

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.

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  
7

## 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.

## Subtitle

16  
17  
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:  
25

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".

31  
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;

36 (2) Lignite could potentially be used in a variety of ways



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

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

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

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

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

21  
22 15-55-403. Arkansas Lignite Resources Pilot Program.

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

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

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

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

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

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

36 (4) Develop practical applications for the use of lignite

1 resources as an alternative energy source.

2  
3 15-55-404. Participation in other grant programs.

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

7  
8 15-55-405. Reporting.

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

13  
14 */s/ Maloch, et al*