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Sponsor Testimony

Senate Bill 181

Senate Agriculture and Natural Resources Committee

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Chairman Schaffer, Vice Chair Koehler, Ranking Member Hicks-Hudson and members of the Senate Agriculture and Natural Resources Committee, thank you for allowing me the opportunity to offer sponsor testimony on Senate Bill 181. This bill creates the first ever regulatory program for the underground mining of limestone and dolomite minerals in Ohio.

In working on this legislation, I learned quite a bit about the non-coal mining industry and the material it produces. Basically, limestone is part of the industrial minerals family and is one of the most important construction materials needed for the development and maintenance of the state's infrastructure. For example, asphalt is made up of 95% industrial minerals, concrete is made up of 85% industrial minerals and 38,000 tons of industrial minerals are needed to construct one lane mile of interstate highway. Also, every Ohioan uses 22,000 pounds of industrial minerals each year, and on average, Ohio produces 110 million tons of material annually, with a value exceeding \$1.6 billion.

A 2021 study funded by the Ohio Department of Transportation concluded that many areas of the state will suffer shortages of permitted industrial minerals such as limestone in a matter of years. It should be noted that this study took place prior to the development of numerous "megaprojects" around the state which will exacerbate these shortages. The study recommended that the state engage with stakeholders to discuss strategies to avert potential construction material shortages and underground mining was one of the strategies noted in this report.

Currently, Chapter 1514 of the Ohio Revised Code, administered by ODNR's Division of Mineral Resources Management, regulates the surface mining of limestone in addition to other industrial minerals. ODNR does not, however, regulate the underground mining of limestone

other than through certain safety measures. Consequently, the underground mining of limestone is largely unregulated in the state of Ohio.

The Ohio Aggregates and Industrial Minerals Association (OAIMA), recognizes that due to several factors, including the aforementioned ODOT study, underground mining will be more frequent in the future. Because of this, the OAIMA desires uniform, state-wise regulation of this activity by ODNR to complement the surface mine permitting program.

With this in mind, the Aggregates Association approached officials at the Division of Mineral Resources Management several years ago to begin discussions on what a regulatory program might look like for underground mining. As a result of these discussions, they were able to jointly develop the regulatory program that is in Senate Bill 181 that:

- Creates a framework for the regulation of the underground mining of limestone and dolomite minerals to be administered by DNR.
- Provides oversight by DNR of permitting, blasting, subsidence, groundwater withdrawals and mine closure.
- Directs the chief of DNR's division of mineral resources management to adopt or amend rules to address these activities.
- Incorporates mine safety regulations at the state and federal level.
- "Grandfathers" existing underground minerals mines by issuing such mines a permit.
- Aligns the regulation of underground minerals mining with surface mining regulations.

In addition to creating the regulatory program for the underground mining of minerals, the bill updates provisions of Chapter 1514 of the Revised Code to make this program more efficient by eliminating several redundant or obsolete regulations. Key among these is the elimination of the requirement to renew a surface mining permit every fifteen years. The current renewal process involves the mine operator engaging a consultant to essentially re-apply for a permit for the existing operation. The voluminous permit renewal application package is reviewed by the mine inspector assigned to that area. Further processing is required by division staff and, ultimately, the chief of the division must issue an order approving the renewal (to date note permit renewal has been denied). This process takes months to complete for each surface mine permit. There are 328 active permits that must be renewed with all renewals being done in a four-year cycle. Senate Bill 181 makes the permit good for the life of the mine but creates a process whereby every five years the permit will be reviewed at the inspector level to ensure compliance. This is in addition to the twice annual mine inspections. Current law authorizes the chief of the division to issue orders for noncompliance, including civil penalties and ultimately, revoking the permit. It should be noted that in over 50 years, no permit renewal has been denied. This change eliminates what is essentially a multi-layer paperwork exercise, puts in place a much more efficient and frequent way to ensure compliance, thus freeing up resources necessary to address critical program mandates.

Also, in an effort to increase efficiency, the bill addresses how land is added to an existing surface mine permit. Under current law, unless land abuts the existing mining operation, the mine operator must apply for an entirely new permit for that land. Senate Bill 181 instead allows for amendments to a permit to add land that is located in the same township as the existing mining operation. Ultimately this change will reduce the paperwork, staff time and resources necessary to permit additional mineral reserves. However, the amendment process, just like opening a new permit is open, transparent, provides for public input, and does not prohibit any local zoning.

Senate Bill 181 also updates procedures for the Reclamation Commission when hearing appeals involving aggregate mining operations. In a quirk of the law, the General Assembly cannot amend Chapter 1514 or the Commission's procedures without federal approval because the Reclamation Commission's authority is codified in Chapter 1513 of the Revised Code, which regulates coal mining rather than Chapter 1514. Therefore, simply adding parallel language to Chapter 1514, which is not federally regulated, allows the General Assembly complete authority over the Reclamation Commission when it hears matters involving aggregate mining.

Finally, the bill incorporates ODNR's request for a modest increase (1/2 cent) in the state severance tax for many industrial minerals. The additional funding will, in part, be used for studies establishing mine operator liability for quarry dewatering. The industry favorably supports ODNR's request. There is also a small increase (1/4 cent) in the severance tax to be levied on the severance of limestone and dolomite by underground mining. These monies will be collection in a fund to address off-site impacts from underground mining in the future in the event that a permit is no longer associated with that mine.

Before closing, I want to commend both the industry and ODNR for the years of hard work they have put into developing this regulatory program and also commend them for setting a good example of how industry and regulator should interact for the betterment of Ohio.

Chair Schaffer, Vice Chair Koehler, Ranking Member Hicks-Hudson, and members of the committee, thank you again for the opportunity to speak to Senate Bill 181 which will creates the first ever regulatory program for the underground mining in Ohio while increasing the efficiency of the existing surface mining regulatory program. I look forward to working with each of you to advance this bill through the committee process, I am happy to answer any questions at this time.