Ohio Environmental Council

January 12, 2026, 1:00 pm

To: Members of the Oil and Gas Land Management Commission
From: Melanie Houston, Vice President of Programs, Ohio Environmental Council Re: HB 308, Proposed Rule Number 1501: 155-1-01 which modifies Ohio's standard lease adoption

Good afternoon. My name is Melanie Houston, and I serve as Vice President of Programs for the Ohio Environmental Council and OEC Action Fund. I am providing testimony on behalf of the Ohio Environmental Council on proposed Rule Number 1501: 155-1-01 which modifies Ohio's standard lease adoption. This rule will extend the lease period for state lands from three to five years.

"The statutory change in HB 308 provides operators who are chosen by the Commission as the highest and best bidders on an approved nomination **an additional 2 years for the primary term of state land leases.** That means they have an additional 2 years to develop (pour well pads and permit & drill wells) the land they lease than they do under the current lease. **Instead of being required to sign an optional lease extension and pay an additional lease bonus to the state after three years, operators will now have five years** before they are required to take those steps."

Ohio is already at a deficit when it comes to our state-owned public lands. We rank 43rd in the nation in Public Lands per capita[1], with only 1.6% of Ohio's land being state-owned public lands. Leasing our state's public lands for fracking threatens the crucial public health, ecological and economic services these places provide. The statutory change required by HB 308, and promulgated by this proposed rule, continues the trend of benefitting the oil and gas industry at the expense of Ohioans and the lands we depend on.

By extending the lease period on public lands, this proposed rule may also decrease potential revenue to the state. Royalties to the state of Ohio are already low compared to other states across the country and in consideration of the costs to Ohio taxpayers and the association impacts to our state lands. By terms set forth in 2023, the Ohio Department of Natural Resources will receive $59.7 million in bonuses under the fracking leases on state

[1] https://www.nrcm.org/documents/publiclandownership.pdf

lands. Each lease includes a 12.5% royalty paid to the state for production, which is far below the market rate.

During Ohio's state operating budget process last year, ODNR's parks and recreation budget was cut by 50% in fiscal year 2026 and another 13% in FY2027. Therefore, royalties from leasing Ohio's state lands for oil and gas development will now fund park operating costs instead of being used for parks facilities improvements. The Ohio General Assembly originally justified leasing state lands for oil and gas to fund ODNR and our state parks—yet they're diverting that royalty funding and making ODNR more dependent on oil and gas development.

Ohio's state parks are a treasure for all Ohioans, providing current and future economic and ecological value. HB 308, if fully implemented through rulemaking, will extend the long-term costs of degraded ecosystems, failing infrastructure, and human health tolls onto future generations without a plan or the resources needed to address them. We urge the Commission to rescind this proposed rule and reject the Ohio General Assembly's directive to extend lease timelines from three to five years. Ohioans deserve to live in a state where we protect public lands and steward taxpayer dollars wisely. Thank you for the opportunity to comment today.