



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** Sub. S.B. 181 of the 128th G.A.      **Date:** December 16, 2009  
**Status:** As Reported by Senate Environment & Natural Resources      **Sponsor:** Sen. Stewart

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

**Contents:** Grants immunity from liability for certain reclamation activities to eligible landowners and nonprofit organizations, allows for coal extraction 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 would receive one-time lease income of approximately \$210,000 as a result of the bill's provision authorizing the extraction of coal 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

The bill grants eligible landowners and nonprofit organizations who provide access to qualifying abandoned mine lands for the purposes of reclamation activities immunity from liability for (1) injury or damage suffered by a person working under the direct supervision of the reclamation project sponsor while the person is within the reclamation project work area, (2) injury or damage suffered by a third party due to an act or omission by the reclamation project sponsor, (3) injury or damage suffered by a third party resulting from the reclamation project, (4) any pollution resulting from a reclamation project, and (5) the operation, maintenance, or repair of any acid mine drainage 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.

The bill requires no explicit action by the state or local governments, and has no direct fiscal effect on the Department of Natural Resources' (DNR) Division of Mineral Resources Management, which regulates mining and reclamation activities in the state, or on local 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 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 transport of coal between the company's reserves on the east side of the park and the operating mine on the west side without traversing the surface of 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 an estimated one-time lease payment 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.

*SB0181SR / sle*