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## DEPARTMENT OF NATURAL RESOURCES

### I. Division of Wildlife

- Eliminates the nonresident Lake Erie Sport Fishing District permit.
- Removes the \$500,000 cap on annual expenditures from the Wildlife Boater Angler Fund that the Division of Wildlife may make to pay for equipment and personnel costs associated with boating access improvements.
- Reduces, from \$11.50 to \$11.00, the fees for a senior deer permit and senior wild turkey permit, available to Ohio residents 66 and older.
- Removes superfluous definitions of “resident” and “nonresident” in the law governing deer and wild turkey permits.
- Reduces multi-year hunting license fees and senior multi-year fishing license fees.
- Increases adult multi-year fishing license fees.

### II. Division of Mineral Resources Management

#### Performance security for coal mining operations

- Requires a coal mining and reclamation permittee to submit full performance security instead of using partial security and money from the existing Reclamation Forfeiture Fund for land reclamation if:
  - Ownership and operational control of the permittee has been transferred, assigned, or sold; and
  - The transferee has not held a mining permit in Ohio for at least five years.
- Specifies that this restriction applies even if the status and name of the permittee otherwise remain the same.

#### Deputy mine inspector eligibility requirements

- Allows an applicant for the position of deputy mine inspector of underground coal mines or underground noncoal mines to have experience in any underground mine located anywhere as long as the total experience equals six years.
- Allows an applicant for the position of deputy mine inspector of surface mines to have experience in surface mines located anywhere as long as the total experience equals six years.

#### Reciprocity for mine personnel

- Authorizes the Chief of the Division of Mineral Resources Management to issue a certificate to work as a mine foreperson, foreperson, or mine electrician to an out-of-state applicant if:

- The applicant holds a valid certification or other authorization from a state with which the Department of Natural Resources (DNR) has a reciprocal agreement; and
- The applicant passes an examination on Ohio mining law or other topics determined by the Chief.
- Allows an out-of-state mine foreperson, foreperson, or mine electrician (working under a reciprocal agreement) who was issued a temporary certificate to act as a foreperson or mine electrician in Ohio prior to September 30, 2021, to continue to work under that temporary certificate until it expires.

### **III. Division of Oil and Gas Resources Management**

#### **Oil and gas well plugging**

- Authorizes the holder of a valid well drilling permit to obtain approval from the Division of Oil and Gas Resources Management to plug that well without obtaining a permit to plug and abandon if an oil and gas inspector approves it and either of the following apply:
  - The well was drilled to total depth and the well cannot or will not be completed; or
  - The well is a lost hole or a dry hole.
- Requires a well drilled to total depth that cannot or will not be completed to be plugged within 30 days of the inspector's approval.
- Requires the plugging of a lost hole or dry hole to be completed immediately after determining that the well is a lost hole or dry hole in accordance with rules.
- Clarifies that the Chief of the Division may plug and abandon wells without a permit to do so.
- Specifies that the \$250 application fee for a permit to plug and abandon a well is nonrefundable and applies even if oil or gas has not been produced from it.
- Requires any person undertaking plugging, other than a well owner already required to maintain an insurance policy, to obtain \$1 million in bodily injury and property damage insurance coverage (or \$3 million if the well is in an urbanized area).
- Requires a person to electronically submit proof of that insurance to the Chief on the Chief's request.

#### **Defective well casing and plugging requirements**

- Prohibits any person (rather than only the well owner, as in prior law) from constructing a well that causes damage to other permeable strata, underground sources of drinking water, or the surface of the land or that threatens the public health and safety or the environment.
- Prohibits any person or well owner from operating a well in a way that causes the damage specified above or threatens the public health and safety or the environment.

- Retains law prohibiting a well owner from allowing a well to leak fluid or gases, but eliminates the requirement that the leak must be due to defective casing and either:
  - Cause the damages specified above; or
  - Threaten the public health and safety or the environment.
- Requires either a person that owns a well or that is responsible for the well to notify the Chief of well or casing defects within 24 hours of discovering the defect, rather than only requiring the well owner to do so, as in prior law.
- Requires either the person that owns a well or that is responsible for the well to immediately repair any defects or to plug it, rather than only requiring the well owner to do so, as in prior law.
- Requires the Chief to issue a plugging order to either the person that owns the well or the person that is responsible for the well when the Chief determines the well should be plugged.

#### **IV. Oil and Gas Leasing Commission**

- Renames the Oil and Gas Leasing Commission the Oil and Gas Land Management Commission.
- Specifies that the state's policy is to promote exploration for, development of, and production of oil and natural gas resources owned or controlled by the state, rather than to provide access and support for those activities, as in prior law.
- Revises the membership of the Commission.
- Requires the Commission to hire at least one person to provide clerical and other services.
- Requires money received by a state agency in exchange for the lease of a formation under state agency-owned land for oil and gas development to be deposited into State Land Royalty Fund.
- Authorizes a state agency to use distributions from that fund for any purpose the agency deems necessary, rather than for capital costs and land acquisition as in prior law.
- Eliminates the Forestry Minerals Royalty Fund and the Parks Minerals Royalty Fund used by the Division of Forestry and the Division of Parks and Watercraft, respectively, for capital expenditures and land acquisition (the divisions will continue to receive distributions from the State Land Royalty Fund).
- Eliminates signing fees, rentals, and royalty payments received by the Division of Wildlife for leases of its land as a source of revenue for the Wildlife Habitat Fund, and instead requires distributions to the Division to be made from the State Land Royalty Fund.

- Retains a requirement that 30% of proceeds from a lease for oil and gas development under a state park be deposited into the fund that supports that state park.
- Allows a state agency to lease state agency-owned land (until the Commission adopts rules specifying a standard lease agreement and any other necessary procedures or requirements) for oil and gas development on terms that are just and reasonable, as determined by the custom and practice of the oil and gas industry.
- Specifies that the lease must at least include the elements required to be included in the standard lease agreement.
- Adds new elements to the required standard lease form that must be used by a state agency when leasing state agency-owned land for oil and gas development.
- Requires the Commission to establish a standard surface use agreement form that must be used by a state agency to authorize the use of the surface of a parcel of leased land.
- Revises requirements and procedures concerning the nomination of state agency-owned formations to the Commission for lease and bidding on such leases.
- Revises requirements concerning the notification of nomination decisions and advertisement of bids.
- Specifies that certain information included in a nomination or a bid for a lease is confidential, may not be disclosed by the Commission, and is not a public record.
- Specifies that the Commission is not subject to certain administrative rulemaking requirements.

## **V. Division of Water Resources**

- Revises the amount of the surety bond that an applicant for a dam or levee construction permit must obtain and bases the amount on the estimated costs of construction.
- Authorizes the Chief of the Division of Water Resources to reduce the required surety amount for specified reasons.
- Authorizes the Chief to assess a civil penalty of up to \$5,000 per day for each day of each violation of the laws governing dams and levees and water diversions and withdrawals.
- Disburses money derived from costs and civil penalties to either the Dam Safety Fund or the Water Management Fund, depending on whether violations are committed under the law governing dam safety or the law governing water diversions and withdrawals.
- Requires criminal fines collected from violators of laws governing water well constructions logs and water diversions and withdrawals to be credited to the Water Management Fund, rather than the Dam Safety Fund as under prior law.

## **VI. Division of Parks and Watercraft**

- Prohibits a person from operating a watercraft in Ohio if it displays an identification number or registration decal that: (1) is fictitious, (2) is counterfeit or an unlawfully made copy, or (3) belongs to another watercraft.
- Increases the damage threshold that triggers a required watercraft accident report from \$500 to \$1,000.

## **VII. Division of Forestry**

### **Forestry projects on federal land**

- Allows the Chief of the Division of Forestry to enter into agreements with the federal government for forest management projects, including timber sales, pursuant to federal law.
- Allows the Chief to sell timber and other forest products from federal lands in accordance with the terms of an agreement with the federal government.
- Requires the Chief to deposit money received from timber sales from federal lands into the existing State Forest Fund.
- Allows the money derived from those timber sales to be used for forest management projects associated with federal lands.

### **Wildfire reimbursement to firefighting agencies**

- Allows the DNR Director to reimburse firefighting agencies and private fire companies for costs associated with certain fire assistance activities if those costs are eligible in accordance with an agreement between the Division and the federal government.

### **State employees aid in out-of-state wildfires**

- Specifies that all DNR and Department of Commerce employees whom the Chief sends to another state to assist with forest fires are eligible for regular employment benefits and are immune from civil liability when performing duties within the scope of employment, rather than solely DNR's Division of Forestry employees as in prior law.

## **VIII. Division of Geological Survey**

- Eliminates the Ohio Geology license plate.
- Correspondingly, eliminates the \$15 contribution for each license plate, which was deposited in the Geological Mapping Fund and had to be used to award grants to graduate-level educational institutions for geology-related research activities and providing geology kits to primary and secondary schools.
- Instead, allows the Chief of the Division of Geological Survey to spend any money deposited in the Geological Mapping Fund (not just money from license plate proceeds) for the grants and kits.

- Adds to the purposes for which money in the fund may be used by allowing the Chief to issue grants to collegiate geology departments for undergraduate geological research.

## **IX. Other provisions**

### **Malabar Farm State Park**

- Designates 120 contiguous acres of Malabar Farm State Park’s most mature hardwood forest located between Bromfield Road and State Route 95 as the “Doris Duke Woods” at Malabar Farm State Park.
- Specifies that DNR may not remove or allow any person or governmental entity to remove timber from the Woods, except for normal maintenance.
- Requires the DNR Director to meet with the Malabar Farm Foundation by October 30, 2021, to discuss entering into agreements to mutually support and advance the shared objectives of protecting, conserving, and educating the public concerning Malabar Farm State Park and the legacy of Louis Bromfield.
- Requires DNR and the Foundation to meet every other month until June 30, 2022.
- After the June 30, 2022, meeting, requires DNR and the Foundation to jointly provide a report detailing the meetings and any resulting agreements to each member of the General Assembly who represents all or part of Richland County (the Park is located in Richland County).

### **Local payments for DNR land**

- Requires DNR to reimburse school districts and other taxing authorities for forgone property tax revenue resulting from the state’s acquisition of certain DNR land after 2017.

### **Geneva Lodge and Conference Center**

- Requires the DNR Director to assume ownership and operation of the Geneva Lodge and Conference Center from Ashtabula County by December 31, 2021.
- Appropriates \$13,950,000 for the purchase and operation of Geneva Lodge and Conference Center.

## **I. Division of Wildlife**

### **Lake Erie Sport Fishing District permit**

(R.C. 1533.38, repealed; conforming changes in R.C. 1531.01, 1533.01, and 1533.101)

The act eliminates the Lake Erie Sport Fishing District permit. The Division of Wildlife issued this permit to non-Ohio residents to fish between January and April in Lake Erie, its embayments, and other specified areas connected to Lake Erie. Under prior law, each applicant had to pay a \$10 annual fee for the permit, which was deposited into the Wildlife Fund. As a

result of the elimination of the permit, a nonresident only needs to obtain a nonresident fishing license to fish in the District.

## Wildlife Boater Angler Fund

(R.C. 1531.35)

The act removes the \$500,000 cap on annual expenditures from the Wildlife Boater Angler Fund that the Division of Wildlife may make for equipment and personnel costs associated with boating access improvements. Under continuing law, the fund generally consists of money derived from a portion of the motor fuel excise tax. Fund money is used primarily for the acquisition, development, and maintenance of boating access areas.

## Senior deer and wild turkey fees

(R.C. 1533.11)

The act reduces the fee for a senior deer permit and the fee for a senior wild turkey permit from \$11.50 to \$11.00. These permits are available to Ohio residents 66 and older.

It also removes superfluous definitions of “resident” and “nonresident” in the law governing deer and wild turkey permits (those definitions already exist in R.C. 1531.01 and 1533.01 and apply to the laws governing hunting and fishing).

## Lifetime and multi-year hunting and fishing fees

(R.C. 1533.321)

The act decreases the following hunting and fishing fees:

Hunting and fishing fee decreases		
License	Prior law	H.B. 110
Senior 3-year hunting or fishing license	\$27.50	\$26.00
Senior 5-year hunting or fishing license	\$45.75	\$43.34
Youth 3-year hunting license	\$27.50	\$26.00
Youth 5-year hunting license	\$45.75	\$43.34
Youth 10-year hunting license	\$91.50	\$86.67
Adult 5-year hunting license	\$86.75	\$86.67
Adult 10-year hunting license	\$173.50	\$173.34
Adult lifetime hunting license	\$450.00	\$432.00

It increases the following fishing fees:

Fishing fee increases		
License	Prior law	H.B. 110
Adult 3-year fishing license	\$52.00	\$69.34
Adult 5-year fishing license	\$86.75	\$115.56
Adult 10-year fishing license	\$173.50	\$231.12
Adult lifetime fishing license	\$450.00	\$576.00

## II. Division of Mineral Resources Management

### Performance security for coal mining operations

(R.C. 1513.08)

The act requires a coal mining and reclamation permittee to submit full performance security instead of using partial security and money from the Reclamation Forfeiture Fund for land reclamation if:

1. Ownership and operational control of the permittee has been transferred, assigned, or sold; and
2. The transferee has not held a mining permit in Ohio for at least five years.

It also specifies that this requirement applies even if the status and name of the permittee otherwise remain the same.

Former law required a coal mining and reclamation permittee described above to provide their own performance security in a specified amount or a combination of their own performance security and reliance on the Reclamation Forfeiture Fund. If the applicant relied partly on the fund, it had to pay an additional coal severance tax, which was credited to the fund. The option to utilize the Reclamation Forfeiture Fund continues to be available to any coal mining and reclamation permit applicant not described above.

### Deputy mine inspector eligibility requirements

(R.C. 1561.12)

The act requires an applicant for the position of deputy mine inspector of underground mines with the Division of Mineral Resources Management to have experience in any underground mine located anywhere as long as the total experience equals six years. Prior law required an applicant to have:



1. Two of the six years of experience in Ohio underground coal mines when applying to be an underground coal mine inspector; and
2. Two of the six years of experience in Ohio underground noncoal mines when applying to be an underground noncoal mine inspector.

Regarding the six years of work experience required for the position of deputy mine inspector of surface mines, the act eliminates the requirement that two of the six years be in Ohio surface mines. Thus, the applicant can have experience in surface mines located anywhere as long as the total experience equals six years.

## **Reciprocity for mine personnel**

(R.C. 1561.23)

The act authorizes the Chief of the Division of Mineral Resources Management to issue a certificate to work as a mine foreperson, foreperson, or mine electrician to an out-of-state applicant if:

1. The applicant holds a valid certification or other authorization from a state with which DNR has a reciprocal agreement for the certification or authorization; and
2. The applicant passes an examination on Ohio mining law or other topics determined by the Chief.

Under continuing law, a mine foreperson is the person whom the operator or superintendent of a mine places in charge of the mine. A foreperson assists the mine foreperson in the immediate supervision of a mine.

The act also allows any of these out-of-state mining professionals (working under a reciprocal agreement) to continue to work under a temporary certificate that was issued prior to September 30, 2021. The person may continue to operate under the temporary certificate until it expires or the Chief suspends or revokes it.

For purposes of an out-of-state mine foreperson, foreperson, and mine electrician who holds a valid certificate or other authorization for the position and the person's state does not have a reciprocal agreement with Ohio, continuing law allows that person to work under a temporary certificate in an emergency.

## **III. Division of Oil and Gas Resources Management**

### **Oil and gas well plugging**

(R.C. 1509.13)

The act authorizes the holder of a valid well-drilling permit to obtain approval from the Division of Oil and Gas Resources Management to plug that well without obtaining a permit to plug and abandon it, if an oil and gas inspector approves it and one of the following applies:

1. The well was drilled to total depth and the well cannot or will not be completed; or
2. The well is a lost hole or a dry hole.

The act requires the permit holder plugging a well that was drilled to a total depth and that cannot or will not be completed to do so within 30 days of the inspector's approval. A permit holder plugging a lost hole or dry hole must do so immediately after determining that the well is a lost hole or dry hole in accordance with rules. The act also clarifies that the Chief of the Division need not obtain a permit to plug and abandon in order to plug and abandon a well.

Under prior law, a well owner with a valid permit to drill a well could plug the well without a permit to plug and abandon if an inspector approved the plugging so that it could be completed without undue delay. Prior law did not impose the conditions or the timeframe for plugging specified by the act.

The act specifies that the \$250 application fee for a permit to plug and abandon is nonrefundable and applies even if oil or gas has not been produced from the well. Under prior law, an applicant generally was only required to pay this application fee if the well produced oil or gas.

Finally, the act requires any person undertaking plugging a well under a permit to obtain \$1 million in bodily injury and property damage insurance coverage (\$3 million if the well is located in an urbanized area), including for damages caused by the plugging of the well. The person must submit proof of insurance electronically to the Chief on the Chief's request. The act specifies that a well owner already required to obtain an insurance policy for purposes of a well drilling permit does not need to obtain insurance under this requirement.

## **Defective well casing and plugging requirements**

(R.C. 1509.12)

The act prohibits any person from constructing a well that causes damage to other permeable strata, underground sources of drinking water, or the surface of the land or that threatens the public health and safety or the environment. It also prohibits any person from *operating* a well in a way that causes those damages or threatens the public health and safety or the environment. Prior law prohibited only the well owner from constructing a well in this manner; and it did not prohibit the operation of the well in a manner that causes those damages or threatens public health and safety or the environment.

The act prohibits the well owner from allowing any leak of fluid or gases from a well. It eliminates a requirement in prior law that the leak had to be due to defective casing and:

1. Cause the damages specified above; or
2. Threaten the public health and safety or the environment.

Under the act, either the person that owns a well or the person responsible for that well must notify the Chief of well or casing defects within 24 hours of discovering the defect. Further, either the person who constructed the well or the owner of the well must correct the defects or plug the well. Prior law required the notification and corrective action to be completed solely by the well owner.

When the Chief finds that a well should be plugged, the act requires the Chief to order either the person that owns the well or the person responsible for it to plug it. The act prohibits

any person from failing to comply with that order. Under prior law, the Chief could only issue the order to the owner.

## **IV. Oil and Gas Leasing Commission**

(R.C. 131.50, 155.29, 155.30, 155.31, 155.32, 155.33, 155.34, 155.35, 155.36, 155.37, 1505.09, 1509.28, and 1531.33; repealed R.C. 1503.012, 1509.76, and 1546.24; Section 715.10)

The act renames the Oil and Gas Leasing Commission as the Oil and Gas Land Management Commission. The Commission is generally responsible for overseeing procedures for the nomination and lease of state agency-owned land for oil and gas development purposes. In addition to changing the name of the Commission, the act alters its composition and the requirements governing nominations and leases.

Though initial appointments to the Commission were required to occur in 2011, they were not made until 2018. Prior to the act, the Commission had not adopted rules specifying nomination and leasing procedures and no state agency-owned land had been leased for oil and gas development purposes under the authority of the Commission.

### **Statement of purpose**

The act specifies that it is the state's policy to promote exploration for, development of, and production of oil and natural gas resources owned or controlled by the state. Prior law stated that the state's policy was to provide access and support for those activities.

### **Membership and staff**

The act revises the membership of the Commission by doing all of the following:

- Replacing the Chief of the Division of Geological Survey with the DNR Director or the Director's designee as the chairperson of the Commission;
- Eliminating a requirement that the two members currently required to be recommended by a statewide organization representing the oil and gas industry be selected from a list of at least four people; and
- Specifying that the two members recommended by the oil and gas industry must have knowledge or experience in the oil and gas industry.

The act also requires the Commission to hire at least one person to provide clerical and other services. Under prior law, DNR was required to furnish clerical, legal, and technical services.

### **Funding**

The act modifies how money from oil and gas leases is distributed to state agencies. Under prior law, signing fees, rentals, and royalty payments received from a lease of state agency-owned land were required to be distributed as follows:

- State Land Royalty Fund: most money from state-agency oil and gas leases was required to be deposited in this fund. A state agency was entitled to receive from the fund the amount that the state agency contributed and a proportionate share of the investment

earnings of the fund. The agency was required to use the amount received to acquire land and pay capital costs, including equipment and renovations and repairs of facilities;

- Forestry Minerals Royalty Fund: if the lease pertained to land owned or controlled by the Division of Forestry, the funds were required to be deposited in this fund and used to acquire land for and pay capital costs of the Division;
- Parks Mineral Royalty Fund: if the lease pertained to land owned or controlled by the Division of Parks and Watercraft, the funds were required to be deposited in this fund and used to acquire land for and pay capital costs of the Division; and
- Wildlife Habitat Fund: if the lease pertained to land owned or controlled by the Division of Wildlife, the funds were required to be deposited in this fund and used by the Division to acquire and develop lands for the preservation, propagation, and protection of wild animals.

Money from nomination and bid fees were required to be deposited into an administrative fund called the Oil and Gas Leasing Commission Fund. The Commission and DNR were required to use the fund to pay for administrative expenses.

Instead, the act does all of the following:

- Authorizes state agencies to use money from the State Land Royalty Fund for **any** costs or expenses of the agency (rather than only for capital costs and land) as the agency determines necessary. When the state agency is DNR, each division within the Department is entitled to receive its proportionate share that is attributable to state land owned and controlled by that division;
- Retains a requirement that if oil and gas development occurs under a state park, 30% of the proceeds of an oil and gas lease are required to be deposited into the fund that supports that state park;
- Eliminates the Forestry Minerals Royalty Fund and the Parks Mineral Royalty Fund. (The act requires money received for leases of formations under the control of the Division of Forestry and the Division of Parks and Watercraft to be deposited in the State Land Royalty Fund, distributed to the respective divisions as indicated above, and used for any costs and expenses of those divisions);
- Eliminates deposits in the Wildlife Habitat Fund if the lease pertains to land owned or controlled by the Division of Wildlife. (The act requires money received for leases of formations under the control of the Division of Wildlife to be deposited in the State Land Royalty Fund, distributed to the Division as indicated above, and used for any costs and expenses of the Division); and
- Renames the Oil and Gas Leasing Commission Fund the Oil and Gas Land Management Commission Fund and eliminates DNR as a recipient of money from the fund for administrative purposes.

## Leasing procedures

Under continuing law, until the Commission adopts rules governing leasing procedures, a state agency may lease a formation within a parcel of land for oil and gas development. Under prior law, the state agency was required to establish bid fees, signing fees, rentals, and at least a  $\frac{1}{8}$  landowner royalty. The act, instead, provides that the lease must (1) be on terms that are just and reasonable, as determined by the custom and practice of the oil and gas industry, and (2) include at least the terms required in the standard lease agreement that the Commission must establish as described below. The act also eliminates a requirement that the agency consult with the Commission regarding the lease.

Under the act, a formation is any of the following:

- The distance from the surface of the land to the top of the Onondaga limestone;
- The distance from the top of the Onondaga limestone to the bottom of the Queenston formation; or
- The distance from the bottom of the Queenston formation to the basement rock.

Under prior law, a formation also included the distance from the bottom of the Queenston formation to the top of the Trenton limestone, the distance from the top of the Trenton limestone to the top of the Knox formation, and the distance from the top of the Knox formation to the basement rock. The act eliminates these references.

## Standard lease agreement

Under prior law, the Commission was required to adopt rules establishing the standard lease agreement and any other necessary leasing requirements and procedures. The rules were required to be adopted by June 26, 2012, but were never adopted. The act instead requires the rules to be adopted by January 28, 2022 (120 days after September 30, 2021). It also adds new elements to the required standard lease form as follows:

- A prohibition against the use of the surface of the parcel of land for oil and gas development unless the state agency, in its sole discretion, chooses to negotiate and execute a standard surface use agreement;
- A  $\frac{1}{8}$  **gross landowner royalty** (prior law specified at least a  $\frac{1}{8}$  landowner royalty);
- A primary term of three years; and
- An option for the lessee to extend the primary term of the lease for an additional three years by tendering to the state agency the same bonus paid when first entering the lease.

A gross landowner royalty is a royalty based on proceeds received from the production of oil or gas without deduction for post-production costs, but less a proportionate share of any and all taxes and government fees levied on or as a result of the production. Post-production costs are all costs and expenses incurred between the wellhead and point of sale, including, without limitation, the costs of any treating, separating, dehydrating, processing, storing, gathering, transporting, compressing, and marketing.

## Standard surface use agreement

The act requires the Commission to establish, by January 28, 2022 (120 days after September 30, 2021), the standard surface use agreement form a state agency must use to authorize the use of the surface of a parcel of land it leases.

## Administrative procedures

The act exempts the Commission from continuing law that requires a state agency to review existing rules and identify regulatory restrictions. Until June 30, 2023, that law prohibits a state agency from adopting a new regulatory restriction unless it simultaneously removes two or more other existing regulatory restrictions.

## Nomination

The act revises requirements and procedures for the submission of a nomination of a formation within a parcel of state agency-owned land. It includes the requirements and procedures in statutory law and eliminates the Commission's authority to adopt rules establishing the procedures and requirements. Specifically, the act does all of the following regarding nominations:

- Authorizes any person or state agency (rather than only an owner with the right to drill for oil and gas) to nominate state agency-owned formations to the Commission for lease;
- Eliminates certain classification requirements and procedures (classes 1 through 4) regarding the nomination and lease of state agency-owned land (under prior law, property was classified according to its amenability to oil and gas development);
- Requires the Commission to notify a state agency of a nomination and allows the state agency to submit comments regarding the nomination (in addition to objections, as in continuing law); and
- Requires a state agency to submit to the Commission any special terms or conditions (after nomination, but before nomination approval) it believes should apply to a lease of a formation under its land because of specific conditions that apply to land (prior law required these special terms and conditions to be submitted after a nomination was approved by the Commission).

When a person nominates a formation within a parcel of land to the Commission, the act requires the person to include in that nomination specified information, including all of the following:

- The name of the person making the nomination and the person's address, telephone number, and email address;
- An identification of the formation and parcel of land proposed to be leased that specifies all of the following:
  - The percentage of the interest owned or controlled by the state agency, and whether that interest is divided, undivided, or partial;

- The source deed by book and page numbers, including the description and acreage of the parcel and an identification of the county, section, township, and range in which the parcel is located; and
- A plat map depicting the area in which the parcel is located.
- If the person making the nomination is not a state agency, a nomination fee of \$150 (prior law instead required the nomination fee to be established in rules);
- The proposed lease bonus that applies to the nomination; and
- If the person making the nomination is not a state agency, proof that the person has met insurance and financial assurance requirements and obtained an identification number from the Division of Oil and Gas Resources Management.

The act specifies that only the information identifying the parcel of land may be disclosed to the public until the Commission selects a bid for the nomination. Until bid selection, all other information is confidential, may not be disclosed by the Commission, and is not a public record. When a nomination is submitted to the Commission by a person that is not a state agency, the nomination is the opening bid, but that bid may be supplemented or amended during the bidding process established by the act.

### **Notice of nomination decision**

Under continuing law, the Commission must approve or disapprove a nomination within two calendar quarters from the receipt of the nomination. The act requires the Commission to post notice of its nomination decision on the Commission's website and send notice by email and certified mail to the person that submitted the nomination and the state agency that owns the relevant formation. Under prior law, the Commission was required to use certified mail for notice only with regard to the person that submitted the nomination. Notice to the state agency was required, but only if the nomination was approved. Further, prior law did not specify the manner in which the Commission had to notify the state agency and did not require notice to be posted on the Commission's website.

### **Advertisement of bids**

The act requires the Commission to publish advertisements each calendar quarter for bids for oil and gas leases on the Commission's website, rather than requiring DNR to do so as in prior law. The act specifies that the advertisement must include an identification of each formation and parcel of land to be leased, the deadline for bid submission, and a statement that each bid must contain all of the elements required by the act's provisions governing bidding procedures (see below). The act also eliminates a requirement that the advertisement include a copy of the standard lease form. It retains a requirement that the advertisement include any special terms and conditions that apply to the lease and any other information that the Commission considers pertinent.

### **Bidding procedures and requirements**

Under the act, bidding procedures and requirements are established in statute, rather than in Commission rules as in prior law. A person interested in leasing a state agency-owned

formation may submit a bid to the Commission on a parcel-by-parcel basis that contains all of the following:

- A bid fee of \$25;
- The name of the person making the bid and the person's address, telephone number, and email address;
- An identification of the formation and parcel of land, including all of the identifying information that was included in the nomination;
- The proposed lease bonus that applies to the bid;
- Proof that the person has met insurance and financial assurance requirements and obtained an identification number from the Division of Oil and Gas Resources Management; and
- Any other information the person believes is relevant to the bid.

The act specifies that information contained in a bid is confidential, must not be disclosed by the Commission, and is not a public record until a bid is selected by the Commission.

## V. Division of Water Resources

### Dams and levees enforcement

(R.C. 1521.06, 1521.061, 1521.40, and 1521.99)

The Division of Water Resources regulates dams and levees, water well construction logs, and water diversions and withdrawals from state waters. The act alters the law governing these topics by doing both of the following:

1. Revising the application and financial responsibility requirements for dam or levee construction permits; and
2. Revising the Division Chief's enforcement authority, including authorizing the Chief to assess civil penalties for specified violations.

The table below discusses each of these changes in more detail by comparing the changes made by the act to prior law requirements.

Prior law	H.B. 110
<b>Financial responsibility – initial</b>	
Required an applicant for a dam or levee construction permit to file a surety bond equal to 50% of the estimated construction project costs.	Instead, generally requires an applicant to submit a surety bond equal to: <ol style="list-style-type: none"> <li>1. \$50,000 for the first \$500,000 of the estimated cost of the project; plus</li> <li>2. 25% of the estimated cost for the next</li> </ol>



Prior law	H.B. 110
No provision.	<p>\$4.5 million; plus</p> <p>3. 10% of the estimated cost that exceeds \$5 million.</p> <p>Authorizes the Chief to reduce the above amount to the cost estimate for construction activities that would be necessary to render the dam nonhazardous if the estimate is provided by the applicant and approved by the Chief.</p>
<b>Civil penalties</b>	
No provision.	<p>Authorizes the Chief to assess (and the Attorney General to recover) a civil penalty of up to \$5,000 per day for each day of violation of the laws governing dams and levees and water diversions and withdrawals, any rule adopted or issued under those laws, or any term or condition of a permit issued under those laws.</p>
<b>Civil penalties – disbursement</b>	
No provision.	<p>Requires civil penalties recovered by the Attorney General to be disbursed to the following funds:</p> <ol style="list-style-type: none"> <li>1. For violations of the law governing dams and levees, the Dam Safety Fund. (The Chief uses the fund to administer that law.)</li> <li>2. For violations of the law governing water diversions and withdrawals, the Water Management Fund. (The Chief uses the fund to make loans and grants to governmental agencies for water management, water supply improvements, and planning.)</li> </ol>
<b>Recovery of costs incurred by the Division – disbursement</b>	
<p>Required money recovered by the Attorney General for costs incurred by the Division in investigating, mitigating, or removing a violation of the laws governing dams and levees, water well construction logs, and water diversions and withdrawals to be credited to the Water Management Fund.</p>	<p>Instead, requires money recovered by the Attorney General for costs to be disbursed to the following funds:</p> <ol style="list-style-type: none"> <li>1. For a violation of the law governing dams and levees, the Dam Safety Fund; and</li> <li>2. For a violation of the law governing water</li> </ol>

Prior law	H.B. 110
	diversions and withdrawals, the Water Management Fund.
<b>Criminal fine – disbursement</b>	
Required all criminal fines collected from violators of the laws governing dams and levees, water well construction logs, and water diversions and withdrawals to be credited to the Dam Safety Fund.	Instead, requires criminal fines collected under those laws to be credited as follows: <ol style="list-style-type: none"> <li>1. For fines collected for violations of the law governing dams and levees, the Dam Safety Fund; and</li> <li>2. For fines collected for violations of the laws governing water well construction logs and water diversions and withdrawals, the Water Management Fund.</li> </ol>

## VI. Division of Parks and Watercraft

### Fraudulent watercraft identification

(R.C. 1547.533; 1547.99, not in the act)

The act prohibits a person from operating a watercraft in Ohio if it displays an identification number or registration decal that:

1. Is fictitious;
2. Is counterfeit or an unlawfully made copy; or
3. Belongs to another watercraft.

A person who violates this prohibition is guilty of a minor misdemeanor.

### Boat accident reporting threshold

(R.C. 1547.59)

The act increases the damage threshold that triggers a required watercraft accident report from \$500 to \$1,000. Under continuing law, a watercraft operator must submit the report to the Chief of the Division of Parks and Watercraft after an accident, collision, or other casualty involving a vessel that results in one of the following:

1. Loss of life;
2. Personal injury requiring medical treatment beyond first aid;
3. Damage to property (in excess of \$500 prior to the act and in excess of \$1,000 under the act); or
4. Total loss of a vessel.

## **VII. Division of Forestry**

### **Forestry projects on federal land**

(R.C. 1503.05 and 1503.271)

The act allows the Chief of the Division of Forestry to enter into agreements with the federal government for forest management projects, including timber sales, pursuant to specified federal laws. One such federal law authorizes the U.S. Secretary of Agriculture to enter into “good neighbor agreements.” A good neighbor agreement is a cooperative agreement or contract entered into between the Secretary and a state to carry out forest, rangeland, and watershed restoration on federal lands.

The Chief may sell timber and other forest products from federal lands in accordance with the terms of an agreement. The Chief must deposit money received from timber sales from federal lands into the existing State Forest Fund to be used for forest management projects associated with those lands.

### **Wildfire reimbursement to firefighting agencies**

(R.C. 1503.141)

The act allows the DNR Director to reimburse firefighting agencies and private fire companies for costs associated with wildfire suppression, prescribed fire assistance, or emergency response support to federal agencies. The Director must provide the reimbursements from the \$200,000 amount that is allocated from the State Forest Fund to reimburse firefighting agencies for wildfire suppression under continuing law. However, the Director may provide the reimbursement only if those costs are eligible in accordance with an agreement between the Division and the federal government.

### **State employees aid in out-of-state wildfires**

(R.C. 1503.33)

The act specifies that all DNR and Department of Commerce employees whom the Chief of the Division of Forestry sends to another state to assist with forest fires are eligible for regular employment benefits (i.e., compensation, pension, indemnity fund rights, and workers’ compensation). Additionally, they are immune from civil liability when performing duties within the scope of employment.

Under prior law, only Division employees were eligible for those benefits and immunity.

## **VIII. Division of Geological Survey**

### **Ohio Geology license plate**

(R.C. 4503.515, repealed and R.C. 1505.09)

The act eliminates the Ohio Geology license plate. Correspondingly, it eliminates the \$15 contribution for each license plate, which was deposited in the Geological Mapping Fund and had to be used for the following purposes:

1. Allowing the DNR Director to award grants at least annually to geology departments at state colleges and universities for graduate level research conducted at locations of geological interest in the state; and

2. Providing materials such as rock and mineral kits to state elementary and secondary schools to assist students in the study of geology.

The act allows the Chief of the Division of Geological Survey to expend *any* money deposited in the Geological Mapping Fund (not just money from license plate proceeds as in prior law) for the above two purposes. Additionally, it adds to those purposes by allowing the Chief to use fund money for grants to collegiate geology departments for undergraduate geological research.

Under continuing law, mineral severance tax money and any fees collected by the Division for geological record archives and other geological purposes are deposited in the fund. In addition to the purposes specified above, the fund may be used to perform certain tasks related to geology, geological hazards, and energy and mineral resources, and for funding the Oil and Gas Land Management Commission (as renamed under the act).

## **IX. Other provisions**

### **Malabar Farm State Park**

(R.C. 1546.31; Section 715.30)

The act designates 120 contiguous acres of Malabar Farm State Park's most mature hardwood forest located between Bromfield Road and State Route 95 as the "Doris Duke Woods." It honors Doris Duke's pioneering contributions to conservation at Malabar Farm State Park and across the nation. DNR may not remove or allow any person or governmental entity to remove timber from the Woods, except for normal maintenance. Malabar Farm State Park is located in Richland County.

The act also requires the DNR Director to meet with the Malabar Farm Foundation<sup>113</sup> by October 30, 2021. At that meeting, DNR and the Foundation must discuss entering into agreements to mutually support and advance the shared objectives of protecting, conserving, and educating the public concerning Malabar Farm State Park and the legacy of Louis Bromfield.

After the first meeting, DNR and the Foundation must meet every other month until June 30, 2022. At that point, DNR and the Foundation jointly must provide a report detailing the meetings and any resulting agreements to each member of the General Assembly who represents all or part of Richland County.

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<sup>113</sup> <https://malabarfarm.org/>.

## Local payments for DNR land

(R.C. 1501.29, 1531.17, and 1546.21)

The act requires the DNR Director to annually reimburse school districts and other taxing authorities for a portion of property taxes forgone due to the state's acquisition of tax exempt land in excess of 5,000 acres in or after 2018. The annual reimbursement payments equal 2.5% of the land's unimproved taxable value for the tax year in which DNR acquired the land, and must be paid from the state park fund, the wildlife fund, or both, at the option of the Director. The act allocates 60% of the payments to affected school districts and divides the remaining 40% among the other taxing authorities in proportion to the unimproved value of such land included in each. Taxing authorities may use the revenue for any lawful purpose. Payments must be made before the end of June of each year, beginning in 2022.

Under continuing law, a school district with territory that includes state lands administered by DNR's Division of Wildlife annually receives payments from the Division equal 1% of the land's unimproved taxable value.<sup>114</sup> The act makes school districts that receive the 2.5% reimbursement payments ineligible to receive this 1% reimbursement on the basis of the same land.

## Geneva Lodge and Conference Center

(Sections 343.30 and 715.20)

The act requires the DNR Director to enter into an agreement, or modify any existing agreement or memorandum of understanding, with Ashtabula County to assume ownership and operation of the Geneva Lodge and Conference Center from the county by December 31, 2021. The agreement must require DNR to do both of the following:

1. Purchase the Lodge for an amount not exceeding the outstanding mortgage at the time of purchase; and
2. Assume maintenance, operating, and any other costs associated with the Lodge.

The act also appropriates \$13,950,000 over the biennium ending June 30, 2023, to the State Park Fund to purchase and pay operating costs for the Lodge.

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<sup>114</sup> R.C. 1531.27, not in the act.