

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 641 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/16/07

A Bill

HOUSE BILL 2442

5 By: Representatives Maloch, Reep, Lowery
6 By: Senators Malone, G. Jeffress, J. Jeffress
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9 **For An Act To Be Entitled**

10 AN ACT TO DEVELOP AN ENERGY UTILIZATION STRATEGY
11 FOR LIGNITE PRODUCTION AND USE; TO CREATE THE
12 ARKANSAS LIGNITE RESOURCES PILOT PROGRAM; TO
13 REDUCE OUR DEPENDENCY ON FOREIGN OIL FOR THE
14 CREATION OF ELECTRICITY AND OTHER ENERGY SOURCES;
15 AND FOR OTHER PURPOSES.
16

17 **Subtitle**

18 TO DEVELOP AN ENERGY UTILIZATION
19 STRATEGY FOR LIGNITE PRODUCTION AND USE
20 BY CREATING THE ARKANSAS LIGNITE
21 RESOURCES PILOT PROGRAM.
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code Title 15, Chapter 55, is amended to add an
27 additional subchapter to read as follows:

28 15-55-401. Title.

29 This subchapter shall be known and may be cited as the "Lignite
30 Development Act".
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32 15-55-402. Findings.

33 The General Assembly finds:

34 (1) Lignite in Arkansas is a vast energy resource that is
35 virtually untapped and is easily extracted;



1 (2) Lignite could potentially be used in a variety of ways
2 including blending with fuel products to augment imported coal that is
3 currently used to generate electricity in Arkansas power plants; as a primary
4 fuel source for newly constructed electric power generating plants; and as a
5 primary fuel source for the generation of synthetic natural gas, gasoline,
6 and other economically important by-products;

7 (3) The Arkansas Geological Survey, formerly known as the
8 Arkansas Geological Commission, is interested in developing a research
9 agreement with academic institutions of higher education or industry partners
10 or both for purposes of pursuing a research program on Arkansas lignite and
11 lignite's commercial and economic contributions to the state.

12 (4) In the United States, approximately seventy-nine percent
13 (79%) of lignite coal is used to generate electricity, thirteen and five-
14 tenths percent (13.5%) is used to generate synthetic natural gas, and seven
15 and five-tenths percent (7.5%) is used to produce fertilizer products;

16 (5) Currently, Arkansas is not utilizing its lignite resources;
17 whereas, Texas, Mississippi, Louisiana, and North Dakota regard lignite as an
18 important energy source for electrical power generation or synfuels
19 production; and

20 (6) With the creation of strategic partnerships, Arkansas can
21 truly begin a new era in lignite-driven energy and economic development.

22
23 15-55-403. Arkansas Lignite Resources Pilot Program.

24 (a) There is created a program to be known as the "Arkansas Lignite
25 Resources Pilot Program".

26 (b) The Arkansas Lignite Resources Pilot Program shall be developed
27 and administered by Southern Arkansas University, the Arkansas Geological
28 Survey, and the Arkansas Department of Economic Development.

29 (c) The purpose of the program is to:

30 (1) Examine the feasibility of the use of lignite as a potential
31 energy source;

32 (2) Explore and utilize lignite as an energy resource including
33 without limitation a synfuels-based research program;

34 (3) Develop public and private partnerships with other entities
35 to develop the untapped energy resource of lignite to stimulate Arkansas'
36 economy; and

1 (4) Develop practical applications for the use of lignite
2 resources as an alternative energy source.

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4 15-55-404. Participation in other grant programs.

5 The Arkansas Lignite Resources Pilot Program may participate in
6 federal, state, or industry grant opportunities that are available for the
7 program.

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9 15-55-405. Reporting.

10 Representatives from Southern Arkansas University, the Arkansas
11 Geological Survey, and the Arkansas Department of Economic Development shall
12 report the status of the Arkansas Lignite Resources Pilot Program
13 periodically to the Legislative Council and the Joint Committee on Energy.

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15 */s/ Maloch, et al*

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17 *APPROVED: 3/28/2007*
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