



Ohio Legislative Service Commission

Bill Analysis

Michelle R. McGreevy

H.B. 110

128th General Assembly
(As Introduced)

Reps. J. Adams, Batchelder, Blessing, Jordan, Boose, Burke, Combs, Goodwin, Hall, Huffman, Martin, Morgan, Stebelton, Uecker, Wagner, Wachtmann, Daniels, Bubp, Grossman, R. Adams, Amstutz, Zehringer, Hackett, Balderson, Mecklenborg, Blair, McClain, Snitchler, Maag, Stautberg, Ruhl, Sears

BILL SUMMARY

- Specifies that the Director of Natural Resources may issue permits and make leases for the taking and removal of natural gas and oil from and under the bed of Lake Erie, provided that the surface location of an oil well is not located in the waters of Lake Erie.

CONTENT AND OPERATION

Under current law, the Director of Natural Resources, with the approval of the Director of Environmental Protection, the Attorney General, and the Governor, may issue permits and make leases for the taking and removal of sand, gravel, stone, and other minerals or substances from and under the bed of Lake Erie, either on a royalty or rental basis, as the Director determines to be best for the state. The bill specifies that the Director may issue permits and make leases for the taking and removal of natural gas and oil from and under the bed of Lake Erie, provided that the surface location of an oil well is not located in the waters of Lake Erie. (See **COMMENT.**)

Under current law, permits are required to be issued for terms of not less than one year nor more than ten years, and leases must be for a term of years or until the economic extraction of the mineral or other substance has been completed. The taking and removal must be within certain fixed boundaries that do not conflict with the rights of littoral owners. Upon request from the holder of a permit, it must be canceled, but in the case of any permit or lease, any equipment or buildings that are owned by the permittee or lessee must be held as security by the Director for payment of all rentals or

royalties that are due the state at the time of cancellation. The bill includes permits and leases for the taking and removal of natural gas and oil in those provisions.

Under current law, a person is prohibited from removing sand, gravel, stone, or other minerals or substances from and under the bed of Lake Erie without first obtaining a permit or lease from the Director. The bill specifically prohibits a person from removing natural gas or oil from and under the bed of Lake Erie without a permit or lease from the Director. (R.C. 1505.07.)

COMMENT

The federal Energy Policy Act of 2005 prohibits a federal or state permit or lease from being issued for new oil and gas slant, directional, or offshore drilling in or under one or more of the Great Lakes (42 USC § 15941). Thus, if enacted, the bill might conflict with federal law.

HISTORY

ACTION	DATE
Introduced	03-30-09

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