state-owned property located at 408-450 East Town Street, 198
Columbus, Ohio, formerly the state school for the deaf, to a 199
developer in accordance with this section. "Developer," as used in 200
this section, has the same meaning as in section 123.77 of the 201
Revised Code. 202

Such a lease shall be for the purpose of development of the 203

land for use by senior citizens by constructing, altering, 204
renovating, repairing, expanding, and improving the site as it 205
existed on June 25, 1982. A developer desiring to lease the land 206
shall prepare for submission to the department a plan for 207
development. Plans shall include provisions for roads, sewers, 208
water lines, waste disposal, water supply, and similar matters to 209
meet the requirements of state and local laws. The plans shall 210
also include provision for protection of the property by insurance 211
or otherwise, and plans for financing the development, and shall 212
set forth details of the developer's financial responsibility. 213

The department may employ, as employees or consultants, 214
persons needed to assist in reviewing the development plans. Those 215
persons may include attorneys, financial experts, engineers, and 216
other necessary experts. The department shall review the 217
development plans and may enter into a lease if it finds all of 218
the following: 219

(a) The best interests of the state will be promoted by 220
entering into a lease with the developer; 221

(b) The development plans are satisfactory; 222

(c) The developer has established the developer's financial 223
responsibility and satisfactory plans for financing the 224
development. 225

The lease shall contain a provision that construction or 226
renovation of the buildings, roads, structures, and other 227
necessary facilities shall begin within one year after the date of 228
the lease and shall proceed according to a schedule agreed to 229
between the department and the developer or the lease will be 230
terminated. The lease shall contain such conditions and 231
stipulations as the director considers necessary to preserve the 232
best interest of the state. Moneys received by the state pursuant 233
to this lease shall be paid into the general revenue fund. The 234

lease shall provide that at the end of the lease period the 235
buildings, structures, and related improvements shall become the 236
property of the state without cost. 237

~~(17) To lease to any person any tract of land owned by the 238
state and under the control of the department, or any part of such 239
a tract, for the purpose of drilling for or the pooling of oil or 240
gas. Such a lease shall be granted for a period not exceeding 241
forty years, with the full power to contract for, determine the 242
conditions governing, and specify the amount the state shall 243
receive for the purposes specified in the lease, and shall be 244
prepared as in other cases. 245~~

~~(18)~~ To manage the use of space owned and controlled by the 246
department, including space in property under the jurisdiction of 247
the Ohio building authority, by doing all of the following: 248

(a) Biennially implementing, by state agency location, a 249
census of agency employees assigned space; 250

(b) Periodically in the discretion of the director of 251
administrative services: 252

(i) Requiring each state agency to categorize the use of 253
space allotted to the agency between office space, common areas, 254
storage space, and other uses, and to report its findings to the 255
department; 256

(ii) Creating and updating a master space utilization plan 257
for all space allotted to state agencies. The plan shall 258
incorporate space utilization metrics. 259

(iii) Conducting a cost-benefit analysis to determine the 260
effectiveness of state-owned buildings; 261

(iv) Assessing the alternatives associated with consolidating 262
the commercial leases for buildings located in Columbus. 263

(c) Commissioning a comprehensive space utilization and 264

capacity study in order to determine the feasibility of 265
consolidating existing commercially leased space used by state 266
agencies into a new state-owned facility. 267

(B) This section and section 125.02 of the Revised Code shall 268
not interfere with any of the following: 269

(1) The power of the adjutant general to purchase military 270
supplies, or with the custody of the adjutant general of property 271
leased, purchased, or constructed by the state and used for 272
military purposes, or with the functions of the adjutant general 273
as director of state armories; 274

(2) The power of the director of transportation in acquiring 275
rights-of-way for the state highway system, or the leasing of 276
lands for division or resident district offices, or the leasing of 277
lands or buildings required in the maintenance operations of the 278
department of transportation, or the purchase of real property for 279
garage sites or division or resident district offices, or in 280
preparing plans and specifications for and constructing such 281
buildings as the director may require in the administration of the 282
department; 283

(3) The power of the director of public safety and the 284
registrar of motor vehicles to purchase or lease real property and 285
buildings to be used solely as locations to which a deputy 286
registrar is assigned pursuant to division (B) of section 4507.011 287
of the Revised Code and from which the deputy registrar is to 288
conduct the deputy registrar's business, the power of the director 289
of public safety to purchase or lease real property and buildings 290
to be used as locations for division or district offices as 291
required in the maintenance of operations of the department of 292
public safety, and the power of the superintendent of the state 293
highway patrol in the purchase or leasing of real property and 294
buildings needed by the patrol, to negotiate the sale of real 295
property owned by the patrol, to rent or lease real property owned 296

or leased by the patrol, and to make or cause to be made repairs 297
to all property owned or under the control of the patrol; 298

(4) The power of the division of liquor control in the 299
leasing or purchasing of retail outlets and warehouse facilities 300
for the use of the division; 301

(5) The power of the director of development to enter into 302
leases of real property, buildings, and office space to be used 303
solely as locations for the state's foreign offices to carry out 304
the purposes of section 122.05 of the Revised Code; 305

(6) The power of the director of environmental protection to 306
enter into environmental covenants, to grant and accept easements, 307
or to sell property pursuant to division (G) of section 3745.01 of 308
the Revised Code. 309

(C) Purchases for, and the custody and repair of, buildings 310
under the management and control of the capitol square review and 311
advisory board, the rehabilitation services commission, the bureau 312
of workers' compensation, or the departments of public safety, job 313
and family services, mental health, developmental disabilities, 314
and rehabilitation and correction, and buildings of educational 315
and benevolent institutions under the management and control of 316
boards of trustees, are not subject to the control and 317
jurisdiction of the department of administrative services. 318

(D) Any instrument by which real property is acquired 319
pursuant to this section shall identify the agency of the state 320
that has the use and benefit of the real property as specified in 321
section 5301.012 of the Revised Code. 322

Sec. 131.50. (A) There is hereby created in the state 323
treasury the state land royalty fund consisting of money credited 324
to it under section 1509.73 of the Revised Code. Any investment 325
proceeds earned on money in the fund shall be credited to the fund 326

and used as required in division (B) of this section. 327

(B) Money in the state land royalty fund shall be used by 328
state agencies to acquire land and to pay capital costs of state 329
agencies, including equipment and renovations and repairs of 330
facilities, that have contributed to the fund under section 331
1509.73 of the Revised Code. Such a state agency is entitled to 332
receive from the fund the amount that the state agency contributed 333
and a share of the investment earnings of the fund in an amount 334
that is equivalent to the proportionate share of contributions 335
made by the state agency to the fund. 336

(C) As used in this section, "state agency" has the same 337
meaning as in section 1509.70 of the Revised Code. 338

Sec. 1503.012. There is hereby created in the state treasury 339
the forestry mineral royalties fund. The fund shall consist of 340
money deposited into it under section 1509.73 of the Revised Code. 341
Any investment proceeds earned on money in the fund shall be 342
credited to the fund. 343

Money in the fund shall be used by the division of forestry 344
to acquire land and to pay capital costs, including equipment and 345
repairs and renovations of facilities, that are owned by the state 346
and administered by the division. Expenditures from the fund shall 347
be approved by the director of natural resources. 348

Sec. 1509.70. As used in sections 1509.70 to 1509.77 of the 349
Revised Code: 350

(A) "Class 1 property" means property owned or controlled by 351
a state agency concerning which there are no encumbrances or deed 352
restrictions that limit the exploration or drilling for oil or gas 353
on the property. 354

(B) "Class 2 property" means property that is owned or 355

controlled by a state university or college or that is owned or 356
controlled by another state agency concerning which there is a 357
federal encumbrance or monetary interest that limits or prohibits 358
the exploration or drilling for oil or gas on the property. 359

(C) "Class 3 property" means property owned or controlled by 360
a state agency to which all of the following apply: 361

(1) The property is not a class 2 or class 4 property. 362

(2) The property is of insufficient size or shape to meet the 363
requirements for drilling a well on the property established under 364
section 1509.24 or 1509.25 of the Revised Code. 365

(3) The property is necessary for pooling with other parcels 366
of property for the purpose of forming a drilling unit in order to 367
meet the requirements for drilling a well established under 368
section 1509.24 or 1509.25 of the Revised Code. 369

(D) "Class 4 property" means property owned or controlled by 370
a state agency concerning which there is a provision in the deed 371
that limits the exploration or drilling for oil or gas on the 372
property. 373

(E) "Formation" means any of the following: 374

(1) The distance from the surface of the land to the top of 375
the Onondaga limestone; 376

(2) The distance from the top of the Onondaga limestone to 377
the bottom of the Queenston formation; 378

(3) The distance from the bottom of the Queenston formation 379
to the top of the Trenton limestone; 380

(4) The distance from the top of the Trenton limestone to the 381
top of the Knox formation; 382

(5) The distance from the top of the Knox formation to the 383
basement rock. 384

(F) "State agency" means both of the following:

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(1) "State agency" as defined in section 1.60 of the Revised Code;

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(2) "State university or college" as defined in section 3345.12 of the Revised Code.

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Sec. 1509.71. (A) It is the policy of the state to provide access to and support the exploration for, development of, and production of oil and natural gas resources owned or controlled by the state in an effort to use the state's natural resources responsibly.

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(B) There is hereby created the oil and gas leasing commission consisting of the chief of the division of geological survey and the following four members appointed by the governor:

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(1) Two members from a list of not less than four persons recommended by a statewide organization representing the oil and gas industry;

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(2) One member of the public with expertise in finance or real estate;

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(3) One member representing a statewide environmental or conservation organization.

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(C) Initial appointments shall be made to the commission not later than thirty days after the effective date of this section. Of the initial members appointed to the commission, one shall serve a term of two years, one shall serve a term of three years, one shall serve a term of four years, and one shall serve a term of five years. Thereafter, terms of office of members shall be for five years from the date of appointment. Each member appointed by the governor shall hold office from the date of appointment until the end of the term for which the member was appointed. The governor shall fill a vacancy occurring on the commission by

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appointing a member within sixty days after the vacancy occurs. A 415
member appointed to fill a vacancy occurring prior to the 416
expiration of the term for which the member's predecessor was 417
appointed shall hold office for the remainder of that term. A 418
member shall continue in office subsequent to the expiration date 419
of the member's term until the member's successor takes office, or 420
until a period of sixty days has elapsed, whichever occurs first. 421

(D) Three members constitute a quorum of the commission, and 422
no action of the commission is valid unless it has the concurrence 423
of at least three members. The commission shall keep a record of 424
its proceedings. The chief of the division of geological survey 425
shall serve as the chairperson of the commission. 426

(E) The governor may remove an appointed member from the 427
commission for inefficiency, malfeasance, misfeasance, or 428
nonfeasance. 429

(F) Members of the commission shall receive no compensation, 430
but shall be reimbursed for their actual and necessary expenses 431
incurred in the course of the performance of their duties as 432
members of the commission. 433

(G) The department of natural resources shall furnish 434
clerical, technical, legal, and other services required by the 435
commission in the performance of its duties. 436

Sec. 1509.72. (A) A state agency shall submit to the oil and 437
gas leasing commission an inventory of each parcel of land that is 438
owned or controlled by the agency. The inventory shall classify 439
each parcel as a class 1, class 2, class 3, or class 4 property. 440
The commission may request a state agency to submit documentation 441
supporting the classification of each parcel of land. 442

(B) Not later than ninety days after the acquisition of a 443
parcel of state land occurring after the effective date of this 444

section, the state agency that owns or controls the parcel shall
classify the parcel in the same manner that parcels are classified
under division (A) of this section.

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(C) The department of natural resources shall post on the
department's web site a listing of each parcel of state land and
the classification assigned to the parcel under this section. The
commission shall provide to the department the information
necessary for the department to comply with this division.

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(D) Not later than two hundred seventy days after the
effective date of this section, the director of natural resources
shall adopt rules in accordance with Chapter 119. of the Revised
Code establishing procedures and requirements for publishing
notice on the department's web site of each nomination received by
the commission under section 1509.73 of the Revised Code for a
period of not less than twenty-one days prior to the commission's
approval or disapproval of each nomination. The notification shall
identify the parcel of land that is the subject of a nomination
and include a statement that a person may submit comments to the
commission concerning the nomination. The commission shall provide
to the department the information necessary for the department to
comply with this division.

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Sec. 1509.73. (A)(1) Beginning on the effective date of this
section and ending on the effective date of the rules adopted
under section 1509.74 of the Revised Code, a state agency, in
consultation with the oil and gas leasing commission, may lease a
formation within a parcel of land that is owned or controlled by
the state agency for the exploration for and development and
production of oil or natural gas. The state agency shall establish
bid fees, signing fees, rentals, and at least a one-eighth
landowner royalty. On and after the effective date of the rules
adopted under section 1509.74 of the Revised Code, a formation

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within a parcel of land that is owned or controlled by a state 476
agency may be leased for the exploration for and development and 477
production of oil or natural gas only in accordance with divisions 478
(A)(2) to (H) of this section and those rules. 479

(2) Not earlier than two hundred seventy days after the 480
effective date of this section, a person that is an owner and that 481
is interested in leasing a formation within a parcel of land that 482
is owned or controlled by a state agency for the exploration for 483
and the development and production of oil or natural gas may 484
submit to the oil and gas leasing commission a nomination that 485
identifies the parcel of land. A person submitting a nomination 486
shall submit it in the manner and form established in rules 487
adopted under section 1509.74 of the Revised Code and shall 488
include with the nomination both of the following: 489

(a) The information required by those rules; 490

(b) The nomination fee established in those rules. 491

(B)(1) Not less than thirty days, but not more than one 492
hundred twenty days following the receipt of a nomination of a 493
parcel of land, the commission shall conduct a meeting for the 494
purpose of determining whether to approve or disapprove the 495
nomination for the purpose of leasing a formation within the 496
parcel of land that is identified in the nomination. The 497
commission also shall review the nomination of the parcel of land 498
and determine if the parcel of land has been classified under 499
section 1509.72 of the Revised Code. If the parcel of land that is 500
the subject of the nomination has not been classified, the 501
commission immediately shall send a copy of the nomination to the 502
state agency that owns or controls the parcel that is the subject 503
of the nomination. Not later than fifteen days after receipt of a 504
copy of the nomination, the state agency shall classify the parcel 505
of land as a class 1, class 2, class 3, or class 4 property and 506

submit the classification to the commission. On receipt of the 507
state agency's classification of the parcel of land, the 508
commission shall provide the department of natural resources the 509
information necessary for the department to comply with divisions 510
(C) and (D) of section 1509.72 of the Revised Code. 511

After a parcel of land that is the subject of a nomination 512
has been classified under section 1509.72 of the Revised Code or 513
division (B)(1) of this section, as applicable, the commission 514
shall approve or disapprove the nomination. In making its decision 515
to approve or disapprove the nomination of the parcel of land, the 516
commission shall consider all of the following: 517

(a) The economic benefits, including the potential income 518
from an oil or natural gas operation, that would result if the 519
lease of a formation that is the subject of the nomination were 520
approved; 521

(b) Whether the proposed oil or gas operation is compatible 522
with the current uses of the parcel of land that is the subject of 523
the nomination; 524

(c) The environmental impact that would result if the lease 525
of a formation that is the subject of the nomination were 526
approved; 527

(d) Any potential adverse geological impact that would result 528
if the lease of a formation that is the subject of the nomination 529
were approved; 530

(e) Any potential impact to visitors or users of a parcel of 531
land that is the subject of the nomination; 532

(f) Any potential impact to the operations or equipment of a 533
state agency that is a state university or college if the lease of 534
a formation within a parcel of land owned or controlled by the 535
university or college that is the subject of the nomination were 536
executed; 537

(g) Any objections to the nomination submitted to the 538
commission by the state agency that owns or controls the land on 539
which the proposed oil or natural gas operation would take place; 540

(h) Any comments or objections to the nomination submitted to 541
the commission by residents of this state or other users of the 542
parcel of land that is the subject of the nomination; 543

(i) Any other factors that the commission establishes in 544
rules adopted under section 1509.74 of the Revised Code. 545

(2) The commission shall disapprove a nomination of a parcel 546
of land that is a class 3 property. The commission shall send 547
notice of the disapproval by certified mail to the person that 548
submitted the nomination. 549

(3) Prior to making its decision to approve or disapprove a 550
nomination, the commission shall notify the state agency that owns 551
or controls the land on which the oil or gas operation would take 552
place. 553

(4) The commission shall approve or disapprove a nomination 554
not later than two calendar quarters following the receipt of the 555
nomination. Notice of the decision of the commission shall be sent 556
by certified mail to the person that submitted the nomination. 557

(5) If the commission approves a nomination, the commission 558
shall notify the state agency that owns or controls the parcel of 559
land that is the subject of a nomination of the commission's 560
approval of the nomination. The notification shall request the 561
state agency to submit to the commission special terms and 562
conditions that will apply to the lease of a formation within the 563
parcel of land because of specific conditions related to the 564
parcel of land. The state agency shall submit the special terms 565
and conditions not later than sixty days after receipt of a notice 566
from the commission. 567

(6) If the commission approves a nomination for a parcel of 568

land that is a class 1 property, the commission shall offer for 569
lease each formation that is within the parcel of land. If the 570
commission approves a nomination for a parcel of land that is a 571
class 2 or class 4 property, the commission shall not offer for 572
lease any formation that is within the parcel of land unless the 573
state agency that owns or controls the parcel of land notifies the 574
commission that a formation or formations that are within the 575
parcel of land may be offered for lease. 576

(C) Each calendar quarter, the commission shall proceed to 577
advertise for bids for a lease for a formation within a parcel of 578
land that was the subject of a nomination approved during the 579
previous calendar quarter that is a class 1 property or that is a 580
class 2 or class 4 property for which the commission has received 581
notice from the state agency that owns or controls the parcel of 582
land under division (B)(6) of this section that a formation or 583
formations that are within the parcel of land may be offered for 584
lease. The advertisement shall be provided to the department of 585
natural resources, and the department shall publish the 586
advertisement on its web site for a period of time established by 587
the commission. The advertisement shall include all of the 588
following: 589

(1) The procedure for the submission of a bid to enter into a 590
lease for a formation within a parcel of land; 591

(2) A statement that a standard lease form that is consistent 592
with the practices of the oil and natural gas industries will be 593
used for the lease of a formation within the parcel of land; 594

(3) A copy of the standard lease form that will be used for 595
the lease of a formation within the parcel of land; 596

(4) Special terms and conditions, if applicable, that apply 597
to the lease because of specific conditions related to the parcel 598
of land; 599

(5) The amount of the bid fee that is required to be 600
submitted with a bid; 601

(6) Any other information that the commission considers 602
pertinent to the advertisement for bids. 603

(D) A person submitting a bid to enter into a lease under 604
this section shall pay a bid fee established in rules adopted 605
under section 1509.74 of the Revised Code. 606

(E) In order to encourage the submission of bids and the 607
responsible and reasonable development of the state's natural 608
resources, the information that is contained in a bid submitted to 609
the commission under this section shall be confidential and shall 610
not be disclosed before a person is selected under division (F) of 611
this section unless the commission determines otherwise. 612

(F) The commission shall establish a deadline for the 613
submission of bids for each lease regarding a particular parcel of 614
land and shall notify the department of the deadline. The 615
department shall post the deadline for the submission of bids for 616
each lease on the department's web site. A person shall submit a 617
bid in accordance with the procedures and requirements established 618
by the commission in rules adopted under section 1509.74 of the 619
Revised Code. 620

The commission shall select the person who submits the 621
highest and best bid for each formation within that parcel of 622
land, taking into account the financial responsibility of the 623
prospective lessee and the ability of the prospective lessee to 624
perform its obligations under the lease. After the commission 625
selects a person, the commission shall notify the applicable state 626
agency and send the person's bid to the agency. The state agency 627
shall enter into a lease with the person selected by the 628
commission. 629

(G)(1) Except as otherwise provided in division (G)(2) of 630

this section, all money received by a state agency from signing 631
fees, rentals, and royalty payments for leases entered into under 632
this section shall be paid by the state agency into the state 633
treasury to the credit of the state land royalty fund created in 634
section 131.50 of the Revised Code. 635

(2) Money received by a state agency from signing fees, 636
rentals, and royalty payments for leases entered into under this 637
section on land owned or controlled by the division of forestry, 638
wildlife, or parks and recreation in the department of natural 639
resources shall be deposited into one of the following funds, as 640
applicable: 641

(a) The forestry mineral royalties fund created in section 642
1503.012 of the Revised Code if the lease pertains to land owned 643
or controlled by the division of forestry; 644

(b) The wildlife habitat fund created in section 1531.33 of 645
the Revised Code if the lease pertains to land owned or controlled 646
by the division of wildlife; 647

(c) The parks mineral royalties fund created in section 648
1541.26 of the Revised Code if the lease pertains to land owned or 649
controlled by the division of parks and recreation. 650

(H) All money received from nomination fees and bid fees 651
shall be paid into the state treasury to the credit of the oil and 652
gas leasing commission administration fund created in section 653
1509.75 of the Revised Code. 654

(I) Notwithstanding any other provision of this section to 655
the contrary, a nature preserve as defined in section 1517.01 of 656
the Revised Code that is owned or controlled by a state agency 657
shall not be nominated or leased under this section for the 658
purpose of exploring for and developing and producing oil and 659
natural gas resources. 660

Sec. 1509.74. Not later than two hundred seventy days after 661
the effective date of this section, the oil and gas leasing 662
commission shall adopt rules in accordance with Chapter 119. of 663
the Revised Code establishing all of the following: 664

(A) The form of and the information to be included in 665
nominations that are submitted under section 1509.73 of the 666
Revised Code; 667

(B) Procedures for the submission of nominations to the 668
commission and the amount of nomination fees to be charged. The 669
rules shall require that if a person who has paid a nomination fee 670
does not enter into a lease regarding the parcel of land that the 671
person nominated, the fee shall be refunded to the person, and, if 672
applicable, the person that enters into the lease shall pay the 673
nomination fee. In addition, the rules shall provide that a state 674
agency is exempt from nomination fees and that a person who enters 675
into a lease regarding a parcel of land nominated by a state 676
agency shall pay the nomination fee. 677

(C) Factors that the commission may consider when determining 678
whether to approve or disapprove a nomination submitted under 679
section 1509.73 of the Revised Code; 680

(D) Procedures and requirements for the submission of bids 681
for a lease under section 1509.73 of the Revised Code; 682

(E) The amount of bid fees to be charged for the submission 683
of bids to enter into leases under section 1509.73 of the Revised 684
Code; 685

(F) A standard lease form that is consistent with the 686
practices of the oil and natural gas industries and that contains 687
at least a one-eighth landowner royalty, which standard lease form 688
shall be used by a state agency for leases entered into under 689
section 1509.73 of the Revised Code; 690

(G) Any other procedures and requirements that the commission 691
determines necessary to implement sections 1509.70 to 1509.77 of 692
the Revised Code. 693

Sec. 1509.75. There is hereby created in the state treasury 694
the oil and gas leasing commission administration fund consisting 695
of the proceeds of nomination fees and bid fees credited to it 696
under section 1509.73 of the Revised Code. Money in the fund shall 697
be used by the oil and gas leasing commission and the department 698
of natural resources to pay the administrative expenses of the 699
commission and the department regarding the implementation of 700
sections 1509.70 to 1509.77 of the Revised Code. Money in the fund 701
also shall be used to pay the actual and necessary expenses 702
incurred by members of the commission in the course of the 703
performance of their duties. 704

Sec. 1509.76. A state agency that has classified a parcel of 705
land as a class 2 property under section 1509.72 or 1509.73 of the 706
Revised Code shall make reasonable and appropriate efforts so that 707
the parcel of land could be classified as a class 1 property. 708

Sec. 1509.77. A state agency that owns or controls a parcel 709
of land that is a class 3 property for which a nomination for that 710
land has been denied under section 1509.73 of the Revised Code may 711
enter into written agreements to use that parcel of land to form a 712
drilling unit that conforms to the minimum acreage and distance 713
requirements established under section 1509.24 or 1509.25 of the 714
Revised Code. 715

Sec. 1509.78. Notwithstanding any other provision of the 716
Revised Code, not less than thirty per cent of the proceeds from a 717
lease executed on and after the effective date of this section for 718
the exploration and production of oil or gas within or under a 719

state park established under Chapter 1541. of the Revised Code 720
shall be credited to the applicable fund created in the state 721
treasury that supports the state park. The department of natural 722
resources shall use the money credited to the applicable fund from 723
a lease for expenses associated with the state park within or 724
under which the oil or gas exploration and production occurred. 725
Money credited shall be used for capital improvements. 726

Sec. 1531.06. (A) The chief of the division of wildlife, with 727
the approval of the director of natural resources, may acquire by 728
gift, lease, purchase, or otherwise lands or surface rights upon 729
lands and waters or surface rights upon waters for wild animals, 730
fish or game management, preservation, propagation, and 731
protection, outdoor and nature activities, public fishing and 732
hunting grounds, and flora and fauna preservation. The chief, with 733
the approval of the director, may receive by grant, devise, 734
bequest, donation, or assignment evidences of indebtedness, the 735
proceeds of which are to be used for the purchase of such lands or 736
surface rights upon lands and waters or surface rights upon 737
waters. 738

(B)(1) The chief shall adopt rules for the protection of 739
state-owned or leased lands and waters and property under the 740
control of the division of wildlife against wrongful use or 741
occupancy that will ensure the carrying out of the intent of this 742
section, protect those lands, waters, and property from 743
depredations, and preserve them from molestation, spoilation, 744
destruction, or any improper use or occupancy thereof, including 745
rules with respect to recreational activities and for the 746
government and use of such lands, waters, and property. 747

(2) The chief may adopt rules benefiting wild animals, fish 748
or game management, preservation, propagation, and protection, 749
outdoor and nature activities, public fishing and hunting grounds, 750

and flora and fauna preservation, and regulating the taking and 751
possession of wild animals on any lands or waters owned or leased 752
or under the division's supervision and control and, for a 753
specified period of years, may prohibit or recall the taking and 754
possession of any wild animal on any portion of such lands or 755
waters. The division clearly shall define and mark the boundaries 756
of the lands and waters owned or leased or under its supervision 757
and control upon which the taking of any wild animal is 758
prohibited. 759

(C) The chief, with the approval of the director, may acquire 760
by gift, lease, or purchase land for the purpose of establishing 761
state fish hatcheries and game farms and may erect on it buildings 762
or structures that are necessary. 763

The title to or lease of such lands and waters shall be taken 764
by the chief in the name of the state. The lease or purchase price 765
of all such lands and waters may be paid from hunting and trapping 766
and fishing licenses and any other funds. 767

(D) To provide more public recreation, stream and lake 768
agreements for public fishing only may be obtained under rules 769
adopted by the chief. 770

(E) The chief, with the approval of the director, may 771
establish user fees for the use of special public facilities or 772
participation in special activities on lands and waters 773
administered by the division. The special facilities and 774
activities may include hunting or fishing on special designated 775
public lands and waters intensively managed or stocked with 776
artificially propagated game birds or fish, field trial 777
facilities, wildlife nature centers, firearm ranges, boat mooring 778
facilities, camping sites, and other similar special facilities 779
and activities. The chief shall determine whether the user fees 780
are refundable and shall ensure that that information is provided 781
at the time the user fees are paid. 782

(F) The chief, with the approval of the director, may enter 783
into lease agreements for rental of concessions or other special 784
projects situated on state-owned or leased lands or waters or 785
other property under the division's control. The chief shall set 786
and collect the fees for concession rentals or other special 787
projects; regulate through contracts between the division and 788
concessionaires the sale of tangible objects at concessions or 789
other special projects; and keep a record of all such fee payments 790
showing the amount received, from whom received, and for what 791
purpose the fee was collected. 792

(G) The chief may sell or donate conservation-related items 793
or items that promote wildlife conservation, including, but not 794
limited to, stamps, pins, badges, books, bulletins, maps, 795
publications, calendars, and any other educational article or 796
artifact pertaining to wild animals; sell confiscated or forfeited 797
items; and sell surplus structures and equipment, and timber or 798
crops from lands owned, administered, leased, or controlled by the 799
division. The chief, with the approval of the director, also may 800
engage in campaigns and special events that promote wildlife 801
conservation by selling or donating wildlife-related materials, 802
memberships, and other items of promotional value. 803

(H) The chief may sell, lease, or transfer minerals or 804
mineral rights, with the approval of the director, when the chief 805
and the director determine it to be in the best interest of the 806
state. Upon approval of the director, the chief may make, execute, 807
and deliver contracts, including leases, to mine, drill, or 808
excavate iron ore, stone, coal, ~~petroleum, gas,~~ salt, and other 809
minerals, other than oil or gas, upon and under lands owned by the 810
state and administered by the division to any person who complies 811
with the terms of such a contract. No such contract shall be valid 812
for more than fifty years from its effective date. Consideration 813
for minerals and mineral rights shall be by rental or royalty 814

basis as prescribed by the chief and payable as prescribed by 815
contract. Moneys collected under this division shall be paid into 816
the state treasury to the credit of the wildlife habitat fund 817
created in section 1531.33 of the Revised Code. Contracts entered 818
into under this division also may provide for consideration for 819
minerals or mineral rights in the form of acquisition of lands as 820
provided under divisions (A) and (C) of this section. 821

(I) All moneys received under divisions (E), (F), and (G) of 822
this section shall be paid into the state treasury to the credit 823
of a fund that shall be used for the purposes outlined in section 824
1533.15 of the Revised Code and for the management of other wild 825
animals for their ecological and nonconsumptive recreational value 826
or benefit. 827

(J) The chief, with the approval of the director, may barter 828
or sell wild animals to other states, state or federal agencies, 829
and conservation or zoological organizations. Moneys received from 830
the sale of wild animals shall be deposited into the wild animal 831
fund created in section 1531.34 of the Revised Code. 832

(K) The chief shall adopt rules establishing standards and 833
guidelines for the administration of contraceptive chemicals to 834
noncaptive wild animals. The rules may specify chemical delivery 835
methods and devices and monitoring requirements. 836

The chief shall establish criteria for the issuance of and 837
shall issue permits for the administration of contraceptive 838
chemicals to noncaptive wild animals. No person shall administer 839
contraceptive chemicals to noncaptive wild animals without a 840
permit issued by the chief. 841

(L) All fees set by the chief under this section shall be 842
approved by the wildlife council. 843

(M) Information contained in the wildlife diversity database 844
that is established pursuant to division (B)(2) of this section 845

and section 1531.25 of the Revised Code may be made available to 846
any individual or public or private agency for research, 847
educational, environmental, land management, or other similar 848
purposes that are not detrimental to the conservation of a species 849
or feature. Information regarding sensitive site locations of 850
species that are listed pursuant to section 1531.25 of the Revised 851
Code and of features that are included in the wildlife diversity 852
database is not subject to section 149.43 of the Revised Code if 853
the chief determines that the release of the information could be 854
detrimental to the conservation of a species or feature. 855

Sec. 1531.33. The wildlife habitat fund is hereby created in 856
the state treasury. The fund shall consist of the investment 857
earnings of the wildlife habitat trust fund created in section 858
1531.32 of the Revised Code; gifts, donations, bequests, and other 859
moneys contributed to the division of wildlife for the purposes of 860
the fund; moneys collected under division (H) of section 1531.06 861
of the Revised Code; moneys deposited in the fund under division 862
(G)(2)(b) of section 1509.73 of the Revised Code; and moneys 863
received by the division pursuant to negotiated mitigation 864
settlements from persons who have adversely affected fish and 865
wildlife, or their habitats, over which the division has 866
jurisdiction under this chapter or Chapter 1533. of the Revised 867
Code other than fish and wildlife of the Ohio river or their 868
habitats. 869

The fund shall be used by the division to acquire and develop 870
lands for the preservation, propagation, and protection of wild 871
animals. All expenditures from the wildlife habitat fund shall be 872
approved by the director of natural resources. Quarterly each 873
fiscal year, the treasurer of state shall transfer the investment 874
earnings of the wildlife habitat trust fund to the wildlife 875
habitat fund. 876

Sec. 1541.26. There is hereby created in the state treasury 877
the parks mineral royalties fund. The fund shall consist of money 878
deposited into it under section 1509.73 of the Revised Code. Any 879
investment proceeds earned on money in the fund shall be credited 880
to the fund. 881

Money in the fund shall be used by the division of parks and 882
recreation to acquire land and to pay capital costs, including 883
equipment and repairs and renovations of facilities, that are 884
owned by the state and administered by the division. Expenditures 885
from the fund shall be approved by the director of natural 886
resources. 887

Sec. 3345.181. ~~(A)~~ The board of trustees of a state 888
university, by majority vote, may make, execute, and deliver 889
contracts or leases to mine minerals upon lands under the 890
supervision of ~~such~~ the board, to any person or public entity that 891
complies with the terms prescribed by the board. Such contracts or 892
leases shall not operate as a conveyance of the fee to any part of 893
the realty. 894

~~(B) A board, by majority vote, may make expenditures and may~~ 895
~~enter into contracts with any person or public entity for the~~ 896
~~purposes of investigating, exploring, prospecting, or drilling for~~ 897
~~petroleum and gas and the constituent components and mineral~~ 898
~~by products thereof upon lands under the supervision of such~~ 899
~~board, and for the purposes of extracting, producing, selling,~~ 900
~~using, or transporting such petroleum, gas, components, and~~ 901
~~by products.~~ 902

~~(C)~~ The board may use the proceeds derived from its actions 903
under ~~division (A) or (B)~~ of this section for the furthering of 904
any of the purposes of the university. 905

Section 2. That existing sections 123.01, 1531.06, 1531.33, 906

and 3345.181 and sections 5119.40, 5120.12, and 5123.23 of the 907
Revised Code are hereby repealed. 908

Section 3. A lease entered into under division (B) of section 909
3345.181 or section 123.01, 1531.06, 5119.40, 5120.12, or 5123.23 910
of the Revised Code as those sections existed prior to their 911
amendment or repeal by this act shall remain in effect until the 912
term of the lease expires as provided in the lease. 913

Section 4. Section 123.01 of the Revised Code is presented in 914
this act as a composite of the section as amended by both Am. Sub. 915
H.B. 1 and Sub. S.B. 79 of the 128th General Assembly. The General 916
Assembly, applying the principle stated in division (B) of section 917
1.52 of the Revised Code that amendments are to be harmonized if 918
reasonably capable of simultaneous operation, finds that the 919
composite is the resulting version of the section in effect prior 920
to the effective date of the section as presented in this act. 921