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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 430
134th General Assembly

Final Fiscal Note & Local Impact Statement

[Click here for H.B. 430's Bill Analysis](#)

Primary Sponsor: Rep. Cross

Local Impact Statement Procedure Required: No

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Highlights

Department of Natural Resources

- The bill makes changes to the law governing idle and orphaned wells that will have uncertain fiscal effects.
- The bill allows the Abandoned Mine Reclamation Fund (Fund 3B50) to receive federal funding made available under the federal Infrastructure Investment and Jobs Act. Under the Act, Ohio could receive up to \$46.4 million per year for the next 15 years for reclamation efforts at abandoned mines.

Department of Commerce

- The Department of Commerce's Board of Building Standards may incur a minimal administrative cost to adopt rules providing for the use of a device in a nonresidential building that prevents both ingress and egress through a door in the building for a finite period of time, in an emergency situation, and during active shooter drills. Any cost would be paid from the Industrial Compliance Operating Fund (Fund 5560).

Detailed Analysis

Department of Natural Resources – oil and gas well plugging

The bill revises the law governing idle and orphaned wells, which has an uncertain fiscal effect on costs paid from the Oil and Gas Well Fund (Fund 5180). Current law requires the Chief of the Department of Natural Resources' (DNR) Division of Oil and Gas Resources Management to spend not less than 30% of the revenue credited to the Oil and Gas Well Fund (Fund 5180) during the previous fiscal year to (1) plug idle and orphaned wells or to restore the land surface as required under continuing law, or (2) to correct conditions that the Chief reasonably has determined are causing imminent health or safety risks at idle and orphaned wells for which the

owner cannot be contacted. Under current law idle and orphaned wells are defined as wells for which a bond has been forfeited or an abandoned well for which no money is available to plug the well.

The bill renames these wells “orphaned wells” and specifies that an orphaned well is a well that was not properly plugged or one where the land surface was not restored in accordance with the Oil and Gas Law. This applies in two circumstances: (1) the well owner is unknown, deceased, or cannot be located and the well is abandoned, or (2) the owner has abandoned the well and there is no money available to plug the well in accordance with the Oil and Gas Law. The bill retains the requirement to spend not less than 30% of the previous year’s revenue on plugging wells, but specifies that this spending is for orphaned wells. As such, it is unclear what funding would be used to plug wells for which a bond has been forfeited. H.B. 110, the main operating budget for the FY 2022-FY 2023 biennium appropriated money for plugging wells under Fund 5180 line item 725677, Oil and Gas Well Plugging. Specifically, the bill appropriated \$22.5 million in FY 2022 and \$22.8 million in FY 2023. It is plausible that forfeited bonds do not provide enough money to cover the costs of plugging wells and that the Division would therefore consider these types of wells “orphaned” because there is no money available to plug them. Under these circumstances funding under line item 725677 could still be used to plug the wells. If the Division does not consider bond forfeited wells to be “orphaned” it is likely that the Division would pay costs of plugging bond forfeited wells under Fund 5180 line item 725643, Oil and Gas Regulation and Safety, which the Division uses to pay its operating costs. H.B. 110 appropriated \$28.4 million and \$29.5 million under line item 725643, Oil and Gas Regulation and Safety, for FY 2022 and FY 2023, respectively.

Abandoned mine reclamation

The bill allows money from the federal Infrastructure Investment and Jobs Act to be deposited in the Abandoned Mine Reclamation Fund (Fund 3B50). Under the bill, DNR’s Division of Mineral Resources Management will be able to use the money for reclaiming land affected by mining or to control mine drainage in accordance with the requirements of the Act. Under the Act, Ohio is eligible to receive up to \$46.4 million annually for the next 15 years.

Department of Commerce

The bill requires the Department of Commerce’s Board of Building Standards (BBS) to adopt rules providing for the use of a device in a nonresidential building that prevents both ingress and egress through a door in the building for a finite period of time, in an emergency situation, and during active shooter drills. As a result, BBS may incur some small administrative cost to adopt rules providing for the use of these devices. Any cost would be paid from the Industrial Compliance Operating Fund (Fund 5560).

Other provisions with no apparent fiscal effect

The bill also contains various other provisions that do not appear to have a fiscal effect on the state or political subdivisions. The first of these is a provision establishing requirements for pipeline operators of certain interstate hazardous liquid pipelines or interstate gas pipelines that are within a certain distance of public improvements and developments that require excavation. The second of these provisions is one exempting mobile computing units from laws governing the construction and condition of buildings and related rules adopted by BBS. The third such provision is one that prohibits the Public Utilities Commission of Ohio, in the context of a

withdrawal or abandonment of telecommunications service or a withdrawal or abandonment of basic local exchange service proceeding, from imposing on any provider of telecommunications service, wireless service, or internet protocol-enabled services any regulatory requirement or restriction that is not generally applicable to the service or provider in other contexts. Another provision prohibits political subdivisions from adopting rent control and rent stabilization regulations. It does not appear that any political subdivision in the state regulates rent control and rent stabilization policies currently. Finally, the bill designates the month of April as “Ohio Work Zone Safety Awareness Month.”