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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**S.B. 181**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for S.B. 181's Bill Analysis](#)

**Version:** As Passed by the Senate

**Primary Sponsor:** Sen. Wilkin

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The Ohio Department of Natural Resources' (ODNR) Division of Mineral Resources Management will incur new costs to regulate underground mining of limestone and dolomite. The magnitude of these new costs will depend on the number and complexity of underground mineral mining operations. These expenses are paid for using a combination of fee revenue deposited into the Mining Regulation and Safety Fund (Fund 5290) and the GRF.
- The bill makes surface and in-stream mining permits nonexpiring and authorizes the Chief of the Division to require an annual fee of \$1,000 for permit holders engaged in limestone or dolomite mining and \$500 for permit holders engaged in sand and gravel or clay, sandstone or conglomerate, shale, gypsum, or quartzite mining. These fees would be deposited into Fund 5290.
- If a complaint alleging possible dewatering impacts to groundwater supply is submitted to the Chief, the Chief may require a cone of depression to be established and incorporated into an existing permit. This may increase the Division's workload for reviewing hydrologic modeling and updating permit conditions.

### **Detailed Analysis**

#### **Overview**

The bill creates a new regulatory program for underground limestone and dolomite mining operations and establishes the framework under which the program would operate. Under the bill, the Ohio Department of Natural Resources' (ODNR) Division of Mineral Resources Management will incur new, ongoing expenses related to permitting, inspections, and

enforcement. However, these new costs could be at least partially offset by fee revenue authorized under the bill. A more detailed discussion of the bill's fiscal effects is provided below.

## **Underground minerals mining program**

ODNR's Division of Mineral Resources Management will incur new costs to administer the underground minerals mining program established by the bill. Under current law, the Division regulates surface and in-stream mining for certain aggregates, but it does not regulate underground mining of these minerals. Under the bill, the Division will be responsible for issuing new permits to underground limestone and dolomite operators; reviewing annual reports and monitoring mining activities; enforcing compliance, including subsidence controls and safety plans; and conducting a study to identify a centralized location for miner safety education and training.

The magnitude of the new costs is uncertain and will depend on the number and complexity of underground mining operations that come under regulation. If there are relatively few operations, the Division may be able to absorb some of the workload with existing staff and resources. However, if underground mining activity expands substantially or requires intensive oversight, additional staffing and operational support may be necessary. These costs may be partially offset by new revenue from permit fees. Costs of the Division are primarily paid from Fund 5290 and the GRF.

## **Permitting and other fees**

The bill makes several changes to permitting that will affect revenue collected by the Division. Most significantly, it requires underground limestone and dolomite mine operators to obtain a permit to operate under the new regulatory program created by the bill. These permits are separate from the surface and in-stream mining permits issued under current law. The Chief of the Division is authorized to establish a permit fee by rule. As the number of underground operations that will be subject to the new permit requirement is currently unknown, the amount of new revenue the Division may collect from these permits is uncertain. For context, the Division currently charges an application fee of \$500 or \$250 for new surface mining permits and in-stream permits respectively, plus \$75 for each acre that will comprise the area of land to be affected in the first year of operation under the permit.

The bill also eliminates the requirement for permit renewals under current law for surface and in-stream mining operations. Presently, these operators must renew their permits periodically<sup>1</sup> and pay a fee of \$1,000 for surface mining permits and \$500 for in-stream mining permits. Instead, the bill makes surface and in-stream mining permits nonexpiring and allows the Chief to require an annual fee of \$1,000 for permit holders engaged in limestone or dolomite mining and \$500 for permit holders engaged in sand and gravel or clay, sandstone or conglomerate, shale, gypsum, or quartzite.

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<sup>1</sup> Under current law, surface mine permits expire 15 years after the date of issuance or after the Chief orders the release of any remaining performance bond deposited to assure reclamation, whichever is earlier. In-stream mine permits expire five years after issuance or the Chief's order releasing surety, whichever is earlier.

Finally, the bill allows the Chief to require a filing fee to accompany the annual report underground mine operators must submit under the bill. The total effect on fee revenue from these changes will depend on the number of affected permits and fees set by rule.

### **Hydrology-related complaint investigations**

The bill authorizes the Chief to require that a cone of depression be established and incorporated into an existing surface or in-stream mining permit if a complaint alleging possible dewatering impacts to groundwater supply is submitted to the Chief. This authority may increase the Division's workload to review complaint information, evaluate hydrologic modeling, and update permit conditions. Any related costs are expected to be minimal and absorbed within existing program resources.

### **Other provisions with little or no apparent fiscal effect**

The bill makes other changes regarding civil penalties, appeals processes, and permit revocations that appear to have little or no fiscal effect. The bill also requires the Division of Mineral Resources Management to conduct a study to determine a centralized location for conducting safety education and training related to surface mining. The study must be completed within one year and sent to the Speaker of the House of Representatives, the Senate President, and the Governor. Please see the [LSC bill analysis \(PDF\)](#) for details about these provisions.