

As Introduced

131st General Assembly

Regular Session

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H. B. No. 540

Representative Cera

Cosponsors: Representatives Hill, Rogers, Patterson, Antonio, Curtin, Slesnick

A BILL

To amend sections 1509.02, 1509.071, 1509.11, and 1
5749.02 and to enact sections 321.50, 321.51, 2
321.52, 505.96, 1509.075, and 3737.15 of the 3
Revised Code to limit the amount of revenue that 4
may be credited to the Oil and Gas Well Fund and 5
to allocate funds in excess of that amount to 6
local governments and fire departments. 7

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

Section 1. That sections 1509.02, 1509.071, 1509.11, and 8
5749.02 be amended and sections 321.50, 321.51, 321.52, 505.96, 9
1509.075, and 3737.15 of the Revised Code be enacted to read as 10
follows: 11

Sec. 321.50. (A) As used in sections 321.50 and 321.51 of 12
the Revised Code, "eligible county" means a county appearing on 13
the most recent determination certified by the chief of the 14
division of oil and gas resources management under division (C) 15
of section 1509.11 of the Revised Code. 16

(B) The county treasurer of each eligible county shall 17
create in the county treasury an oil and gas infrastructure 18

fund. The treasurer shall deposit any money received by the 19
treasurer under division (B) (1) of section 1509.02 of the 20
Revised Code into the fund. 21

Not later than twenty days following the deposit of money 22
into the fund, the treasurer shall distribute the money to 23
subdivisions in proportion to the amount the subdivision would 24
receive from the county's undivided local government fund 25
according to the formula used by the county to distribute money 26
from that fund under section 5747.51 or 5747.53 of the Revised 27
Code. 28

Sec. 321.51. The county treasurer of each eligible county 29
shall create in the county treasury a township road maintenance 30
fund. The treasurer shall deposit any money received by the 31
treasurer under division (B) (2) of section 1509.02 of the 32
Revised Code into the fund. The treasurer shall notify the chair 33
of the county's township road maintenance committee whenever the 34
treasurer deposits money into the fund. The treasurer shall 35
distribute money from the fund into the township road funds of 36
townships in the county as prescribed in an order of the 37
township road maintenance committee under section 505.96 of the 38
Revised Code. 39

Sec. 321.52. (A) As used in section 321.52 of the Revised 40
Code, "eligible injection well county" means a county appearing 41
on the most recent determination certified by the chief of the 42
division of oil and gas resources management under division (D) 43
(1) of section 1509.11 of the Revised Code. 44

(B) The county treasurer of each eligible injection well 45
county shall create in the county treasury an injection well 46
infrastructure fund. The treasurer shall deposit any money 47
received by the treasurer under division (B) (4) of section 48

1509.02 of the Revised Code into the fund. 49

Not later than twenty days following the deposit of money 50
into the fund, the treasurer shall distribute the money to 51
subdivisions in proportion to the amount the subdivision would 52
receive from the county's undivided local government fund 53
according to the formula used by the county to distribute money 54
from that fund under section 5747.51 or 5747.53 of the Revised 55
Code. 56

Sec. 505.96. (A) There is hereby created in each county 57
that is or has been an eligible county, as that term is defined 58
in section 321.50 of the Revised Code, the township road 59
maintenance committee, which shall consist of one trustee of 60
each township located in the county appointed by the board of 61
trustees of each township. A member of the committee may be 62
removed by the member's appointing board. Members shall be 63
appointed on or before the first day of June of each year and 64
shall serve one-year terms. Members may be reappointed to the 65
committee. 66

Any member appointed to the committee under this section 67
shall continue as a member until the later of the end of the 68
term for which the member is appointed or the date the member's 69
successor joins the committee. A vacancy occurring among the 70
members shall be filled in the same manner as the original 71
appointment. Members of the committee shall not be compensated 72
or reimbursed for members' expenses. 73

(B) At the first meeting of the committee, which shall 74
occur not later than the fifteenth day of June of each year, 75
members of the committee shall elect a chair and notify the 76
county treasurer of the result of the committee's election. The 77
committee shall meet at the call of the chair. A majority of the 78

committee constitutes a quorum. The committee is a public body 79
for the purposes of section 121.22 of the Revised Code. Records 80
of the committee are public records for the purposes of section 81
149.43 of the Revised Code. 82

(C) On or before the thirty-first day of September of each 83
year, the committee shall issue an order and certify that order 84
to the county treasurer distributing money in the county's 85
township road maintenance fund to the township road funds of 86
townships in the county in the proportions prescribed by the 87
committee. In prescribing the proportion to be distributed to 88
each township, the committee shall consider the following 89
factors: 90

(1) The number of centerline miles within the boundaries 91
of the township as determined under division (A) (5) (b) of 92
section 5735.27 of the Revised Code; 93

(2) The amount of money received by the township from the 94
county's oil and gas infrastructure fund in that year; 95

(3) The number and locations of producing oil and gas 96
wells located in the township. 97

(D) A township shall use money received from the township 98
maintenance fund exclusively for the purposes of maintaining and 99
constructing roads and purchasing road maintenance equipment. 100

Sec. 1509.02. (A) There is hereby created in the 101
department of natural resources the division of oil and gas 102
resources management, which shall be administered by the chief 103
of the division of oil and gas resources management. The 104
division has sole and exclusive authority to regulate the 105
permitting, location, and spacing of oil and gas wells and 106
production operations within the state, excepting only those 107

activities regulated under federal laws for which oversight has 108
been delegated to the environmental protection agency and 109
activities regulated under sections 6111.02 to 6111.028 of the 110
Revised Code. The regulation of oil and gas activities is a 111
matter of general statewide interest that requires uniform 112
statewide regulation, and this chapter and rules adopted under 113
it constitute a comprehensive plan with respect to all aspects 114
of the locating, drilling, well stimulation, completing, and 115
operating of oil and gas wells within this state, including site 116
construction and restoration, permitting related to those 117
activities, and the disposal of wastes from those wells. In 118
order to assist the division in the furtherance of its sole and 119
exclusive authority as established in this section, the chief 120
may enter into cooperative agreements with other state agencies 121
for advice and consultation, including visitations at the 122
surface location of a well on behalf of the division. Such 123
cooperative agreements do not confer on other state agencies any 124
authority to administer or enforce this chapter and rules 125
adopted under it. In addition, such cooperative agreements shall 126
not be construed to dilute or diminish the division's sole and 127
exclusive authority as established in this section. Nothing in 128
this section affects the authority granted to the director of 129
transportation and local authorities in section 723.01 or 130
4513.34 of the Revised Code, provided that the authority granted 131
under those sections shall not be exercised in a manner that 132
discriminates against, unfairly impedes, or obstructs oil and 133
gas activities and operations regulated under this chapter. 134

The chief shall not hold any other public office, nor 135
shall the chief be engaged in any occupation or business that 136
might interfere with or be inconsistent with the duties as 137
chief. 138

All moneys collected by the chief pursuant to sections 139
1509.06, 1509.061, 1509.062, 1509.071, 1509.13, 1509.22, 140
1509.222, 1509.28, 1509.34, and 1509.50 of the Revised Code, 141
ninety per cent of moneys received by the treasurer of state 142
from the tax levied in divisions (A) (5) and (6) of section 143
5749.02 of the Revised Code, all civil penalties paid under 144
section 1509.33 of the Revised Code, and, notwithstanding any 145
section of the Revised Code relating to the distribution or 146
crediting of fines for violations of the Revised Code, all fines 147
imposed under divisions (A) and (B) of section 1509.99 of the 148
Revised Code and fines imposed under divisions (C) and (D) of 149
section 1509.99 of the Revised Code for all violations 150
prosecuted by the attorney general and for violations prosecuted 151
by prosecuting attorneys that do not involve the transportation 152
of brine by vehicle shall be deposited into the state treasury 153
to the credit of the oil and gas well fund, which is hereby 154
created. Fines imposed under divisions (C) and (D) of section 155
1509.99 of the Revised Code for violations prosecuted by 156
prosecuting attorneys that involve the transportation of brine 157
by vehicle and penalties associated with a compliance agreement 158
entered into pursuant to this chapter shall be paid to the 159
county treasury of the county where the violation occurred. 160

The fund shall be used solely and exclusively for the 161
purposes enumerated in division (B) of section 1509.071 of the 162
Revised Code, for the expenses of the division associated with 163
the administration of this chapter and Chapter 1571. of the 164
Revised Code and rules adopted under them, and for expenses that 165
are critical and necessary for the protection of human health 166
and safety and the environment related to oil and gas production 167
in this state. The expenses of the division in excess of the 168
moneys available in the fund shall be paid from general revenue 169

fund appropriations to the department. 170

(B) Not more than twenty million dollars of the total 171
amount credited to the oil and gas well fund in any fiscal year 172
may be used or transferred as described in division (A) or (C) 173
of this section. The director of budget and management shall 174
transfer or pay any revenue credited to the fund in excess of 175
that amount as follows: 176

(1) Seventy per cent to the oil and gas infrastructure 177
fund of each eligible county, as that term is defined in section 178
321.50 of the Revised Code, in the county's proportion most 179
recently certified to the director by the chief of the division 180
of oil and gas resources under division (C) of section 1509.11 181
of the Revised Code; 182

(2) Ten per cent to the township road maintenance fund of 183
each eligible county in the proportion certified to the director 184
by the chief under division (C) of section 1509.11 of the 185
Revised Code; 186

(3) Ten per cent to the shale region firefighting 187
equipment fund created in section 3737.15 of the Revised Code; 188

(4) Five per cent to the injection well infrastructure 189
fund of each eligible injection well county, as that term is 190
defined in section 321.52 of the Revised Code, in the county's 191
proportion most recently certified to the director by the chief 192
under division (D) (1) of section 1509.11 of the Revised Code; 193

(5) Five per cent to the general fund of each municipal 194
corporation or the township general fund of each township in the 195
municipal corporation's or township's proportion most recently 196
certified to the director by the chief under division (D) (2) of 197
section 1509.11 of the Revised Code. Money received by a 198

municipal corporation or township under division (B) (5) of this 199
section may be used for any lawful purpose. 200

(C) The director of budget and management shall transfer 201
not less than fourteen per cent of the revenue credited to the 202
oil and gas well fund, except any revenue transferred or paid in 203
accordance with division (B) of this section, to the well 204
plugging fund created in section 1509.075 of the Revised Code. 205

Sec. 1509.071. (A) When the chief of the division of oil 206
and gas resources management finds that an owner has failed to 207
comply with a final nonappealable order issued or compliance 208
agreement entered into under section 1509.04, the restoration 209
requirements of section 1509.072, plugging requirements of 210
section 1509.12, or permit provisions of section 1509.13 of the 211
Revised Code, or rules and orders relating thereto, the chief 212
shall make a finding of that fact and declare any surety bond 213
filed to ensure compliance with those sections and rules 214
forfeited in the amount set by rule of the chief. The chief 215
thereupon shall certify the total forfeiture to the attorney 216
general, who shall proceed to collect the amount of the 217
forfeiture. In addition, the chief may require an owner, 218
operator, producer, or other person who forfeited a surety bond 219
to post a new surety bond in the amount of fifteen thousand 220
dollars for a single well, thirty thousand dollars for two 221
wells, or fifty thousand dollars for three or more wells. 222

In lieu of total forfeiture, the surety or owner, at the 223
surety's or owner's option, may cause the well to be properly 224
plugged and abandoned and the area properly restored or pay to 225
the treasurer of state the cost of plugging and abandonment. 226

(B) All moneys collected because of forfeitures of bonds 227
as provided in this section shall be deposited in the state 228

treasury to the credit of the oil and gas well fund created in 229
section 1509.02 of the Revised Code. 230

The chief ~~annually shall~~ may spend ~~not less than fourteen~~ 231
~~per cent of the revenue~~ credited to the oil and gas well fund 232
~~during the previous fiscal year~~ for the following purposes: 233

(1) In accordance with division (D) of this section, to 234
plug idle and orphaned wells or to restore the land surface 235
properly as required in section 1509.072 of the Revised Code; 236

(2) In accordance with division (E) of this section, to 237
correct conditions that the chief reasonably has determined are 238
causing imminent health or safety risks at an idle and orphaned 239
well or a well for which the owner cannot be contacted in order 240
to initiate a corrective action within a reasonable period of 241
time as determined by the chief. 242

Expenditures from the fund shall be made only for lawful 243
purposes. In addition, expenditures from the fund shall not be 244
made to purchase real property or to remove a dwelling in order 245
to access a well. 246

(C)(1) Upon determining that the owner of a well has 247
failed to properly plug and abandon it or to properly restore 248
the land surface at the well site in compliance with the 249
applicable requirements of this chapter and applicable rules 250
adopted and orders issued under it or that a well is an 251
abandoned well for which no funds are available to plug the well 252
in accordance with this chapter, the chief shall do all of the 253
following: 254

(a) Determine from the records in the office of the county 255
recorder of the county in which the well is located the identity 256
of the owner of the land on which the well is located, the 257

identity of the owner of the oil or gas lease under which the 258
well was drilled or the identity of each person owning an 259
interest in the lease, and the identities of the persons having 260
legal title to, or a lien upon, any of the equipment appurtenant 261
to the well; 262

(b) Mail notice to the owner of the land on which the well 263
is located informing the landowner that the well is to be 264
plugged. If the owner of the oil or gas lease under which the 265
well was drilled is different from the owner of the well or if 266
any persons other than the owner of the well own interests in 267
the lease, the chief also shall mail notice that the well is to 268
be plugged to the owner of the lease or to each person owning an 269
interest in the lease, as appropriate. 270

(c) Mail notice to each person having legal title to, or a 271
lien upon, any equipment appurtenant to the well, informing the 272
person that the well is to be plugged and offering the person 273
the opportunity to plug the well and restore the land surface at 274
the well site at the person's own expense in order to avoid 275
forfeiture of the equipment to this state. 276

(2) If none of the persons described in division (C) (1) (c) 277
of this section plugs the well within sixty days after the 278
mailing of the notice required by that division, all equipment 279
appurtenant to the well is hereby declared to be forfeited to 280
this state without compensation and without the necessity for 281
any action by the state for use to defray the cost of plugging 282
and abandoning the well and restoring the land surface at the 283
well site. 284

(D) Expenditures from the fund for the purpose of division 285
(B) (1) of this section shall be made in accordance with either 286
of the following: 287

(1) The expenditures may be made pursuant to contracts 288
entered into by the chief with persons who agree to furnish all 289
of the materials, equipment, work, and labor as specified and 290
provided in such a contract for activities associated with the 291
restoration or plugging of a well as determined by the chief. 292
The activities may include excavation to uncover a well, 293
geophysical methods to locate a buried well when clear evidence 294
of leakage from the well exists, cleanout of wellbores to remove 295
material from a failed plugging of a well, plugging operations, 296
installation of vault and vent systems, including associated 297
engineering certifications and permits, restoration of property, 298
and repair of damage to property that is caused by such 299
activities. Expenditures shall not be used for salaries, 300
maintenance, equipment, or other administrative purposes, except 301
for costs directly attributed to the plugging of an idle and 302
orphaned well. Agents or employees of persons contracting with 303
the chief for a restoration or plugging project may enter upon 304
any land, public or private, on which the well is located for 305
the purpose of performing the work. Prior to such entry, the 306
chief shall give to the following persons written notice of the 307
existence of a contract for a project to restore or plug a well, 308
the names of the persons with whom the contract is made, and the 309
date that the project will commence: the owner of the well, the 310
owner of the land upon which the well is located, the owner or 311
agents of adjoining land, and, if the well is located in the 312
same township as or in a township adjacent to the excavations 313
and workings of a mine and the owner or lessee of that mine has 314
provided written notice identifying those townships to the chief 315
at any time during the immediately preceding three years, the 316
owner or lessee of the mine. 317

(2) (a) The owner of the land on which a well is located 318

who has received notice under division (C) (1) (b) of this section 319
may plug the well and be reimbursed by the division of oil and 320
gas resources management for the reasonable cost of plugging the 321
well. In order to plug the well, the landowner shall submit an 322
application to the chief on a form prescribed by the chief and 323
approved by the technical advisory council on oil and gas 324
created in section 1509.38 of the Revised Code. The application, 325
at a minimum, shall require the landowner to provide the same 326
information as is required to be included in the application for 327
a permit to plug and abandon under section 1509.13 of the 328
Revised Code. The application shall be accompanied by a copy of 329
a proposed contract to plug the well prepared by a contractor 330
regularly engaged in the business of plugging oil and gas wells. 331
The proposed contract shall require the contractor to furnish 332
all of the materials, equipment, work, and labor necessary to 333
plug the well properly and shall specify the price for doing the 334
work, including a credit for the equipment appurtenant to the 335
well that was forfeited to the state through the operation of 336
division (C) (2) of this section. Expenditures under division (D) 337
(2) (a) of this section shall be consistent with the expenditures 338
for activities described in division (D) (1) of this section. The 339
application also shall be accompanied by the permit fee required 340
by section 1509.13 of the Revised Code unless the chief, in the 341
chief's discretion, waives payment of the permit fee. The 342
application constitutes an application for a permit to plug and 343
abandon the well for the purposes of section 1509.13 of the 344
Revised Code. 345

(b) Within thirty days after receiving an application and 346
accompanying proposed contract under division (D) (2) (a) of this 347
section, the chief shall determine whether the plugging would 348
comply with the applicable requirements of this chapter and 349

applicable rules adopted and orders issued under it and whether 350
the cost of the plugging under the proposed contract is 351
reasonable. If the chief determines that the proposed plugging 352
would comply with those requirements and that the proposed cost 353
of the plugging is reasonable, the chief shall notify the 354
landowner of that determination and issue to the landowner a 355
permit to plug and abandon the well under section 1509.13 of the 356
Revised Code. Upon approval of the application and proposed 357
contract, the chief shall transfer ownership of the equipment 358
appurtenant to the well to the landowner. The chief may 359
disapprove an application submitted under division (D) (2) (a) of 360
this section if the chief determines that the proposed plugging 361
would not comply with the applicable requirements of this 362
chapter and applicable rules adopted and orders issued under it, 363
that the cost of the plugging under the proposed contract is 364
unreasonable, or that the proposed contract is not a bona fide, 365
arm's length contract. 366

(c) After receiving the chief's notice of the approval of 367
the application and permit to plug and abandon a well under 368
division (D) (2) (b) of this section, the landowner shall enter 369
into the proposed contract to plug the well. 370

(d) Upon determining that the plugging has been completed 371
in compliance with the applicable requirements of this chapter 372
and applicable rules adopted and orders issued under it, the 373
chief shall reimburse the landowner for the cost of the plugging 374
as set forth in the proposed contract approved by the chief. The 375
reimbursement shall be paid from the oil and gas well fund. If 376
the chief determines that the plugging was not completed in 377
accordance with the applicable requirements, the chief shall not 378
reimburse the landowner for the cost of the plugging, and the 379
landowner or the contractor, as applicable, promptly shall 380

transfer back to this state title to and possession of the 381
equipment appurtenant to the well that previously was 382
transferred to the landowner under division (D) (2) (b) of this 383
section. If any such equipment was removed from the well during 384
the plugging and sold, the landowner shall pay to the chief the 385
proceeds from the sale of the equipment, and the chief promptly 386
shall pay the moneys so received to the treasurer of state for 387
deposit into the oil and gas well fund. 388

The chief may establish an annual limit on the number of 389
wells that may be plugged under division (D) (2) of this section 390
or an annual limit on the expenditures to be made under that 391
division. 392

As used in division (D) (2) of this section, "plug" and 393
"plugging" include the plugging of the well and the restoration 394
of the land surface disturbed by the plugging. 395

(E) Expenditures from the oil and gas well fund for the 396
purpose of division (B) (2) of this section may be made pursuant 397
to contracts entered into by the chief with persons who agree to 398
furnish all of the materials, equipment, work, and labor as 399
specified and provided in such a contract. The competitive 400
bidding requirements of Chapter 153. of the Revised Code do not 401
apply if the chief reasonably determines that an emergency 402
situation exists requiring immediate action for the correction 403
of the applicable health or safety risk. A contract or purchase 404
of materials for purposes of addressing the emergency situation 405
is not subject to division (B) of section 127.16 of the Revised 406
Code. The chief, designated representatives of the chief, and 407
agents or employees of persons contracting with the chief under 408
this division may enter upon any land, public or private, for 409
the purpose of performing the work. 410

(F) Contracts entered into by the chief under this section	411
are not subject to any of the following:	412
(1) Chapter 4115. of the Revised Code;	413
(2) Section 153.54 of the Revised Code, except that the	414
contractor shall obtain and provide to the chief as a bid	415
guaranty a surety bond or letter of credit in an amount equal to	416
ten per cent of the amount of the contract;	417
(3) Section 4733.17 of the Revised Code.	418
(G) The owner of land on which a well is located who has	419
received notice under division (C) (1) (b) of this section, in	420
lieu of plugging the well in accordance with division (D) (2) of	421
this section, may cause ownership of the well to be transferred	422
to an owner who is lawfully doing business in this state and who	423
has met the financial responsibility requirements established	424
under section 1509.07 of the Revised Code, subject to the	425
approval of the chief. The transfer of ownership also shall be	426
subject to the landowner's filing the appropriate forms required	427
under section 1509.31 of the Revised Code and providing to the	428
chief sufficient information to demonstrate the landowner's or	429
owner's right to produce a formation or formations. That	430
information may include a deed, a lease, or other documentation	431
of ownership or property rights.	432
The chief shall approve or disapprove the transfer of	433
ownership of the well. If the chief approves the transfer, the	434
owner is responsible for operating the well in accordance with	435
this chapter and rules adopted under it, including, without	436
limitation, all of the following:	437
(1) Filing an application with the chief under section	438
1509.06 of the Revised Code if the owner intends to drill deeper	439

or produce a formation that is not listed in the records of the 440
division for that well; 441

(2) Taking title to and possession of the equipment 442
appurtenant to the well that has been identified by the chief as 443
having been abandoned by the former owner; 444

(3) Complying with all applicable requirements that are 445
necessary to drill deeper, plug the well, or plug back the well. 446

(H) The chief shall issue an order that requires the owner 447
of a well to pay the actual documented costs of a corrective 448
action that is described in division (B) (2) of this section 449
concerning the well. The chief shall transmit the money so 450
recovered to the treasurer of state who shall deposit the money 451
in the state treasury to the credit of the oil and gas well 452
fund. 453

(I) The chief may engage in cooperative projects under 454
this section with any agency of this state, another state, or 455
the United States; any other governmental agencies; or any state 456
university or college as defined in section 3345.27 of the 457
Revised Code. A contract entered into for purposes of a 458
cooperative project is not subject to division (B) of section 459
127.16 of the Revised Code. 460

(J) On or before the last day of June of each year, the 461
chief shall deliver to the speaker of the house of 462
representatives and the president of the senate a report listing 463
the projected amount of money to be spent from the oil or gas 464
well fund or the well plugging fund to plug each idle or 465
orphaned well that the chief estimates will begin to be plugged 466
in the following fiscal year and the locations of such wells, 467
and the number and location of all idle or orphaned wells 468

plugged in the preceding fiscal year using money from the oil or 469
gas well fund or the well plugging fund and the amount spent 470
from each fund to plug such wells. 471

Sec. 1509.075. (A) There is hereby created in the division 472
of oil and gas resources management the idle and orphaned well 473
program. The chief shall provide staff for the program 474
sufficient to identify, locate, and plug idle and orphaned wells 475
located in this state and perform the duties required under this 476
section. 477

(B) Subject to the supervision of the chief, the idle and 478
orphaned well program shall do both of the following: 479

(1) Develop and maintain an inventory of all known and 480
suspected idle and orphaned wells located in this state; 481

(2) Prioritize the plugging of idle and orphaned wells 482
identified in that inventory based on the relative risk of those 483
wells to public health and safety. 484

(C) There is hereby created in the state treasury the well 485
plugging fund, which shall consist of money transferred to the 486
fund from the oil and gas well fund under division (C) section 487
1509.02 of the Revised Code. The chief shall use the money in 488
the well plugging fund exclusively for the purposes described in 489
division (B) of section 1509.071 of the Revised Code and subject 490
to the requirements and limitations imposed by that section 491
related to the expenditure of funds for those purposes. 492

Expenditures from the fund shall be made only for lawful 493
purposes and shall not be made to purchase real property or to 494
remove a dwelling in order to access a well. 495

Sec. 1509.11. (A) (1) The owner of any well, except a 496
horizontal well, that is producing or capable of producing oil 497

or gas shall file with the chief of the division of oil and gas 498
resources management, on or before the thirty-first day of 499
March, a statement of production of oil, gas, and brine for the 500
last preceding calendar year in such form as the chief may 501
prescribe. An owner that has more than one hundred such wells in 502
this state shall submit electronically the statement of 503
production in a format that is approved by the chief. 504

(2) The owner of any horizontal well that is producing or 505
capable of producing oil or gas shall file with the chief, on 506
the forty-fifth day following the close of each calendar 507
quarter, a statement of production of oil, gas, and brine for 508
the preceding calendar quarter in a form that the chief 509
prescribes. An owner that has more than one hundred horizontal 510
wells in this state shall submit electronically the statement of 511
production in a format that is approved by the chief. 512

(B) The chief shall not disclose information received from 513
the department of taxation under division (C) (12) of section 514
5703.21 of the Revised Code until the related statement of 515
production required by division (A) of this section is filed 516
with the chief. 517

(C) Not later than the fifteenth day of June of each year, 518
the chief shall calculate and certify to the director of budget 519
and management and the fire marshal, for each county in which 520
one or more wells producing oil or gas in the Utica or Marcellus 521
formation were located in the preceding calendar year, the 522
number of wells producing oil or gas in the Utica or Marcellus 523
formation located in that county in the preceding calendar year 524
divided by the total number of wells producing oil or gas in the 525
Utica or Marcellus formation located in the state in that 526
calendar year. 527

(D) Not later than the fifteenth day of June of each year, 528
the chief shall calculate and certify to the director of budget 529
and management both of the following: 530

(1) For each county in which one or more injection wells 531
whose owner has been issued a permit under division (D) of 532
section 1509.22 of the Revised Code were located in the 533
preceding calendar year, the number of barrels of substance 534
delivered to be injected into each such well located in the 535
county in the preceding calendar year divided by the total 536
number of barrels of substance delivered to be injected into 537
each such well located in the state in the preceding calendar 538
year. 539

(2) For each municipal corporation and township in which 540
one or more injection wells whose owner has been issued a permit 541
under division (D) of section 1509.22 of the Revised Code were 542
located in the preceding calendar year, the number of barrels of 543
substance delivered to be injected into each such well located 544
in the municipal corporation or township in the preceding 545
calendar year divided by the total number of barrels of 546
substance delivered to be injected into each such well located 547
in the state in the preceding calendar year. For the purposes of 548
division (D)(2) of this section, an injection well is located in 549
a township only if the well is located in the unincorporated 550
territory of that township. 551

(E) The chief, through the idle and orphaned well program, 552
shall investigate a well to determine if it is an idle or 553
orphaned well if either of the following occurs, unless the well 554
is under temporary inactive well status pursuant to section 555
1509.062 of the Revised Code: 556

(1) If the well is not a horizontal well, the owner of the 557

well does not submit a statement of production required under 558
division (A) (1) of this section for two consecutive years. 559

(2) If the well is a horizontal well, the owner of the 560
well does not submit a statement of production required under 561
division (A) (2) of this section for eight consecutive calendar 562
quarters. 563

Sec. 3737.15. (A) As used in this section: 564

(1) "Fire department" means a fire department of a 565
municipal corporation or township, a township fire district, a 566
joint township fire district, a private fire company or 567
volunteer fire company that has entered into an agreement for 568
the use and operation of firefighting equipment with a municipal 569
corporation, township, township fire district, or joint township 570
fire district or, in a municipal corporation or township where 571
no such fire department or district exists and no such agreement 572
is in effect, the fire prevention officer of the municipal 573
corporation or township. 574

(2) "Eligible fire department" means a fire department 575
servng territory that coexists wholly or partly with an 576
eligible subdivision. 577

(3) "Eligible subdivision" means an eligible county or a 578
township or municipal corporation that is wholly or partly 579
located in an eligible county. 580

(4) "Eligible county" has the same meaning as in section 581
321.50 of the Revised Code. 582

(5) "Firefighter" means any regular, paid or volunteer, 583
member of a lawfully constituted fire department. 584

(6) "Emergency medical technician" means an EMT-basic, 585

EMT-I, or paramedic as defined in section 4765.01 of the Revised Code. 586
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(7) "Firefighting equipment" means equipment and vehicles used by firefighters or emergency medical technicians in the performance of their duties. 588
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(B) There is hereby created in the state treasury the shale region firefighting equipment fund, which shall consist of money transferred to the fund from the oil and gas well fund under division (B)(3) of section 1509.02 of the Revised Code. The fire marshal shall use money in the fund only to award grants under this section to eligible fire departments to purchase or acquire firefighting equipment in accordance with this section. 591
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(C) One or more eligible fire departments may apply to the fire marshal, on forms prescribed by the fire marshal, for a grant from the shale region firefighting equipment fund. In approving applications and in determining the amount of the grant to be awarded, the fire marshal shall specifically consider all of the following factors: 599
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(1) The regional distribution and availability of similar firefighting equipment; 605
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(2) The importance of the firefighting equipment to the health and safety of the firefighters and residents of the subdivision; 607
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(3) The availability of federal, local, or other state funds for the purchase; 610
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(4) The extent to which the firefighting equipment is necessary to prepare for or respond to emergencies caused by the presence of oil and gas wells; 612
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(5) Any other relevant factors prescribed by the fire marshal. 615
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The fire marshal shall not approve a grant application if the amount of the grant requested by the eligible fire department exceeds the amount of money available in the shale region firefighting equipment fund. A county emergency management agency may file a joint application for a grant under this division on behalf of two or more eligible fire departments with territory in that county. 617
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(D) The fire marshal shall notify the director of budget and management of the amount of any grant awarded by the fire marshal under this section. The director of budget and management shall release appropriations from the shale region firefighting equipment fund for the purpose of awarding a grant to one or more eligible fire departments on the presentation of a request to do so by the fire marshal. 624
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(E) The fire marshal may adopt rules in accordance with Chapter 119. of the Revised Code as are necessary to administer the grant program created in this section, including the procedures and manner in which applications may be submitted under division (C) of this section. 631
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Sec. 5749.02. (A) For the purpose of providing revenue to administer the state's coal mining and reclamation regulatory program and oil and gas regulatory program, to meet the environmental and resource management needs of this state, to provide revenue for local governments and fire departments, 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 divisions 636
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(A) (1) to (9) of this section:	645
(1) Ten cents per ton of coal;	646
(2) Four cents per ton of salt;	647
(3) Two cents per ton of limestone or dolomite;	648
(4) Two cents per ton of sand and gravel;	649
(5) Ten cents per barrel of oil;	650
(6) Two and one-half cents per thousand cubic feet of natural gas;	651 652
(7) One cent per ton of clay, sandstone or conglomerate, shale, gypsum, or quartzite;	653 654
(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	655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672

close of a fiscal biennium, the chief of the division of mineral 673
resources management shall certify to the tax commissioner the 674
amount of the balance of the reclamation forfeiture fund as of 675
the close of the fiscal biennium. Any necessary adjustment of 676
the rate levied shall take effect on the first day of the 677
following January and shall remain in effect during the calendar 678
biennium that begins on that date. 679

(9) An additional one and two-tenths cents per ton of coal 680
mined by surface mining methods. 681

(B) After the director of budget and management transfers 682
money from the severance tax receipts fund as required in 683
division (H) of section 5749.06 of the Revised Code, money 684
remaining in the severance tax receipts fund, except for money 685
in the fund from the amounts due under section 1509.50 of the 686
Revised Code, shall be credited as follows: 687

(1) Of the moneys in the fund from the tax levied in 688
division (A) (1) of this section, four and seventy-six-hundredths 689
per cent shall be credited to the geological mapping fund 690
created in section 1505.09 of the Revised Code, eighty and 691
ninety-five-hundredths per cent shall be credited to the coal 692
mining administration and reclamation reserve fund created in 693
section 1513.181 of the Revised Code, and fourteen and twenty- 694
nine-hundredths per cent shall be credited to the unreclaimed 695
lands fund created in section 1513.30 of the Revised Code. 696

(2) The money in the fund from the tax levied in division 697
(A) (2) of this section shall be credited to the geological 698
mapping fund. 699

(3) Of the moneys in the fund from the tax levied in 700
divisions (A) (3) and (4) of this section, seven and five-tenths 701

per cent shall be credited to the geological mapping fund, 702
forty-two and five-tenths per cent shall be credited to the 703
unreclaimed lands fund, and the remainder shall be credited to 704
the surface mining fund created in section 1514.06 of the 705
Revised Code. 706

(4) Of the moneys in the fund from the tax levied in 707
divisions (A) (5) and (6) of this section, ninety per cent shall 708
be credited to the oil and gas well fund created in section 709
1509.02 of the Revised Code and ten per cent shall be credited 710
to the geological mapping fund. All of the moneys in the fund 711
from the tax levied in division (A) (7) of this section shall be 712
credited to the surface mining fund. 713

(5) All of the moneys in the fund from the tax levied in 714
division (A) (8) of this section shall be credited to the 715
reclamation forfeiture fund. 716

(6) All of the moneys in the fund from the tax levied in 717
division (A) (9) of this section shall be credited to the 718
unreclaimed lands fund. 719

(C) When, at the close of any fiscal year, the chief finds 720
that the balance of the reclamation forfeiture fund, plus 721
estimated transfers to it from the coal mining administration 722
and reclamation reserve fund under section 1513.181 of the 723
Revised Code, plus the estimated revenues from the tax levied by 724
division (A) (8) of this section for the remainder of the 725
calendar year that includes the close of the fiscal year, are 726
sufficient to complete the reclamation of all lands for which 727
the performance security has been provided under division (C) (2) 728
of section 1513.08 of the Revised Code, the purposes for which 729
the tax under division (A) (8) of this section is levied shall be 730
deemed accomplished at the end of that calendar year. The chief, 731

within thirty days after the close of the fiscal year, shall 732
certify those findings to the tax commissioner, and the tax 733
levied under division (A) (8) of this section shall cease to be 734
imposed for the subsequent calendar year after the last day of 735
that calendar year on coal produced under a coal mining and 736
reclamation permit issued under Chapter 1513. of the Revised 737
Code if the permittee has made tax payments under division (A) 738
(8) of this section during each of the preceding five full 739
calendar years. Not later than thirty days after the close of a 740
fiscal year, the chief shall certify to the tax commissioner the 741
identity of any permittees who accordingly no longer are 742
required to pay the tax levied under division (A) (8) of this 743
section for the subsequent calendar year. 744

Section 2. That existing sections 1509.02, 1509.071, 745
1509.11, and 5749.02 of the Revised Code are hereby repealed. 746

Section 3. On or before the effective date of this act, 747
the Chief of the Division of Oil and Gas Resources Management 748
shall prepare a plan for the development of the inventory 749
described in division (B) of section 1509.075 of the Revised 750
Code and deliver that plan to the Speaker of the House of 751
Representatives and the President of the Senate. The plan shall 752
include the time and internal or external resources that the 753
Chief believes are necessary to complete that inventory. 754