

**As Introduced**

**129th General Assembly  
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2011-2012**

**H. B. No. 133**

**Representative Adams, J.**

**Cosponsors: Representatives Beck, Blessing, Boose, Brenner, Buchy,  
Burke, Combs, Gonzales, Goodwin, Grossman, Hackett, Hall, Hayes,  
Huffman, Landis, Maag, Martin, McKenney, Rosenberger, Ruhl, Sears,  
Stebelton, Thompson, Uecker, Wachtmann, Young**

—

**A B I L L**

To amend sections 123.01, 1505.07, 1531.06, and 1  
3345.181, to enact sections 131.50, 1509.70, 2  
1509.71, 1509.72, 1509.73, and 1509.74, and to 3  
repeal sections 5119.40, 5120.12, and 5123.23 of 4  
the Revised Code to create the Oil and Gas Leasing 5  
Board and to establish a procedure by which the 6  
Board may enter into leases for oil and gas 7  
production on land owned or under the control of a 8  
state agency for the purpose of providing funding 9  
for capital and operating costs for the agency. 10

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

**Section 1.** That sections 123.01, 1505.07, 1531.06, and 11  
3345.181 be amended and sections 131.50, 1509.70, 1509.71, 12  
1509.72, 1509.73, and 1509.74 of the Revised Code be enacted to 13  
read as follows: 14

**Sec. 123.01.** (A) The department of administrative services, 15  
in addition to those powers enumerated in Chapters 124. and 125. 16

of the Revised Code and provided elsewhere by law, shall exercise 17  
the following powers: 18

(1) To prepare, or contract to be prepared, by licensed 19  
engineers or architects, surveys, general and detailed plans, 20  
specifications, bills of materials, and estimates of cost for any 21  
projects, improvements, or public buildings to be constructed by 22  
state agencies that may be authorized by legislative 23  
appropriations or any other funds made available therefor, 24  
provided that the construction of the projects, improvements, or 25  
public buildings is a statutory duty of the department. This 26  
section does not require the independent employment of an 27  
architect or engineer as provided by section 153.01 of the Revised 28  
Code in the cases to which that section applies nor affect or 29  
alter the existing powers of the director of transportation. 30

(2) To have general supervision over the construction of any 31  
projects, improvements, or public buildings constructed for a 32  
state agency and over the inspection of materials previous to 33  
their incorporation into those projects, improvements, or 34  
buildings; 35

(3) To make contracts for and supervise the construction of 36  
any projects and improvements or the construction and repair of 37  
buildings under the control of a state agency, except contracts 38  
for the repair of buildings under the management and control of 39  
the departments of public safety, job and family services, mental 40  
health, developmental disabilities, rehabilitation and correction, 41  
and youth services, the bureau of workers' compensation, the 42  
rehabilitation services commission, and boards of trustees of 43  
educational and benevolent institutions and except contracts for 44  
the construction of projects that do not require the issuance of a 45  
building permit or the issuance of a certificate of occupancy and 46  
that are necessary to remediate conditions at a hazardous waste 47  
facility, solid waste facility, or other location at which the 48

director of environmental protection has reason to believe there 49  
is a substantial threat to public health or safety or the 50  
environment. These contracts shall be made and entered into by the 51  
directors of public safety, job and family services, mental 52  
health, developmental disabilities, rehabilitation and correction, 53  
and youth services, the administrator of workers' compensation, 54  
the rehabilitation services commission, the boards of trustees of 55  
such institutions, and the director of environmental protection, 56  
respectively. All such contracts may be in whole or in part on 57  
unit price basis of maximum estimated cost, with payment computed 58  
and made upon actual quantities or units. 59

(4) To prepare and suggest comprehensive plans for the 60  
development of grounds and buildings under the control of a state 61  
agency; 62

(5) To acquire, by purchase, gift, devise, lease, or grant, 63  
all real estate required by a state agency, in the exercise of 64  
which power the department may exercise the power of eminent 65  
domain, in the manner provided by sections 163.01 to 163.22 of the 66  
Revised Code; 67

(6) To make and provide all plans, specifications, and models 68  
for the construction and perfection of all systems of sewerage, 69  
drainage, and plumbing for the state in connection with buildings 70  
and grounds under the control of a state agency; 71

(7) To erect, supervise, and maintain all public monuments 72  
and memorials erected by the state, except where the supervision 73  
and maintenance is otherwise provided by law; 74

(8) To procure, by lease, storage accommodations for a state 75  
agency; 76

(9) To lease or grant easements or licenses for unproductive 77  
and unused lands or other property under the control of a state 78  
agency. Such leases, easements, or licenses shall be granted for a 79

period not to exceed fifteen years and shall be executed for the 80  
state by the director of administrative services and the governor 81  
and shall be approved as to form by the attorney general, provided 82  
that leases, easements, or licenses may be granted to any county, 83  
township, municipal corporation, port authority, water or sewer 84  
district, school district, library district, health district, park 85  
district, soil and water conservation district, conservancy 86  
district, or other political subdivision or taxing district, or 87  
any agency of the United States government, for the exclusive use 88  
of that agency, political subdivision, or taxing district, without 89  
any right of sublease or assignment, for a period not to exceed 90  
fifteen years, and provided that the director shall grant leases, 91  
easements, or licenses of university land for periods not to 92  
exceed twenty-five years for purposes approved by the respective 93  
university's board of trustees wherein the uses are compatible 94  
with the uses and needs of the university and may grant leases of 95  
university land for periods not to exceed forty years for purposes 96  
approved by the respective university's board of trustees pursuant 97  
to section 123.77 of the Revised Code. 98

(10) To lease space for the use of a state agency; 99

(11) To have general supervision and care of the storerooms, 100  
offices, and buildings leased for the use of a state agency; 101

(12) To exercise general custodial care of all real property 102  
of the state; 103

(13) To assign and group together state offices in any city 104  
in the state and to establish, in cooperation with the state 105  
agencies involved, rules governing space requirements for office 106  
or storage use; 107

(14) To lease for a period not to exceed forty years, 108  
pursuant to a contract providing for the construction thereof 109  
under a lease-purchase plan, buildings, structures, and other 110

improvements for any public purpose, and, in conjunction 111  
therewith, to grant leases, easements, or licenses for lands under 112  
the control of a state agency for a period not to exceed forty 113  
years. The lease-purchase plan shall provide that at the end of 114  
the lease period, the buildings, structures, and related 115  
improvements, together with the land on which they are situated, 116  
shall become the property of the state without cost. 117

(a) Whenever any building, structure, or other improvement is 118  
to be so leased by a state agency, the department shall retain 119  
either basic plans, specifications, bills of materials, and 120  
estimates of cost with sufficient detail to afford bidders all 121  
needed information or, alternatively, all of the following plans, 122  
details, bills of materials, and specifications: 123

(i) Full and accurate plans suitable for the use of mechanics 124  
and other builders in the improvement; 125

(ii) Details to scale and full sized, so drawn and 126  
represented as to be easily understood; 127

(iii) Accurate bills showing the exact quantity of different 128  
kinds of material necessary to the construction; 129

(iv) Definite and complete specifications of the work to be 130  
performed, together with such directions as will enable a 131  
competent mechanic or other builder to carry them out and afford 132  
bidders all needed information; 133

(v) A full and accurate estimate of each item of expense and 134  
of the aggregate cost thereof. 135

(b) The department shall give public notice, in such 136  
newspaper, in such form, and with such phraseology as the director 137  
of administrative services prescribes, published once each week 138  
for four consecutive weeks, of the time when and place where bids 139  
will be received for entering into an agreement to lease to a 140  
state agency a building, structure, or other improvement. The last 141

publication shall be at least eight days preceding the day for 142  
opening the bids. The bids shall contain the terms upon which the 143  
builder would propose to lease the building, structure, or other 144  
improvement to the state agency. The form of the bid approved by 145  
the department shall be used, and a bid is invalid and shall not 146  
be considered unless that form is used without change, alteration, 147  
or addition. Before submitting bids pursuant to this section, any 148  
builder shall comply with Chapter 153. of the Revised Code. 149

(c) On the day and at the place named for receiving bids for 150  
entering into lease agreements with a state agency, the director 151  
of administrative services shall open the bids and shall publicly 152  
proceed immediately to tabulate the bids upon duplicate sheets. No 153  
lease agreement shall be entered into until the bureau of workers' 154  
compensation has certified that the person to be awarded the lease 155  
agreement has complied with Chapter 4123. of the Revised Code, 156  
until, if the builder submitting the lowest and best bid is a 157  
foreign corporation, the secretary of state has certified that the 158  
corporation is authorized to do business in this state, until, if 159  
the builder submitting the lowest and best bid is a person 160  
nonresident of this state, the person has filed with the secretary 161  
of state a power of attorney designating the secretary of state as 162  
its agent for the purpose of accepting service of summons in any 163  
action brought under Chapter 4123. of the Revised Code, and until 164  
the agreement is submitted to the attorney general and the 165  
attorney general's approval is certified thereon. Within thirty 166  
days after the day on which the bids are received, the department 167  
shall investigate the bids received and shall determine that the 168  
bureau and the secretary of state have made the certifications 169  
required by this section of the builder who has submitted the 170  
lowest and best bid. Within ten days of the completion of the 171  
investigation of the bids, the department shall award the lease 172  
agreement to the builder who has submitted the lowest and best bid 173  
and who has been certified by the bureau and secretary of state as 174

required by this section. If bidding for the lease agreement has 175  
been conducted upon the basis of basic plans, specifications, 176  
bills of materials, and estimates of costs, upon the award to the 177  
builder the department, or the builder with the approval of the 178  
department, shall appoint an architect or engineer licensed in 179  
this state to prepare such further detailed plans, specifications, 180  
and bills of materials as are required to construct the building, 181  
structure, or improvement. The department shall adopt such rules 182  
as are necessary to give effect to this section. The department 183  
may reject any bid. Where there is reason to believe there is 184  
collusion or combination among bidders, the bids of those 185  
concerned therein shall be rejected. 186

(15) To acquire by purchase, gift, devise, or grant and to 187  
transfer, lease, or otherwise dispose of all real property 188  
required to assist in the development of a conversion facility as 189  
defined in section 5709.30 of the Revised Code as that section 190  
existed before its repeal by Amended Substitute House Bill 95 of 191  
the 125th general assembly; 192

(16) To lease for a period not to exceed forty years, 193  
notwithstanding any other division of this section, the 194  
state-owned property located at 408-450 East Town Street, 195  
Columbus, Ohio, formerly the state school for the deaf, to a 196  
developer in accordance with this section. "Developer," as used in 197  
this section, has the same meaning as in section 123.77 of the 198  
Revised Code. 199

Such a lease shall be for the purpose of development of the 200  
land for use by senior citizens by constructing, altering, 201  
renovating, repairing, expanding, and improving the site as it 202  
existed on June 25, 1982. A developer desiring to lease the land 203  
shall prepare for submission to the department a plan for 204  
development. Plans shall include provisions for roads, sewers, 205  
water lines, waste disposal, water supply, and similar matters to 206

meet the requirements of state and local laws. The plans shall 207  
also include provision for protection of the property by insurance 208  
or otherwise, and plans for financing the development, and shall 209  
set forth details of the developer's financial responsibility. 210

The department may employ, as employees or consultants, 211  
persons needed to assist in reviewing the development plans. Those 212  
persons may include attorneys, financial experts, engineers, and 213  
other necessary experts. The department shall review the 214  
development plans and may enter into a lease if it finds all of 215  
the following: 216

(a) The best interests of the state will be promoted by 217  
entering into a lease with the developer; 218

(b) The development plans are satisfactory; 219

(c) The developer has established the developer's financial 220  
responsibility and satisfactory plans for financing the 221  
development. 222

The lease shall contain a provision that construction or 223  
renovation of the buildings, roads, structures, and other 224  
necessary facilities shall begin within one year after the date of 225  
the lease and shall proceed according to a schedule agreed to 226  
between the department and the developer or the lease will be 227  
terminated. The lease shall contain such conditions and 228  
stipulations as the director considers necessary to preserve the 229  
best interest of the state. Moneys received by the state pursuant 230  
to this lease shall be paid into the general revenue fund. The 231  
lease shall provide that at the end of the lease period the 232  
buildings, structures, and related improvements shall become the 233  
property of the state without cost. 234

~~(17) To lease to any person any tract of land owned by the 235  
state and under the control of the department, or any part of such 236  
a tract, for the purpose of drilling for or the pooling of oil or 237~~



~~gas. Such a lease shall be granted for a period not exceeding 238  
forty years, with the full power to contract for, determine the 239  
conditions governing, and specify the amount the state shall 240  
receive for the purposes specified in the lease, and shall be 241  
prepared as in other cases. 242~~

~~(18) To manage the use of space owned and controlled by the 243  
department, including space in property under the jurisdiction of 244  
the Ohio building authority, by doing all of the following: 245~~

~~(a) Biennially implementing, by state agency location, a 246  
census of agency employees assigned space; 247~~

~~(b) Periodically in the discretion of the director of 248  
administrative services: 249~~

~~(i) Requiring each state agency to categorize the use of 250  
space allotted to the agency between office space, common areas, 251  
storage space, and other uses, and to report its findings to the 252  
department; 253~~

~~(ii) Creating and updating a master space utilization plan 254  
for all space allotted to state agencies. The plan shall 255  
incorporate space utilization metrics. 256~~

~~(iii) Conducting a cost-benefit analysis to determine the 257  
effectiveness of state-owned buildings; 258~~

~~(iv) Assessing the alternatives associated with consolidating 259  
the commercial leases for buildings located in Columbus. 260~~

~~(c) Commissioning a comprehensive space utilization and 261  
capacity study in order to determine the feasibility of 262  
consolidating existing commercially leased space used by state 263  
agencies into a new state-owned facility. 264~~

~~(B) This section and section 125.02 of the Revised Code shall 265  
not interfere with any of the following: 266~~

~~(1) The power of the adjutant general to purchase military 267~~

supplies, or with the custody of the adjutant general of property 268  
leased, purchased, or constructed by the state and used for 269  
military purposes, or with the functions of the adjutant general 270  
as director of state armories; 271

(2) The power of the director of transportation in acquiring 272  
rights-of-way for the state highway system, or the leasing of 273  
lands for division or resident district offices, or the leasing of 274  
lands or buildings required in the maintenance operations of the 275  
department of transportation, or the purchase of real property for 276  
garage sites or division or resident district offices, or in 277  
preparing plans and specifications for and constructing such 278  
buildings as the director may require in the administration of the 279  
department; 280

(3) The power of the director of public safety and the 281  
registrar of motor vehicles to purchase or lease real property and 282  
buildings to be used solely as locations to which a deputy 283  
registrar is assigned pursuant to division (B) of section 4507.011 284  
of the Revised Code and from which the deputy registrar is to 285  
conduct the deputy registrar's business, the power of the director 286  
of public safety to purchase or lease real property and buildings 287  
to be used as locations for division or district offices as 288  
required in the maintenance of operations of the department of 289  
public safety, and the power of the superintendent of the state 290  
highway patrol in the purchase or leasing of real property and 291  
buildings needed by the patrol, to negotiate the sale of real 292  
property owned by the patrol, to rent or lease real property owned 293  
or leased by the patrol, and to make or cause to be made repairs 294  
to all property owned or under the control of the patrol; 295

(4) The power of the division of liquor control in the 296  
leasing or purchasing of retail outlets and warehouse facilities 297  
for the use of the division; 298

(5) The power of the director of development to enter into 299

leases of real property, buildings, and office space to be used 300  
solely as locations for the state's foreign offices to carry out 301  
the purposes of section 122.05 of the Revised Code; 302

(6) The power of the director of environmental protection to 303  
enter into environmental covenants, to grant and accept easements, 304  
or to sell property pursuant to division (G) of section 3745.01 of 305  
the Revised Code. 306

(C) Purchases for, and the custody and repair of, buildings 307  
under the management and control of the capitol square review and 308  
advisory board, the rehabilitation services commission, the bureau 309  
of workers' compensation, or the departments of public safety, job 310  
and family services, mental health, developmental disabilities, 311  
and rehabilitation and correction, and buildings of educational 312  
and benevolent institutions under the management and control of 313  
boards of trustees, are not subject to the control and 314  
jurisdiction of the department of administrative services. 315

(D) Any instrument by which real property is acquired 316  
pursuant to this section shall identify the agency of the state 317  
that has the use and benefit of the real property as specified in 318  
section 5301.012 of the Revised Code. 319

Sec. 131.50. (A) There is hereby created in the state 320  
treasury the state land royalty fund consisting of money credited 321  
to it under section 1509.71 of the Revised Code. Any investment 322  
proceeds earned on money in the fund shall be credited to the fund 323  
and used as required in division (B) of this section. 324

(B) Money in the state land royalty fund shall be used to pay 325  
capital and operating costs of state agencies on whose behalf 326  
money has been contributed to the fund by the oil and gas leasing 327  
board under section 1509.71 of the Revised Code. Such a state 328  
agency is entitled to receive from the fund the amount contributed 329  
on its behalf by the board and a share of the investment earnings 330

of the fund in an amount that is equivalent to the proportionate 331  
share of contributions made on behalf of the state agency to the 332  
fund. 333

**Sec. 1505.07.** Subject to the limitation set forth in section 334  
1505.08 of the Revised Code, the director of natural resources, 335  
with the approval of the director of environmental protection, the 336  
attorney general, and the governor, may issue permits and make 337  
leases to parties making application for permission to take and 338  
remove sand, gravel, stone, and other minerals or substances from 339  
and under the bed of Lake Erie other than oil or gas, either upon 340  
a royalty or rental basis, as ~~he~~ the director of natural resources 341  
determines to be best for the state. Permits shall be issued for 342  
terms of not less than one year nor more than ten years, and 343  
leases shall be for a term of years or until the economic 344  
extraction of the mineral or other substance covered thereby has 345  
been completed. Such taking and removal shall be within certain 346  
fixed boundaries that do not conflict with the rights of littoral 347  
owners. Upon request from the holder of a permit, it shall be 348  
canceled, but in the case of any permit or lease, any equipment or 349  
buildings owned by the permittee or lessee shall be held as 350  
security by the director of natural resources for payment of all 351  
rentals or royalties due the state at the time of cancellation. 352

No person shall remove sand, gravel, stone, or other minerals 353  
or substances from and under the bed of Lake Erie without first 354  
obtaining a permit or lease therefor from the director. 355

The director of natural resources may, in accordance with 356  
Chapter 119. of the Revised Code, adopt, amend, and rescind rules 357  
for the administration, implementation, and enforcement of this 358  
section. 359

**Sec. 1509.70.** (A) It is the policy of the state to provide 360

access to and support the exploration for, development of, and 361  
production of oil and natural gas resources owned or controlled by 362  
the state in an effort to stabilize energy prices for citizens of 363  
this state and to use the state's natural resources responsibly. 364

(B) There is hereby created the oil and gas leasing board 365  
consisting of the chief of the division of mineral resources 366  
management, the chief of the division of geological survey, and 367  
the following three members appointed by the governor: 368

(1) Two members recommended by a statewide organization 369  
representing the oil and gas industry; 370

(2) One member representing a statewide environmental 371  
advocacy organization. 372

(C) Of the initial members appointed to the board, one shall 373  
serve a term of three years, one shall serve a term of four years, 374  
and one shall serve a term of five years. Thereafter, terms of 375  
office of members shall be for five years from the date of 376  
appointment. Each member appointed by the governor shall hold 377  
office from the date of appointment until the end of the term for 378  
which the member was appointed. The governor shall fill a vacancy 379  
occurring on the board by appointing a member within sixty days 380  
after the vacancy occurs. A member appointed to fill a vacancy 381  
occurring prior to the expiration of the term for which the 382  
member's predecessor was appointed shall hold office for the 383  
remainder of that term. A member shall continue in office 384  
subsequent to the expiration date of the member's term until the 385  
member's successor takes office, or until a period of sixty days 386  
has elapsed, whichever occurs first. 387

(D) Three members constitute a quorum of the board, and no 388  
action of the board is valid unless it has the concurrence of at 389  
least three members. The board shall keep a record of its 390  
proceedings. The chief of the division of mineral resources 391

management shall serve as the chairperson of the board. 392

(E) The governor may remove an appointed member from the 393  
board for inefficiency, malfeasance, misfeasance, or nonfeasance. 394

(F) Members of the board shall receive no compensation, but 395  
shall be reimbursed for their actual and necessary expenses 396  
incurred in the course of the performance of their duties as 397  
members of the board. 398

(G) The division of mineral resources management shall 399  
provide staff assistance to the board if requested by the board. 400

**Sec. 1509.71.** (A) As used in this section: 401

(1) "State agency" means both of the following: 402

(a) "State agency" as defined in section 1.60 of the Revised 403  
Code; 404

(b) "State university or college" as defined in section 405  
3345.12 of the Revised Code. 406

(2) "Formation" means any of the following: 407

(a) The distance from the surface of the land to the top of 408  
the Onondago limestone; 409

(b) The distance from the top of the Onondago limestone to 410  
the bottom of the Queenston formation; 411

(c) The distance from the bottom of the Queenston formation 412  
to the top of the Black River limestone; 413

(d) The distance from the top of the Black River limestone to 414  
the basement rock. 415

(B) The oil and gas leasing board has exclusive authority to 416  
lease any parcel of land that is owned or controlled by a state 417  
agency for the purpose of exploring for and developing and 418  
producing oil and natural gas resources. A person that is an owner 419  
and that is interested in leasing a formation within a parcel of 420

land that is owned or controlled by a state agency for the 421  
exploration for and the development and production of oil or 422  
natural gas may submit to the board a nomination that identifies 423  
the parcel of land. A person submitting a nomination shall submit 424  
it in the manner and form established in rules adopted under 425  
section 1509.72 of the Revised Code and shall include with the 426  
nomination the information required by those rules. 427

(C)(1) Not later than thirty days after the receipt of a 428  
nomination of a parcel of land, the board shall conduct a meeting 429  
for the purpose of determining whether to enter into a lease for a 430  
formation within the parcel of land that is identified in the 431  
nomination. Not later than sixty days after the meeting, the board 432  
shall approve or disapprove the nomination. In making its decision 433  
to approve or disapprove the nomination of the parcel of land, the 434  
board shall consider all of the following: 435

(a) The economic benefits, including the potential income 436  
from an oil or natural gas operation, that would result if the 437  
lease of a formation that is the subject of the nomination were 438  
approved; 439

(b) Whether the proposed oil or gas operation is compatible 440  
with the current uses of the parcel of land that is the subject of 441  
the nomination; 442

(c) Any objections to the nomination submitted to the board 443  
by the state agency that owns or controls the land on which the 444  
proposed oil or natural gas operation would take place; 445

(d) Any other factors that the board establishes in rules 446  
adopted under section 1509.72 of the Revised Code. 447

(2) Prior to making its decision to approve or disapprove a 448  
nomination, the board shall notify the agency that owns or 449  
controls the land on which the oil or gas operation would take 450  
place. 451

(3) The board shall approve or deny a nomination not later than ninety days after the receipt of the nomination. Notice of the decision of the board shall be sent by certified mail to the person that submitted the nomination. 452  
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(4) If the board approves a nomination, the board shall divide the parcel of land that is the subject of the approved nomination into smaller-sized parcels when appropriate in accordance with rules adopted under section 1509.72 of the Revised Code. 456  
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(5) If the board approves a nomination, the board shall offer for lease each formation that is within a parcel of land. 461  
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(D) Each calendar quarter, the board shall proceed to advertise for bids for a lease for a formation within a parcel of land that was the subject of a nomination approved during the previous calendar quarter. The advertisement shall be published on a web site that is maintained by the board and in a newspaper of general circulation in Franklin county and in each county in which the parcel of land that was the subject of the nomination is located. The advertisement shall be published once a week for four consecutive weeks prior to the date that is established by the board for the submission of bids. The notice shall include all of the following: 463  
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(1) The procedure for the submission of a bid to enter into a lease for a formation within a parcel of land; 474  
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(2) A statement that a person may submit a bid for only one formation within the parcel of land; 476  
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(3) A statement that a standard lease form that is consistent with the practices of the oil and natural gas industries will be used for the lease of a formation within the parcel of land; 478  
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(4) Instructions for obtaining a copy of the standard lease form that will be used for the lease of a formation within the 481  
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parcel of land; 483

(5) A statement, if applicable, that special terms and 484  
conditions apply to the lease because of specific conditions 485  
related to the parcel of land. If such special terms and 486  
conditions apply to the lease, the statement shall include 487  
instructions for obtaining a copy of them. 488

(6) Any other information that the board considers pertinent 489  
to the advertisement for bids. 490

(E) In order to encourage the submission of bids and the 491  
responsible and reasonable development of the state's natural 492  
resources, the information that is contained in a bid submitted to 493  
the board under this section shall be confidential and shall not 494  
be disclosed. 495

(F) Not later than fifteen days after a deadline established 496  
by the board for the submission of bids for each lease regarding a 497  
particular parcel of land, bids received by the board shall be 498  
unsealed and opened on the date designated by the board. Not later 499  
than thirty days after the date on which the board unseals and 500  
opens the bids, the board shall enter into a lease under this 501  
section with the person who submits the highest and best bid for 502  
each formation within that parcel of land, taking into account the 503  
financial responsibility of the prospective lessee and the ability 504  
of the prospective lessee to perform its obligations under the 505  
lease. However, the board shall not lease more than one formation 506  
within a particular parcel of land to the same person. 507

(G) All money received by the board in payment for leases 508  
entered into under this section shall be paid by the board into 509  
the state treasury to the credit of the state land royalty fund 510  
created in section 131.50 of the Revised Code, except money that 511  
is required to be credited to the oil and gas leasing board 512  
administration fund created in section 1509.73 of the Revised Code 513

as required in rules adopted under section 1509.72 of the Revised 514  
Code. Money credited to the state land royalty fund shall be 515  
contributed on behalf of the state agency that owns or controls 516  
the parcel of land on which the drilling for oil or gas takes 517  
place. 518

Sec. 1509.72. The oil and gas leasing board shall adopt rules 519  
in accordance with Chapter 119. of the Revised Code establishing 520  
all of the following: 521

(A) The form of and the information to be included in 522  
nominations that are submitted under section 1509.71 of the 523  
Revised Code; 524

(B) Procedures for the submission of nominations to the 525  
board; 526

(C) Factors that the board may consider when determining 527  
whether to approve or disapprove a nomination submitted under 528  
section 1509.71 of the Revised Code; 529

(D) Procedures and factors that the board shall use when 530  
determining whether to divide a parcel of land that is the subject 531  
of an approved nomination into smaller-sized parcels in order to 532  
manage the land properly and to maximize the number of leases for 533  
a particular parcel of land; 534

(E) A standard lease form that is consistent with the 535  
practices of the oil and natural gas industries and that contains 536  
a one-eighth landowner royalty, which standard lease form shall be 537  
used by the board for leases entered into under section 1509.71 of 538  
the Revised Code; 539

(F) Factors that the board shall consider when determining 540  
whether special terms and conditions of leases may be required for 541  
a particular parcel of land because of specific conditions related 542  
to the parcel and to the development of any oil or natural gas 543

from the parcel; 544

(G) A percentage of the proceeds of each lease agreement that 545  
shall be credited to the oil and gas leasing board administration 546  
fund created in section 1509.73 of the Revised Code for the 547  
purpose of providing funding for the board's administrative 548  
expenses and actual and necessary expenses of the board members; 549

(H) Any other procedures and requirements that the board 550  
determines necessary to implement sections 1509.70 to 1509.74 of 551  
the Revised Code. 552

**Sec. 1509.73.** There is hereby created in the state treasury 553  
the oil and gas leasing board administration fund consisting of a 554  
percentage of the money derived from leases as provided in rules 555  
adopted under section 1509.72 of the Revised Code. Money in the 556  
fund shall be used by the oil and gas leasing board to pay the 557  
administrative expenses of the board and to pay the actual and 558  
necessary expenses incurred by members of the board in the course 559  
of the performance of their duties. 560

**Sec. 1509.74.** If a nomination to lease a parcel of land that 561  
is submitted under section 1509.71 of the Revised Code is 562  
disapproved by the oil and gas leasing board, the person that 563  
submitted the nomination may appeal the board's disapproval to the 564  
oil and gas commission for an order reversing the disapproval. The 565  
requirements and procedures established in section 1509.36 of the 566  
Revised Code that apply to an appeal of an order of the chief of 567  
the division of mineral resources management apply to appeals 568  
filed under this section. 569

**Sec. 1531.06.** (A) The chief of the division of wildlife, with 570  
the approval of the director of natural resources, may acquire by 571  
gift, lease, purchase, or otherwise lands or surface rights upon 572  
lands and waters or surface rights upon waters for wild animals, 573

fish or game management, preservation, propagation, and 574  
protection, outdoor and nature activities, public fishing and 575  
hunting grounds, and flora and fauna preservation. The chief, with 576  
the approval of the director, may receive by grant, devise, 577  
bequest, donation, or assignment evidences of indebtedness, the 578  
proceeds of which are to be used for the purchase of such lands or 579  
surface rights upon lands and waters or surface rights upon 580  
waters. 581

(B)(1) The chief shall adopt rules for the protection of 582  
state-owned or leased lands and waters and property under the 583  
control of the division of wildlife against wrongful use or 584  
occupancy that will ensure the carrying out of the intent of this 585  
section, protect those lands, waters, and property from 586  
depredations, and preserve them from molestation, spoilation, 587  
destruction, or any improper use or occupancy thereof, including 588  
rules with respect to recreational activities and for the 589  
government and use of such lands, waters, and property. 590

(2) The chief may adopt rules benefiting wild animals, fish 591  
or game management, preservation, propagation, and protection, 592  
outdoor and nature activities, public fishing and hunting grounds, 593  
and flora and fauna preservation, and regulating the taking and 594  
possession of wild animals on any lands or waters owned or leased 595  
or under the division's supervision and control and, for a 596  
specified period of years, may prohibit or recall the taking and 597  
possession of any wild animal on any portion of such lands or 598  
waters. The division clearly shall define and mark the boundaries 599  
of the lands and waters owned or leased or under its supervision 600  
and control upon which the taking of any wild animal is 601  
prohibited. 602

(C) The chief, with the approval of the director, may acquire 603  
by gift, lease, or purchase land for the purpose of establishing 604  
state fish hatcheries and game farms and may erect on it buildings 605

or structures that are necessary. 606

The title to or lease of such lands and waters shall be taken 607  
by the chief in the name of the state. The lease or purchase price 608  
of all such lands and waters may be paid from hunting and trapping 609  
and fishing licenses and any other funds. 610

(D) To provide more public recreation, stream and lake 611  
agreements for public fishing only may be obtained under rules 612  
adopted by the chief. 613

(E) The chief, with the approval of the director, may 614  
establish user fees for the use of special public facilities or 615  
participation in special activities on lands and waters 616  
administered by the division. The special facilities and 617  
activities may include hunting or fishing on special designated 618  
public lands and waters intensively managed or stocked with 619  
artificially propagated game birds or fish, field trial 620  
facilities, wildlife nature centers, firearm ranges, boat mooring 621  
facilities, camping sites, and other similar special facilities 622  
and activities. The chief shall determine whether the user fees 623  
are refundable and shall ensure that that information is provided 624  
at the time the user fees are paid. 625

(F) The chief, with the approval of the director, may enter 626  
into lease agreements for rental of concessions or other special 627  
projects situated on state-owned or leased lands or waters or 628  
other property under the division's control. The chief shall set 629  
and collect the fees for concession rentals or other special 630  
projects; regulate through contracts between the division and 631  
concessionaires the sale of tangible objects at concessions or 632  
other special projects; and keep a record of all such fee payments 633  
showing the amount received, from whom received, and for what 634  
purpose the fee was collected. 635

(G) The chief may sell or donate conservation-related items 636

or items that promote wildlife conservation, including, but not 637  
limited to, stamps, pins, badges, books, bulletins, maps, 638  
publications, calendars, and any other educational article or 639  
artifact pertaining to wild animals; sell confiscated or forfeited 640  
items; and sell surplus structures and equipment, and timber or 641  
crops from lands owned, administered, leased, or controlled by the 642  
division. The chief, with the approval of the director, also may 643  
engage in campaigns and special events that promote wildlife 644  
conservation by selling or donating wildlife-related materials, 645  
memberships, and other items of promotional value. 646

(H) The chief may sell, lease, or transfer minerals or 647  
mineral rights, with the approval of the director, when the chief 648  
and the director determine it to be in the best interest of the 649  
state. Upon approval of the director, the chief may make, execute, 650  
and deliver contracts, including leases, to mine, drill, or 651  
excavate iron ore, stone, coal, ~~petroleum, gas,~~ salt, and other 652  
minerals, other than oil or gas, upon and under lands owned by the 653  
state and administered by the division to any person who complies 654  
with the terms of such a contract. No such contract shall be valid 655  
for more than fifty years from its effective date. Consideration 656  
for minerals and mineral rights shall be by rental or royalty 657  
basis as prescribed by the chief and payable as prescribed by 658  
contract. Moneys collected under this division shall be paid into 659  
the state treasury to the credit of the wildlife habitat fund 660  
created in section 1531.33 of the Revised Code. Contracts entered 661  
into under this division also may provide for consideration for 662  
minerals or mineral rights in the form of acquisition of lands as 663  
provided under divisions (A) and (C) of this section. 664

(I) All moneys received under divisions (E), (F), and (G) of 665  
this section shall be paid into the state treasury to the credit 666  
of a fund that shall be used for the purposes outlined in section 667  
1533.15 of the Revised Code and for the management of other wild 668

animals for their ecological and nonconsumptive recreational value 669  
or benefit. 670

(J) The chief, with the approval of the director, may barter 671  
or sell wild animals to other states, state or federal agencies, 672  
and conservation or zoological organizations. Moneys received from 673  
the sale of wild animals shall be deposited into the wild animal 674  
fund created in section 1531.34 of the Revised Code. 675

(K) The chief shall adopt rules establishing standards and 676  
guidelines for the administration of contraceptive chemicals to 677  
noncaptive wild animals. The rules may specify chemical delivery 678  
methods and devices and monitoring requirements. 679

The chief shall establish criteria for the issuance of and 680  
shall issue permits for the administration of contraceptive 681  
chemicals to noncaptive wild animals. No person shall administer 682  
contraceptive chemicals to noncaptive wild animals without a 683  
permit issued by the chief. 684

(L) All fees set by the chief under this section shall be 685  
approved by the wildlife council. 686

(M) Information contained in the wildlife diversity database 687  
that is established pursuant to division (B)(2) of this section 688  
and section 1531.25 of the Revised Code may be made available to 689  
any individual or public or private agency for research, 690  
educational, environmental, land management, or other similar 691  
purposes that are not detrimental to the conservation of a species 692  
or feature. Information regarding sensitive site locations of 693  
species that are listed pursuant to section 1531.25 of the Revised 694  
Code and of features that are included in the wildlife diversity 695  
database is not subject to section 149.43 of the Revised Code if 696  
the chief determines that the release of the information could be 697  
detrimental to the conservation of a species or feature. 698

**Sec. 3345.181.** ~~(A)~~ The board of trustees of a state 699  
university, by majority vote, may make, execute, and deliver 700  
contracts or leases to mine minerals upon lands under the 701  
supervision of ~~such~~ the board, to any person or public entity that 702  
complies with the terms prescribed by the board. Such contracts or 703  
leases shall not operate as a conveyance of the fee to any part of 704  
the realty. 705

~~(B) A board, by majority vote, may make expenditures and may 706  
enter into contracts with any person or public entity for the 707  
purposes of investigating, exploring, prospecting, or drilling for 708  
petroleum and gas and the constituent components and mineral 709  
by products thereof upon lands under the supervision of such 710  
board, and for the purposes of extracting, producing, selling, 711  
using, or transporting such petroleum, gas, components, and 712  
by products. 713~~

~~(C)~~ The board may use the proceeds derived from its actions 714  
under ~~division (A) or (B)~~ of this section for the furthering of 715  
any of the purposes of the university. 716

**Section 2.** That existing sections 123.01, 1505.07, 1531.06, 717  
and 3345.181 and sections 5119.40, 5120.12, and 5123.23 of the 718  
Revised Code are hereby repealed. 719

**Section 3.** A lease entered into under division (B) of section 720  
3345.181 or section 123.01, 1505.07, 1531.06, 5119.40, 5120.12, or 721  
5123.23 of the Revised Code as those sections existed prior to 722  
their amendment or repeal by this act shall remain in effect until 723  
the term of the lease expires as provided in the lease. 724

**Section 4.** Section 123.01 of the Revised Code is presented in 726  
this act as a composite of the section as amended by both Am. Sub. 727  
H.B. 1 and Sub. S.B. 79 of the 128th General Assembly. The General 728



Assembly, applying the principle stated in division (B) of section 729  
1.52 of the Revised Code that amendments are to be harmonized if 730  
reasonably capable of simultaneous operation, finds that the 731  
composite is the resulting version of the section in effect prior 732  
to the effective date of the section as presented in this act. 733