

Ohio Statehouse Senate Finance Committee

Regarding: H.B. 96 provision for the redistribution of oil and gas severance income (fund 511) to the Ohio Department of Natural Resources, Division of Geological Survey.

My name is Mac Swinford, and I am a geologist who worked for 30 years for the Ohio Department of Natural Resources, Division of Geological Survey and retired in 2012. I had a career at the Geological Survey researching, mapping and reporting on the geology of Ohio. I saw first- hand how modern and thorough geologic investigations can benefit the citizens and industry across the State of Ohio.

For fiscal years 2026-27, the ODNR, Division of Geological Survey requested a change in the distribution of the oil and gas severance tax income (Fund 511) from 90% going to the ODNR, Division of Oil and Gas and 10% going to the Division of Geological Survey, to 86% going to the Division of Oil and Gas and 14% going to the Division of Geological Survey. This small change was submitted by Governor DeWine and was passed by the Ohio House of Representatives yet was omitted from the Ohio Senate version. This change does not represent a new tax. It is merely a redistribution of future income from the oil and gas severance tax to assist the Division of Geological Survey to pay for rising employee fringe benefits, central support and information technology expenses.

The Ohio Mineral Severance tax legislation was enacted in 1981. The Geological Survey's role was to research, map and report on the geology of Ohio for the benefit of Ohio citizens and industry. The Ohio oil and gas industry has benefited from the research conducted by the Geological Survey, gleaning valuable new data regarding the subsurface geology of the State which allows for safer and more efficient oil and gas exploration and production.

The allocation of oil and gas severance tax revenue was set at the 90% and 10% ratio in 1981 and has not changed. I support the Geological Survey requests for a modest increase in their portion of the oil and gas severance tax income from 10% to 14%. This leaves the Division of Oil and Gas with 86% of the oil and gas severance revenue. The Division of Oil and Gas has not opposed this change.

The proven record of the Division of Geological Survey in assisting the oil and gas industry goes far beyond reporting on the geology of the State. Specific work the Geological Survey does for the oil and gas industry with the oil and gas severance income includes:

- Maintaining and making public online records of oil and gas wells drilled in Ohio.
- Maintaining and making public geophysical logs of oil and gas wells of Ohio.

- Researching and reporting about oil and gas source rocks, subsurface structure and the distribution, character and thickness of oil and gas reservoirs. These efforts support both conventional (vertical) wells and non-conventional (horizontal) wells.
- Reporting on the thickness, distribution and character of the geologic intervals being used for oil and gas waste injection.
- Creating and maintaining complex and detailed online interactive maps of various aspects of Ohio geology collected over the Division of Geological Survey's 175+-year history.
- Providing basic geologic data and maps for safe and efficient exploration and drilling of oil and gas wells.
- Maintaining a 22,000 square feet core and rock sample research facility. This facility was the site of important data mining by the oil and gas industry during the early days of Ohio's Point Pleasant-Utica horizontal (unconventional) drilling boom.

In summary, I support the ODNR, Division of Geological Survey request to reinstate the oil and gas severance tax distribution percentage change to 14% from 10% in H.B. 96 for FY 2026-27 that was submitted by Governor DeWine and passed by the Ohio House and not included in the Senate version of H.B. 96. These are not new tax dollars, but a redistribution of existing income so that the Division of Geological Survey can continue to report on the geology of the State for the safety and efficiency of citizens and industry.

Thank you.

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