



Ohio Department of Natural Resources

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Division of Mineral Resources Management
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HB443 Workgroup Charter

AFS/RFFAB/Performance Securities Workgroup

MISSION: Recommend procedures to the DMRM administration and Reclamation Forfeiture Fund Advisory Board (RFFAB) on evaluation of the actuarial study required under 1513.182 (E)(2). Recommend procedures to the Division administration that will enable the review, approval, and collection of the various types of performance security authorized pursuant to ORC 1513 (HB 443 and HB 119) in the event of mine operator default.

Workgroup Sponsor:

DMRM Steering Committee: Chief – John Husted;
Deputy Chief – Lanny Erdos;
Coal Program Administrator – Dave Clark

BACKGROUND: HB443 was effective April 6, 2007 and is now incorporated in ORC 1513. A Reclamation Forfeiture Fund Advisory Board has been created to perform advisory functions associated with the reclamation forfeiture fund, deposits to and expenditures from the fund, and development of actuarial studies. The new law places additional obligations on the Division regarding the types of performance security that may be accepted, filing of liens, insolvency of operators and those holding performance security, tracking of the obligation to pay additional severance taxes and application of tax credits.

FOCUS: This workgroup will focus on preliminary implementation procedures and methodologies as outlined in the list of Tasks. Final procedures will be developed in cooperation with external partners as well as the Reclamation Forfeiture Fund Advisory Board (RFFAB) through rule making.

AUTHORITY OF WORKGROUP: Prepare preliminary and final recommendations regarding rules, procedures, policies, forms, data management needs and system improvements, etc. as needed to address the assigned tasks. Assess and prepare recommendations regarding the impact on DMRM staff resources and costs associated with implementation. Upon further evaluation of the existing tasks, recommend additional tasks to the Steering Committee if necessary to accomplish the workgroup mission.

Task one: Recommend preliminary and final procedures and methodologies for review and approval of various types of performance security authorized in HB 443, including Trusts, Letters of Credit and Self-Bonding.

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Task two: Recommend preliminary and final procedures and methodologies for development of administrative rules as needed to adjust rate of severance tax and administration of 1513.182 of the ORC.

Task three: Recommend procedures for development of actuarial studies, comparison of other states' actuarial studies and other issues related to the function of the Reclamation Forfeiture Fund Advisory Board (RFFAB). Recommend procedures for evaluation of current actuarial study data and reports, and follow-up recommendations to the RFFAB.

Task four: Recommend preliminary and final procedures and methodologies for tracking severance tax required vs. actually paid.

COMPLETION DEADLINE: Preliminary Procedures: Task one – May 1, 2010
Task two – April 1, 2010
Task three – June 30, 2010
Task four – March 1, 2010

MEETING FREQUENCY: As set by workgroup to meet deadline

WORKGROUP MEMBERSHIP: DMRM staff (cross section):**
Coal Industry
OSM
Other interested or appropriate party

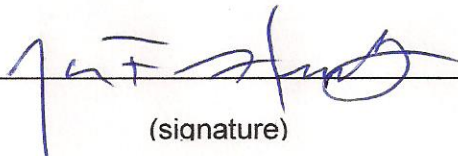
** DMRM staff assigned to this workgroup:

Ron Kolbash, Wayne Schalk, Tom Frison, Gregg Miller, John Sprouse, and Sue Grant.

WORKGROUP LEADERS: Ron Kolbash and Sue Grant

John Husted

Chief



(signature)

1-25-10

Date