

**As Introduced**

**134th General Assembly  
Regular Session  
2021-2022**

**H. B. No. 271**

**Representative Edwards**

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**A BILL**

To amend section 1509.02 and to enact sections 1  
164.30 and 164.31 of the Revised Code to 2  
establish a natural gas infrastructure 3  
development program and fund to help meet Ohio's 4  
natural gas supply needs. 5

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

**Section 1.** That section 1509.02 be amended and sections 6  
164.30 and 164.31 of the Revised Code be enacted to read as 7  
follows: 8

**Sec. 164.30.** (A) As used in this section, "natural gas  
company" has the same meaning as in section 4929.01 of the  
Revised Code. 9 10 11

(B) The director of the Ohio public works commission shall  
establish a natural gas infrastructure development program for  
the purpose of facilitating investment in planning, developing,  
designing, acquiring, constructing, operating, and maintaining  
physical facilities useful in meeting the natural gas supply  
needs, both as of the effective date of this section and  
reasonably expected for the future, of areas of this state in  
which there is, as of the effective date of this section, 12 13 14 15 16 17 18 19

insufficient natural gas supply access to meet those needs. 20  
Under the program, the director may make grants and loans to 21  
businesses, nonprofit organizations, and units of local 22  
government in coordination with the public utilities commission. 23

(C) The director of the Ohio public works commission shall 24  
adopt rules in accordance with Chapter 119. of the Revised Code 25  
that are necessary for the administration of the natural gas 26  
infrastructure development program. In no event shall the 27  
director or the rules authorize any grants or loans in an amount 28  
or amounts that are not fully funded from the natural gas 29  
infrastructure development fund, created under section 164.31 of 30  
the Revised Code. The rules shall establish at least all of the 31  
following: 32

(1) An application form and procedures governing the 33  
application process for receiving grants and loans under the 34  
program; 35

(2) Criteria for prioritizing the award of grants and 36  
loans under the program. The criteria shall include all of the 37  
following: 38

(a) The projected number of customers that will be 39  
provided access or increased access to natural gas service by 40  
the proposed project; 41

(b) The projected natural gas demand or growth in demand 42  
to be generated by the proposed investment; 43

(c) Any economic impacts of the proposed investment, 44  
including customer fuel cost savings; 45

(d) Any impacts the proposed investment may have on the 46  
reliability of natural gas service in this state; 47

(e) Any other issue related to the development of natural gas infrastructure to enhance economic development and retention that the director deems relevant. 48  
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(D) This section does not do any of the following: 51

(1) Prohibit a natural gas company from filing an application to change, modify, or alter rates and charges, or to enter into a reasonable arrangement or schedule under section 4905.31 of the Revised Code. 52  
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(2) Inhibit the authority of the public utilities commission to approve rate adjustment mechanisms for natural gas infrastructure expansion or replacement programs. 56  
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(3) Prohibit the public utilities commission from approving an infrastructure investment plan and an infrastructure expansion recovery mechanism as part of a general rate application. 59  
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**Sec. 164.31.** There is hereby created the natural gas infrastructure development fund. The fund shall be in the custody of the treasurer of state but shall not be part of the state treasury. The fund shall consist of money transferred to the fund under section 1509.02 of the Revised Code and money that is appropriated to it by the general assembly. Money in the fund shall be used to make grants and loans under the natural gas infrastructure development program and by the director in the administration of that program. The interest generated by the fund shall be retained by the fund. 63  
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**Sec. 1509.02.** There is hereby created in the department of natural resources the division of oil and gas resources management, which shall be administered by the chief of the division of oil and gas resources management. The division has 73  
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sole and exclusive authority to regulate the permitting, 77  
location, and spacing of oil and gas wells and production 78  
operations within the state, excepting only those activities 79  
regulated under federal laws for which oversight has been 80  
delegated to the environmental protection agency and activities 81  
regulated under sections 6111.02 to 6111.028 of the Revised 82  
Code. The regulation of oil and gas activities is a matter of 83  
general statewide interest that requires uniform statewide 84  
regulation, and this chapter and rules adopted under it 85  
constitute a comprehensive plan with respect to all aspects of 86  
the locating, drilling, well stimulation, completing, and 87  
operating of oil and gas wells within this state, including site 88  
construction and restoration, permitting related to those 89  
activities, and the disposal of wastes from those wells. In 90  
order to assist the division in the furtherance of its sole and 91  
exclusive authority as established in this section, the chief 92  
may enter into cooperative agreements with other state agencies 93  
for advice and consultation, including visitations at the 94  
surface location of a well on behalf of the division. Such 95  
cooperative agreements do not confer on other state agencies any 96  
authority to administer or enforce this chapter and rules 97  
adopted under it. In addition, such cooperative agreements shall 98  
not be construed to dilute or diminish the division's sole and 99  
exclusive authority as established in this section. Nothing in 100  
this section affects the authority granted to the director of 101  
transportation and local authorities in section 723.01 or 102  
4513.34 of the Revised Code, provided that the authority granted 103  
under those sections shall not be exercised in a manner that 104  
discriminates against, unfairly impedes, or obstructs oil and 105  
gas activities and operations regulated under this chapter. 106

The chief shall not hold any other public office, nor 107

shall the chief be engaged in any occupation or business that 108  
might interfere with or be inconsistent with the duties as 109  
chief. 110

Money collected by the chief pursuant to sections 1509.06, 111  
1509.061, 1509.062, 1509.071, 1509.13, 1509.22, 1509.222, 112  
1509.28, 1509.34, 1509.50, and 5749.02 of the Revised Code, all 113  
civil penalties paid under section 1509.33 of the Revised Code, 114  
and, notwithstanding any section of the Revised Code relating to 115  
the distribution or crediting of fines for violations of the 116  
Revised Code, all fines imposed under divisions (A) and (B) of 117  
section 1509.99 of the Revised Code and fines imposed under 118  
divisions (C) and (D) of section 1509.99 of the Revised Code for 119  
all violations prosecuted by the attorney general and for 120  
violations prosecuted by prosecuting attorneys that do not 121  
involve the transportation of brine by vehicle shall be 122  
deposited into the state treasury to the credit of the oil and 123  
gas well fund, which is hereby created. Fines imposed under 124  
divisions (C) and (D) of section 1509.99 of the Revised Code for 125  
violations prosecuted by prosecuting attorneys that involve the 126  
transportation of brine by vehicle and penalties associated with 127  
a compliance agreement entered into pursuant to this chapter 128  
shall be paid to the county treasury of the county where the 129  
violation occurred. 130

The fund shall be used solely and exclusively for the 131  
purposes enumerated in division (B) of section 1509.071 of the 132  
Revised Code, for the expenses of the division associated with 133  
the administration of this chapter and Chapter 1571. of the 134  
Revised Code and rules adopted under them, and for expenses that 135  
are critical and necessary for the protection of human health 136  
and safety and the environment related to oil and gas production 137  
in this state. ~~The~~ Any excess money remaining in the fund at the 138

end of a fiscal year that was not used for the foregoing 139  
purposes shall be transferred to the credit of the natural gas 140  
infrastructure development fund, created under section 164.31 of 141  
the Revised Code. Any expenses of the division in excess of the 142  
moneys available in the oil and gas well fund shall be paid from 143  
general revenue fund appropriations to the department. 144

**Section 2.** That existing section 1509.02 of the Revised 145  
Code is hereby repealed. 146