



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [H.B. 382 of the 128th G.A.](#)

**Date:** December 16, 2009

**Status:** As Introduced

**Sponsor:** Rep. Sayre

**Local Impact Statement Procedure Required:** No — No local cost

**Contents:** Grants landowner immunity from reclamation liability, allows for coal extraction from beneath Burr Oak State Park, and classifies methane from abandoned coal mines as a renewable resource

### State Fiscal Highlights

- The Parks and Recreation Fund (Fund 5120) in the Department of Natural Resources (DNR) would receive one-time lease income of approximately \$210,000 as a result of the bill's provision authorizing the extraction of coal from beneath Burr Oak State Park pursuant to specified real estate and mineral rights transactions. This income would be used for deferred state park maintenance.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## **Detailed Fiscal Analysis**

### **Immunity from liability for reclamation projects**

The bill grants eligible landowners who provide access to abandoned mine lands for the purposes of reclamation activities qualified immunity from liability for (1) injury or damage suffered by certain individuals that result from an act or omission of a reclamation project sponsor or as a result of a reclamation project, (2) any pollution resulting from a reclamation project, and (3) the operation, maintenance, or repair of any water pollution abatement facility constructed or installed during a reclamation project. The bill also requires a landowner to notify a reclamation project sponsor of known, latent, or dangerous conditions in the work area, and specifies that the immunity does not apply if the landowner fails to meet the notification requirements or otherwise engages in unlawful, negligent, reckless, or other specified activities.

This provision of the bill requires no explicit action by the state or local governments, and has no direct fiscal effect on the Department of Natural Resources' Division of Mineral Resources Management, which regulates mining and reclamation activities in the state, or on political subdivisions.

### **Coal extraction from Burr Oak State Park**

The bill authorizes DNR to enter into lease agreements and real estate transactions not later than January 1, 2011 for the removal of coal from beneath Burr Oak State Park. Currently, the park lies between two tracts of land owned by the Buckingham Coal Company. The purpose of the lease would be to create an underground conveyance beneath the park to allow for the transportation of coal between the company's reserves on the east side of the park and the operating mine on the west side and without traversing through the park or transporting the coal around the park. In addition, the transaction would involve a trade of mineral rights so that in exchange for granting Buckingham the authority to carve the underground conveyance, DNR would obtain the mineral rights on certain lands closer to the park's water resources in order to mitigate adverse environmental effects.

This provision would result in estimated one-time lease revenues of approximately \$210,000, to be deposited into the Parks and Recreation Fund (Fund 5120). DNR would use this income for deferred maintenance on park facilities. This amount is based only on the approximately 27 acres of coal that would need to be extracted to construct the subterranean conveyance, and not on any permit fees or severance tax revenue that may result from mining this coal or the coal in Buckingham's reserves to the east of the park.

## **Methane from abandoned coal mines**

Currently, methane emitted by an abandoned coal mine is included in the statutory definition of an "advanced energy resource." The bill removes methane from this definition and instead classifies it as a "renewable energy resource." The effect of this provision would be to make coal mine methane an eligible resource for the purposes of renewable energy programs and renewable energy credits. However, there is no direct fiscal effect from the change in definition.

*HB0382IN / cm*