



NARO Ohio Chapter
P.O. Box 3
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March 20, 2023

The Honorable Don Jones
Chairman
House Finance Subcommittee on Agriculture, Development, and Natural Resources
The Ohio House of Representatives

RE: Written Opponent Testimony to HB33 - Transfer of Money from the Ohio Oil & Gas Well Fund

Chairman Jones:

The mission of The National Association of Royalty Owners Ohio (NARO OHIO) is to advocate for and educate landowners regarding regulatory, legislative, and judicial issues related to mineral extraction in the State of Ohio.

We are concerned with certain provisions of House Bill 33 (HB33) and their potential impact on the Ohio Gas and Well Fund. Per the Ohio Revised Code, the fund is required to support the regulatory oversight of the industry and to address the plugging of orphan wells.

The first provision in question, oil and gas regulatory funds will be diverted to the All-Ohio Future Fund. Though the current bill states money transferred shall be used in the geographical regions of oil and gas production in the state for potential economic development, there is no guarantee. The counties within the southeast region of the state, where most of the oil and gas monies are derived, may lack the resources to compete with the metropolitan counties in drawing interest for business and industry.

The severance tax provides the funding for the Ohio Gas and Well Fund. Since the Fund's "excess" money per HB33 would be diverted and has been in the past, we feel that monies should be allocated from the severance tax back to the counties. Therefore, we recommend that the severance law be amended to allow a percentage distribution of the oil and gas severance tax received from individual counties be returned to those counties for planning, infrastructure, economic, and community development.

The second provision in question also moves monies from the Ohio Gas and Oil Fund, specifically \$9,410,237 in cash to the Parks and Watercraft Federal Grants Fund, and \$16,051,500 in cash to the State Park Maintenance Fund. This move has been made in the past, but for different reasons. To stop this precedent, the state should move quickly and responsibly to lease state acreage for oil and gas production.

The Division of Oil and Gas Resources Management is responsible for regulating Ohio's oil and natural gas industry and for the protection of all Ohioans and our environment. While there are excess monies today from Ohio's oil and natural gas, future years may not be as positive. Excess monies should remain in the Gas and Oil Well Fund for those short years.

We respectfully request that you remove the provisions from House Bill 33 that would divert monies away from the Oil and Gas Well Fund and approve the recommendations as stated.

Respectfully,



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BCC: Utica Shale Region Representatives Edwards, Holmes, Ferguson, Hillyer, Robb Blasdel, Stoltzfus, McNally, Oelslager, Kick