As Introduced

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H. B. No. 819

Representatives Rader, Synenberg

Cosponsors: Representatives Piccolantonio, Lett, Brennan, Brownlee, Somani, Miller, J., Cockley, McNally

To amend sections 1509.02, 1509.34, 5703.052, 5749.01, 5749.02, 5749.04, 5749.06, 5749.07, 5749.08, 5749.10, 5749.12, 5749.13, 5749.14, and 5749.15; to enact sections 4928.57 and 4928.571; and to repeal section 1509.50 of the Revised Code to modify the rate and revenue allocation of the severance tax on oil and natural gas, to create an electric bill credit, and to make an appropriation.

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

Section 1. That sections 1509.02, 1509.34, 5703.052, 5749.01, 5749.02, 5749.04, 5749.06, 5749.07, 5749.08, 5749.10, 5749.12, 5749.13, 5749.14, and 5749.15 be amended and sections 4928.57 and 4928.571 of the Revised Code be enacted to read as follows:

Sec. 1509.02. There is hereby created in the department of natural resources the division of oil and gas resources management, which shall be administered by the chief of the division of oil and gas resources management. The division has sole and exclusive authority to regulate the permitting,

location, and spacing of oil and gas wells and production operations within the state, excepting only those activities regulated under federal laws for which oversight has been delegated to the environmental protection agency and activities regulated under sections 6111.02 to 6111.028 of the Revised Code. The regulation of oil and gas activities is a matter of general statewide interest that requires uniform statewide regulation, and this chapter and rules adopted under it constitute a comprehensive plan with respect to all aspects of the locating, drilling, well stimulation, completing, and operating of oil and gas wells within this state, including site construction and restoration, permitting related to those activities, and the disposal of wastes from those wells. In order to assist the division in the furtherance of its sole and exclusive authority as established in this section, the chief may enter into cooperative agreements with other state agencies for advice and consultation, including visitations at the surface location of a well on behalf of the division. Such cooperative agreements do not confer on other state agencies any authority to administer or enforce this chapter and rules adopted under it. In addition, such cooperative agreements shall not be construed to dilute or diminish the division's sole and exclusive authority as established in this section. Nothing in this section affects the authority granted to the director of transportation and local authorities in section 723.01 or 4513.34 of the Revised Code, provided that the authority granted under those sections shall not be exercised in a manner that discriminates against, unfairly impedes, or obstructs oil and gas activities and operations regulated under this chapter.

The chief shall not hold any other public office, nor shall the chief be engaged in any occupation or business that

might interfere with or be inconsistent with the duties as chief.

Money collected by the chief pursuant to sections 1509.06, 1509.061, 1509.062, 1509.071, 1509.13, 1509.22, 1509.222, 1509.28, 1509.34, ~~1509.50,~~ and 5749.02 of the Revised Code, all civil penalties paid under section 1509.33 of the Revised Code, and, notwithstanding any section of the Revised Code relating to the distribution or crediting of fines for violations of the Revised Code, all fines imposed under divisions (A) and (B) of section 1509.99 of the Revised Code and fines imposed under divisions (C) and (D) of section 1509.99 of the Revised Code for all violations prosecuted by the attorney general and for violations prosecuted by prosecuting attorneys that do not involve the transportation of brine by vehicle shall be deposited into the state treasury to the credit of the oil and gas well fund, which is hereby created. Fines imposed under divisions (C) and (D) of section 1509.99 of the Revised Code for violations prosecuted by prosecuting attorneys that involve the transportation of brine by vehicle and penalties associated with a compliance agreement entered into pursuant to this chapter shall be paid to the county treasury of the county where the violation occurred.

The fund shall be used solely and exclusively for the purposes enumerated in division (B) of section 1509.071 of the Revised Code, for the expenses of the division associated with the administration of this chapter and Chapter 1571. of the Revised Code and rules adopted under them, and for expenses that are critical and necessary for the protection of human health and safety and the environment related to oil and gas production in this state. The expenses of the division in excess of the moneys available in the fund shall be paid from general revenue

fund appropriations to the department.

Sec. 1509.34. (A)(1) If an owner fails to pay the fees imposed by this chapter, or if the chief of the division of oil and gas resources management incurs costs under division (F) of section 1509.071 of the Revised Code to correct conditions associated with the owner's well that the chief reasonably has determined are causing imminent health or safety risks, the division of oil and gas resources management shall have a priority lien against that owner's interest in the applicable well in front of all other creditors for the amount of any such unpaid fees and costs incurred. The chief shall file a statement in the office of the county recorder of the county in which the applicable well is located of the amount of the unpaid fees and costs incurred as described in this division. The statement shall constitute a lien on the owner's interest in the well as of the date of the filing. The lien shall remain in force so long as any portion of the lien remains unpaid or until the chief issues a certificate of release of the lien. If the chief issues a certificate of release of the lien, the chief shall file the certificate of release in the office of the applicable county recorder.

(2) A lien imposed under division (A)(1) of this section shall be in addition to any lien imposed by the attorney general for failure to pay the assessment imposed by former section 1509.50 of the Revised Code or the tax levied under division (A)(5) or (6) of section 5749.02 of the Revised Code, as applicable.

(3) If the attorney general cannot collect from a severer or an owner for an outstanding balance of amounts due under former section 1509.50 of the Revised Code or of unpaid taxes

levied under division (A)(5) or (6) of section 5749.02 of the Revised Code, as applicable, the tax commissioner may request the chief to impose a priority lien against the owner's interest in the applicable well. Such a lien has priority in front of all other creditors.

(B) The chief promptly shall issue a certificate of release of a lien under either of the following circumstances:

(1) Upon the repayment in full of the amount of unpaid fees imposed by this chapter or costs incurred by the chief under division (F) of section 1509.071 of the Revised Code to correct conditions associated with the owner's well that the chief reasonably has determined are causing imminent health or safety risks;

(2) Any other circumstance that the chief determines to be in the best interests of the state.

(C) The chief may modify the amount of a lien under this section. If the chief modifies a lien, the chief shall file a statement in the office of the county recorder of the applicable county of the new amount of the lien.

(D) An owner regarding which the division has recorded a lien against the owner's interest in a well in accordance with this section shall not transfer a well, lease, or mineral rights to another owner or person until the chief issues a certificate of release for each lien against the owner's interest in the well.

(E) All money from the collection of liens under this section shall be deposited in the state treasury to the credit of the oil and gas well fund created in section 1509.02 of the Revised Code.

(F) As used in this section, "former section 1509.50 of the Revised Code" means section 1509.50 of the Revised Code as it existed before its repeal by this act.

Sec. 4928.57. (A) The Ohio energy credit fund is created in the state treasury. The fund shall consist of all money credited to the fund under section 5749.02 of the Revised Code and any other money transferred to the fund. All investment earnings of the fund shall be credited to the fund.

(B) Disbursements from the fund shall be made to each electric distribution utility, at the direction of the public utilities commission, to pay for bill credit amounts applied to residential customer electricity bills under section 4928.571 of the Revised Code.

Sec. 4928.571. (A) Each electric distribution utility shall apply a bill credit to the electricity bill of all electric distribution utility residential customers in this state in accordance with this section.

(B) The bill credit shall be applied to customer bills at the following times:

(1) For the first bill credit, at the time ordered by the public utilities commission under division (D)(1)(b) of this section;

(2) After the first bill credit is issued, not later than each subsequent thirty-first day of December.

(C) The bill credit shall be in the following amounts:

(1) For the first bill credit, one hundred fifty dollars for each electric distribution utility residential customer;

(2) For each subsequent bill credit, the amount ordered by

the commission under division (D)(2)(b) of this section for each electric distribution utility residential customer.

(D) The commission shall do all of the following to implement the bill credit under this section:

(1) For the first bill credit:

(a) Determine when the amount in the Ohio energy credit fund is sufficient to pay the total cost of the first bill credit amount to all electric distribution utility residential customer electric bills in this state;

(b) After making the determination under division (D)(1)(a) of this section, order each utility to promptly apply the first bill credit amount to all of the utility's residential customer electric bills;

(c) Direct the treasurer of state to disburse money from the Ohio energy credit fund to each electric distribution utility to pay all costs of applying the first bill credit amount to residential customer electric bills.

(2) For each subsequent bill credit:

(a) Determine the bill credit amount for each electric distribution utility residential customer electric bill by evenly distributing, as near as practical, the total amount in the Ohio energy credit fund among the total number of electric distribution utility residential customers in this state;

(b) After determining the bill credit amount under division (D)(2)(a) of this section, order each utility to apply the bill credit amount to all of the utility's residential customer electric bills by not later than the thirty-first day of December of each year;

(c) Direct the treasurer of state to disburse money from the Ohio energy credit fund to each electric distribution utility to pay all costs of applying the bill credit amount to residential customer bills.

(3) Take any other action the commission deems necessary.

Sec. 5703.052. (A) There is hereby created in the state treasury the tax refund fund, from which refunds shall be paid for amounts illegally or erroneously assessed or collected, or for any other reason overpaid, with respect to taxes levied by Chapter 3796., 4301., 4305., 5726., 5728., 5729., 5731., 5733., 5735., 5736., 5739., 5741., 5743., 5747., 5748., 5749., 5751., or 5753. and sections 3737.71, 3905.35, 3905.36, 4303.33, 5707.03, 5725.18, 5727.28, 5727.38, 5727.81, and 5727.811 of the Revised Code. Refunds for fees levied under sections 3734.90 to 3734.9014 of the Revised Code, wireless 9-1-1 charges imposed under section 128.40 of the Revised Code, next generation 9-1-1 access fees imposed under sections 128.41 and 128.42 of the Revised Code, or any penalties assessed with respect to such fees or charges, that are illegally or erroneously assessed or collected, or for any other reason overpaid, also shall be paid from the fund. Refunds for amounts illegally or erroneously assessed or collected by the tax commissioner, or for any other reason overpaid, that are due under former section 1509.50 of the Revised Code as that section existed before its repeal by this act shall be paid from the fund. Refunds for amounts illegally or erroneously assessed or collected by the commissioner, or for any other reason overpaid to the commissioner, under sections 718.80 to 718.95 of the Revised Code shall be paid from the fund. However, refunds for amounts illegally or erroneously assessed or collected by the commissioner, or for any other reason overpaid to the

commissioner, with respect to taxes levied under section 5739.101 of the Revised Code shall not be paid from the tax refund fund, but shall be paid as provided in section 5739.104 of the Revised Code.

(B)(1) Upon certification by the tax commissioner to the treasurer of state of a tax refund, a wireless 9-1-1 charge refund, a next generation 9-1-1 access fee refund, or another amount refunded, or by the superintendent of insurance of a domestic or foreign insurance tax refund, the treasurer of state shall place the amount certified to the credit of the fund. The certified amount transferred shall be derived from the receipts of the same tax, fee, wireless 9-1-1 charge, next generation 9-1-1 access fee, or other amount from which the refund arose.

(2) When a refund is for a tax, fee, wireless 9-1-1 charge, next generation 9-1-1 access fee, or other amount that is not levied by the state or that was illegally or erroneously distributed to a taxing jurisdiction, the tax commissioner shall recover the amount of that refund from the next distribution of that tax, fee, wireless 9-1-1 charge, next generation 9-1-1 access fee, or other amount that otherwise would be made to the taxing jurisdiction. If the amount to be recovered would exceed twenty-five per cent of the next distribution of that tax, fee, wireless 9-1-1 charge, next generation 9-1-1 access fee, or other amount, the commissioner may spread the recovery over more than one future distribution, taking into account the amount to be recovered and the amount of the anticipated future distributions. In no event may the commissioner spread the recovery over a period to exceed seventy-two months.

Sec. 5749.01. As used in this chapter:

(A) "Ton" shall mean two thousand pounds as measured at

the point and time of severance, after the removal of any impurities, under such rules and regulations as the tax commissioner may prescribe.

(B) "Taxpayer" means any person required to pay the tax levied by Chapter 5749. of the Revised Code.

(C) "Natural resource" means all forms of coal, salt, limestone, dolomite, sand, gravel, natural gas, and oil.

(D) ~~"Owner"~~"Owner," "oil," and "exempt domestic well" have the same meanings as in section 1509.01 of the Revised Code.

(E) "Person" means any individual, firm, partnership, association, joint stock company, corporation, or estate, or combination thereof.

(F) "Return" means any report or statement required to be filed pursuant to Chapter 5749. of the Revised Code used to determine the tax due.

(G) "Severance" means the extraction or other removal of a natural resource from the soil or water of this state.

(H) "Severed" means the point at which the natural resource has been separated from the soil or water in this state.

(I) "Severer" means any person who actually removes the natural resources from the soil or water in this state.

(J) "Average quarterly spot price" means the following:

(1) For oil, the average of each day's closing spot price reported for one barrel of crude oil for the calendar quarter that begins six months before the current calendar quarter, as reported by a publicly available source determined by the

commissioner;

(2) For natural gas, the average of each day's closing spot price reported for one thousand cubic feet of natural gas for the calendar quarter that begins six months before the current calendar quarter, as reported by a publicly available source determined by the commissioner.

(K) "Former section 1509.50 of the Revised Code" means section 1509.50 of the Revised Code as it existed before its repeal by this act.

Sec. 5749.02. (A) For the purpose of providing revenue to administer the state's coal mining and reclamation regulatory program, to meet the environmental and resource management needs of this state, to reduce the electric bills of Ohioans, and to reclaim land affected by mining, an excise tax is hereby levied on the privilege of engaging in the severance of natural resources from the soil or water of this state. The tax shall be imposed upon the severer at the rates prescribed by this section:

(1) Eight cents per ton of coal;

(2) Four cents per ton of salt;

(3) Two cents per ton of limestone or dolomite;

(4) Two cents per ton of sand and gravel;

(5) ~~Ten cents per barrel~~ Seven per cent of the total volume of oil severed during the calendar quarter multiplied by the average quarterly spot price for oil applicable to that quarter;

(6) ~~Two and one-half cents per thousand cubic feet~~Seven per cent of the total volume of natural gas severed during the

calendar quarter multiplied by the average quarterly spot price for natural gas applicable to that quarter;

(7) One cent per ton of clay, sandstone or conglomerate, shale, gypsum, or quartzite;

(8) Except as otherwise provided in this division or in rules adopted by the reclamation forfeiture fund advisory board under section 1513.182 of the Revised Code, an additional fourteen cents per ton of coal produced from an area under a coal mining and reclamation permit issued under Chapter 1513. of the Revised Code for which the performance security is provided under division (C)(2) of section 1513.08 of the Revised Code. Beginning July 1, 2007, if at the end of a fiscal biennium the balance of the reclamation forfeiture fund created in section 1513.18 of the Revised Code is equal to or greater than ten million dollars, the rate levied shall be twelve cents per ton. Beginning July 1, 2007, if at the end of a fiscal biennium the balance of the fund is at least five million dollars, but less than ten million dollars, the rate levied shall be fourteen cents per ton. Beginning July 1, 2007, if at the end of a fiscal biennium the balance of the fund is less than five million dollars, the rate levied shall be sixteen cents per ton. Beginning July 1, 2009, not later than thirty days after the close of a fiscal biennium, the chief of the division of mineral resources management shall certify to the tax commissioner the amount of the balance of the reclamation forfeiture fund as of the close of the fiscal biennium. Any necessary adjustment of the rate levied shall take effect on the first day of the following January and shall remain in effect during the calendar biennium that begins on that date.

(9) An additional one and two-tenths cents per ton of coal

mined by surface mining methods.

(B) After the director of budget and management transfers money from the severance tax receipts fund as required in division (H) of section 5749.06 of the Revised Code, money remaining in the severance tax receipts fund~~, except for money in the fund from the amounts due under section 1509.50 of the Revised Code,~~ shall be credited as follows:

(1) All of the moneys in the fund from the tax levied in division (A)(1) of this section shall be credited to the mining regulation and safety fund created in section 1513.30 of the Revised Code.

(2) The money in the fund from the tax levied in division (A)(2) of this section shall be credited to the mining regulation and safety fund.

(3) Of the moneys in the fund from the tax levied in divisions (A)(3) and (4) of this section, seven and five-tenths per cent shall be credited to the geological mapping fund and the remainder shall be credited to the mining regulation and safety fund created in section 1513.30 of the Revised Code.

(4) Of the moneys in the fund from the tax levied in divisions (A)(5) and (6) of this section, ~~ninety~~ eighty-five and seven-tenths per cent shall be credited to the Ohio energy credit fund created in section 4928.57 of the Revised Code, twelve and nine-tenths per cent shall be credited to the oil and gas well fund, and ~~ten~~ one and four-tenths per cent shall be credited to the geological mapping fund.

(5) All of the moneys in the fund from the tax levied in division (A)(7) of this section shall be credited to the mining regulation and safety fund.

(6) All of the moneys in the fund from the tax levied in division (A)(8) of this section shall be credited to the reclamation forfeiture fund.

(7) All of the moneys in the fund from the tax levied in division (A)(9) of this section shall be credited to the mining regulation and safety fund.

(C) When, at the close of any fiscal year, the chief finds that the balance of the reclamation forfeiture fund, plus the estimated revenues from the tax levied by division (A)(8) of this section for the remainder of the calendar year that includes the close of the fiscal year, are sufficient to complete the reclamation of all lands for which the performance security has been provided under division (C)(2) of section 1513.08 of the Revised Code, the purposes for which the tax under division (A)(8) of this section is levied shall be deemed accomplished at the end of that calendar year. The chief, within thirty days after the close of the fiscal year, shall certify those findings to the tax commissioner, and the tax levied under division (A)(8) of this section shall cease to be imposed for the subsequent calendar year after the last day of that calendar year on coal produced under a coal mining and reclamation permit issued under Chapter 1513. of the Revised Code if the permittee has made tax payments under division (A)(8) of this section during each of the preceding five full calendar years. Not later than thirty days after the close of a fiscal year, the chief shall certify to the tax commissioner the identity of any permittees who accordingly no longer are required to pay the tax levied under division (A)(8) of this section for the subsequent calendar year.

(D) On or before the last day of the first month of each

calendar quarter, the tax commissioner shall certify and post to the department of taxation's web site the average quarterly spot price applicable to oil and natural gas for that quarter.

Sec. 5749.04. No severer shall sever or sell a natural resource in this state without first having obtained a permit from or having registered with the department of natural resources.

The commissioner may request that the department of natural resources revoke the permit or registration of a severer or owner if the commissioner finds that the severer or owner has failed to comply with former section 1509.50 or Chapter 5749. of the Revised Code.

Upon receipt of such a request, that officer may revoke the permit or registration.

Except as provided in section 5749.03 of the Revised Code, before severing a natural resource each severer shall file an application with the commissioner on a form prescribed by the commissioner to establish a severance tax account. The application may require the severer to disclose any information the commissioner considers necessary to establish that account.

Sec. 5749.06. (A)(1) Each severer liable for the tax imposed by section 5749.02 of the Revised Code~~ and each severer or owner liable for the amounts due under section 1509.50 of the Revised Code, except for any amount due under division (B)(2) of that section,~~ shall make and file returns with the tax commissioner in the prescribed form and at the prescribed times, computing and reflecting therein the tax as required by this chapter~~ and amounts due under section 1509.50 of the Revised Code~~.

(2) The returns shall be filed for every calendar quarter, as required by this section, unless a different return period is prescribed for a taxpayer by the commissioner.

(B)(1) A separate return shall be filed for each calendar quarter, or other period, or any part thereof, during which the severer holds a permit or has registered as provided by section 5749.04 of the Revised Code, or is required to hold the permit or registration, or during which an owner is required to file a return. The return shall be filed on or before the fifteenth day of the second month following the end of each return period. The tax due is payable along with the return. All such returns shall contain such information as the commissioner may require to fairly administer the tax.

(2) All returns shall be signed by the severer~~ or owner, as applicable~~, shall contain the full and complete information requested, and shall be made under penalty of perjury.

(C) If the commissioner believes that quarterly payments of tax would result in a delay that might jeopardize the collection of such tax payments, the commissioner may order that such payments be made weekly, or more frequently if necessary, such payments to be made not later than seven days following the close of the period for which the jeopardy payment is required. Such an order shall be delivered to the taxpayer in the manner provided in section 5703.37 of the Revised Code and shall remain in effect until the commissioner notifies the taxpayer to the contrary.

(D) Upon good cause the commissioner may extend for thirty days the period for filing any notice or return required to be filed under this section, and may remit all or a part of penalties that may become due under this chapter.

(E) Any tax ~~and any amount due under section 1509.50 of the Revised Code~~ not paid by the day the tax ~~or amount~~ is due shall bear interest computed at the rate per annum prescribed by section 5703.47 of the Revised Code ~~on that amount due~~ from the day that the ~~amount~~ tax was originally required to be paid to the day of actual payment or to the day an assessment was issued under section 5749.07 or 5749.10 of the Revised Code, whichever occurs first.

(F) A severer ~~or owner, as applicable,~~ that fails to file a complete return or pay the full amount due under this chapter within the time prescribed, including any extensions of time granted by the commissioner, shall be subject to a penalty not to exceed the greater of fifty dollars or ten per cent of the amount due for the period.

(G)(1) A severer ~~or owner, as applicable,~~ shall remit payments electronically and, if required by the commissioner, file each return electronically. The commissioner may require that the severer ~~or owner~~ use the Ohio business gateway, as defined in section 718.01 of the Revised Code, or another electronic means to file returns and remit payments electronically.

(2) A severer ~~or owner~~ that is required to remit payments electronically under this section may apply to the commissioner, in the manner prescribed by the commissioner, to be excused from that requirement. The commissioner may excuse a severer ~~or owner~~ from the requirements of division (G) of this section for good cause.

(3) If a severer ~~or owner~~ that is required to remit payments or file returns electronically under this section fails to do so, the commissioner may impose a penalty on the severer

~~or owner~~ not to exceed the following:

(a) For the first or second payment or return the severer ~~or owner~~ fails to remit or file electronically, the greater of five per cent of the amount of the payment that was required to be remitted or twenty-five dollars;

(b) For every payment or return after the second that the severer ~~or owner~~ fails to remit or file electronically, the greater of ten per cent of the amount of the payment that was required to be remitted or fifty dollars.

(H)(1) All amounts that the commissioner receives under this section shall be deemed to be revenue from taxes imposed under this chapter or from the amount due under section 1509.50 of the Revised Code, as applicable, and shall be deposited in the severance tax receipts fund, which is hereby created in the state treasury.

(2) The director of budget and management shall transfer from the severance tax receipts fund, as necessary, to the tax refund fund amounts equal to the refunds certified by the commissioner under section 5749.08 of the Revised Code. Any amount transferred under division (H)(2) of this section shall be derived from receipts of the same tax or other amount from which the refund arose.

(3) After the director of budget and management makes any transfer required by division (H)(2) of this section, but not later than the twenty-fifth day of each month, the commissioner shall certify to the director the total amount remaining in the severance tax receipts fund organized according to the amount attributable to each natural resource and according to the amount attributable to a tax imposed by this chapter ~~and the~~

~~amounts due under section 1509.50 of the Revised Code,~~ and shall provide for payment to the funds specified in division (B) of section 5749.02 of the Revised Code.

(I) Penalties imposed under this section are in addition to any other penalty imposed under this chapter and shall be considered as revenue arising from the tax levied under this chapter or the amount due under former section 1509.50 of the Revised Code, as applicable. The commissioner may collect any penalty or interest imposed under this section in the same manner as provided for the making of an assessment in section 5749.07 of the Revised Code. The commissioner may abate all or a portion of such interest or penalties and may adopt rules governing such abatements.

(J) For purposes of this section:

(1) "Tax imposed by section 5749.02 of the Revised Code" or "tax" includes amounts due under former section 1509.50 of the Revised Code.

(2) "Severer" includes an owner as defined in section 1509.01 of the Revised Code, with regard to amounts due from an owner under former section 1509.50 of the Revised Code.

Sec. 5749.07. (A) If any severer required by this chapter to make and file returns and pay the tax ~~levied~~ imposed by section 5749.02 of the Revised Code~~, or any severer or owner liable for the amounts due under section 1509.50 of the Revised Code,~~ fails to make such return or pay such tax ~~or amounts~~, the tax commissioner may make an assessment against the severer ~~or owner~~ based upon any information in the commissioner's possession.

No assessment shall be made or issued against any severer

for any tax imposed by section 5749.02 of the Revised Code ~~or against any severer or owner for any amount due under section 1509.50 of the Revised Code~~ more than four years after the return was due or was filed, whichever is later. This section does not bar an assessment against a severer ~~or owner~~ who fails to file a return as required by this chapter, or who files a fraudulent return.

The commissioner shall give the party assessed written notice of such assessment in the manner provided in section 5703.37 of the Revised Code. With the notice, the commissioner shall provide instructions on how to petition for reassessment and request a hearing on the petition.

(B) Unless the party assessed files with the commissioner within sixty days after service of the notice of assessment a written petition for reassessment signed by the party assessed or that party's authorized agent having knowledge of the facts, the assessment becomes final and the amount of the assessment is due and payable from the party assessed to the treasurer of state. The petition shall indicate the objections of the party assessed, but additional objections may be raised in writing if received by the commissioner prior to the date shown on the final determination. If the petition has been properly filed, the commissioner shall proceed under section 5703.60 of the Revised Code.

(C) After an assessment becomes final, if any portion of the assessment remains unpaid, including accrued interest, a certified copy of the commissioner's entry making the assessment final may be filed in the office of the clerk of the court of common pleas in the county in which the party assessed resides or in which the party's business is conducted. Such filing shall

include the debtor's name and last known address. If the party assessed maintains no place of business in this state and is not a resident of this state, the certified copy of the entry may be filed in the office of the clerk of the court of common pleas of Franklin county.

Immediately upon the filing of such entry, the clerk shall enter a judgment for the state against the party assessed in the amount shown on the entry. The judgment may be filed by the clerk in a loose-leaf book entitled "special judgments for state severance tax," and shall have the same effect as other judgments. Execution shall issue upon the judgment upon the request of the commissioner, and all laws applicable to sales on execution shall apply to sales made under the judgment.

If the assessment is not paid in its entirety within sixty days after the day the assessment is issued, the portion of the assessment consisting of tax due ~~or amounts due under section 1509.50 of the Revised Code~~ shall bear interest at the rate per annum prescribed by section 5703.47 of the Revised Code from the day the commissioner issues the assessment until it is paid or until it is certified to the attorney general for collection under section 131.02 of the Revised Code, whichever comes first. If the unpaid portion of the assessment is certified to the attorney general for collection, the entire unpaid portion of the assessment shall bear interest at the rate per annum prescribed by section 5703.47 of the Revised Code from the date of certification until the date it is paid in its entirety. Interest shall be paid in the same manner as the tax and may be collected by the issuance of an assessment under this section.

(D) All money collected by the commissioner under this section shall be paid to the treasurer of state, and when paid

shall be considered as revenue arising from the tax imposed by section 5749.02 of the Revised Code ~~and the amount due under section 1509.50 of the Revised Code, as applicable~~.

(E) For purposes of this section:

(1) "Tax imposed by section 5749.02 of the Revised Code" or "tax" includes amounts due under former section 1509.50 of the Revised Code.

(2) "Severer" includes an owner as defined in section 1509.01 of the Revised Code, with regard to amounts due from an owner under former section 1509.50 of the Revised Code.

Sec. 5749.08. The tax commissioner shall refund ~~to taxpayers~~ amounts paid under this chapter or former section 1509.50 of the Revised Code that were paid illegally or erroneously or paid on an illegal or erroneous assessment. Applications for refund shall be filed with the commissioner, on the form prescribed by the commissioner, within four years from the date of the illegal or erroneous payment. On the filing of the application, the commissioner shall determine the amount of refund to which the applicant is entitled, plus interest computed in accordance with section 5703.47 of the Revised Code from the date of the payment of an erroneous or illegal assessment until the date the refund is paid. If the amount is not less than that claimed, the commissioner shall certify the amount to the director of budget and management and treasurer of state for payment from the tax refund fund created by section 5703.052 of the Revised Code. If the amount is less than that claimed, the commissioner shall proceed in accordance with section 5703.70 of the Revised Code.

Sec. 5749.10. If the tax commissioner finds that a

~~taxpayer,~~person liable for tax under this chapter or for any amount due under former section 1509.50 of the Revised Code is about to depart from the state, or remove the ~~taxpayer's~~ person's property therefrom, or conceal ~~the taxpayer's~~ its person or property, or do any other act tending to prejudice or to render wholly or partly ineffectual proceedings to collect such tax or other amount due unless such proceedings are brought without delay, or if the commissioner believes that the collection of the tax or amount due from any ~~taxpayer~~ person will be jeopardized by delay, the commissioner shall give notice of such findings to ~~such taxpayer~~ the person together with the demand for an immediate return and immediate payment of such tax or other amount due, with penalty as provided in section 5749.15 of the Revised Code, whereupon such tax or other amount due shall become immediately due and payable. In such cases the commissioner may immediately file an entry with the clerk of the court of common pleas in the same manner and with the same effect as provided in section 5749.07 of the Revised Code, provided that if ~~such taxpayer~~the person, within five days from notice of the assessment, furnishes evidence satisfactory to the commissioner, under ~~the regulations prescribed~~ rules adopted by the commissioner, that the ~~taxpayer~~ person is not in default in making returns or paying any tax prescribed by this chapter or amount due under former section 1509.50 of the Revised Code, or that the ~~taxpayer~~ person will duly return and pay, or post bond satisfactory to the commissioner conditioned upon payment of the tax or other amount finally determined to be due, then such tax or other amount due shall not be payable prior to the time and manner otherwise fixed for payment under section 5749.07 of the Revised Code, and the person assessed shall be restored the rights granted under such section. Upon satisfaction of the assessment the commissioner shall order the bond cancelled,

securities released, and judgment vacated.

Any assessment issued under this section shall bear interest as prescribed under section 5749.07 of the Revised Code.

Sec. 5749.12. Any nonresident of this state who accepts the privilege extended by the laws of this state to nonresidents severing natural resources in this state, and any resident of this state who subsequently becomes a nonresident or conceals the resident's whereabouts, makes the secretary of state of Ohio the person's agent for the service of process or notice in any assessment, action, or proceedings instituted in this state against such person under this chapter or for purposes of amounts due under former section 1509.50 of the Revised Code.

Such process or notice shall be served as provided under section 5703.37 of the Revised Code.

Sec. 5749.13. The tax commissioner may prescribe requirements as to the keeping of records and other pertinent documents and the filing of copies of federal income tax returns and determinations. The commissioner may require any person, by rule or by notice served on that person, to keep such records as the commissioner considers necessary to show whether that person is liable, and the extent of liability, for the tax imposed under this chapter and the amount due under former section 1509.50 of the Revised Code. Such records and other documents shall be open during business hours to the inspection of the commissioner, and shall be preserved for a period of four years after the date the return was required to be filed or actually was filed, whichever is later, unless the commissioner, in writing, consents to their destruction within that period, or by order requires that they be kept longer.

Sec. 5749.14. The tax commissioner shall enforce and administer this chapter ~~and applicable provisions of section 1509.50 of the Revised Code~~. In addition to any other powers conferred upon the commissioner by law, the commissioner may:

(A) Prescribe all forms required to be filed pursuant to this chapter;

(B) ~~Promulgate~~ Adopt such rules as the commissioner finds necessary to carry out this chapter ~~and applicable provisions of section 1509.50 of the Revised Code~~;

(C) Appoint and employ such personnel as may be necessary to carry out the duties imposed upon the commissioner by this chapter.

Sec. 5749.15. Any person who fails to file a return or pay the tax as required under this chapter or other amount due under former section 1509.50 of the Revised Code who is assessed such taxes or other amount due pursuant to section 5749.07 or 5749.10 of the Revised Code may be liable for a penalty of up to twenty-five per cent of the amount assessed. The tax commissioner may adopt rules relating to the imposition and remission of penalties imposed under this section.

Section 2. That existing sections 1509.02, 1509.34, 5703.052, 5749.01, 5749.02, 5749.04, 5749.06, 5749.07, 5749.08, 5749.10, 5749.12, 5749.13, 5749.14, and 5749.15 of the Revised Code are hereby repealed.

Section 3. That section 1509.50 of the Revised Code is hereby repealed, effective on the first day of the first calendar quarter beginning on or after the effective date of this section.

Section 4. Not later than ten days after the effective

date of this section, the Director of Budget and Management shall transfer $150,000,000 from the Oil and Gas Well Fund (Fund 5180), used by the Department of Natural Resources, to the Ohio Energy Credit Fund (Fund 5DT1) created in section 4928.57 of the Revised Code, as enacted by this act.

Section 5. All items in this act are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund. For all operating appropriations made in this act, those in the first column are for fiscal year 2026 and those in the second column are for fiscal year 2027. The operating appropriations made in this act are in addition to any other operating appropriations made for these fiscal years.

Section 6.

1	2	3	4	5
A		PUC PUBLIC UTILITIES COMMISSION OF OHIO		
B	Dedicated Purpose Fund Group			
C	5DT1	870652 Ohio Energy Credit Fund	$0	$150,000,000
D	Dedicated Purpose Fund Group Total		$0	$150,000,000

OHIO ENERGY CREDIT FUND

The foregoing appropriation item 870652, Energy Credit Fund, shall be used to pay for bill credit amounts applied to residential customer electricity bills pursuant to section 4928.571 of the Revised Code.

Section 7. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts

indicating the source and amount of funds for each appropriation made in this act, and shall determine the manner in which appropriation accounts shall be maintained. Expenditures from operating appropriations contained in this act shall be accounted for as though made in, and are subject to all applicable provisions of, H.B. 96 of the 136th General Assembly.

Section 8. The amendment by this act of sections 1509.02, 1509.34, 5703.052, 5749.01, 5749.02, 5749.04, 5749.06, 5749.07, 5749.08, 5749.10, 5749.12, 5749.13, 5749.14, and 5749.15 of the Revised Code applies on and after the first day of the first calendar quarter beginning on or after the effective date of this section.