

SB 836 -1, -2 STAFF MEASURE SUMMARY

Senate Committee On Natural Resources and Wildfire

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/18, 3/25

WHAT THE MEASURE DOES:

The measure increases and establishes various fees charged by the Department of Geological and Mineral Industries.

Fiscal impact: May have fiscal impact, but no statement yet issued.

Revenue impact: May have revenue impact, but no statement yet issued.

Detailed Summary:

Increases the following fees:

Onshore Exploration:

- Non-refundable fee for onshore exploration permits from \$2,000 to \$5,000.
- Annual renewal fee for onshore exploration permits from \$1,460 to \$3,500.

Surface Mining:

- Annual fee of exclusion certificates from \$165 to \$200.

Mining Operations:

- Operating permit application from \$2,000 to \$6,500.
- Renewal fees for operating permits as follows:
 - For those that did not extract minerals during the preceding year from \$1,200 to \$3,500
 - For those that did extract minerals during the preceding year from \$1,460 to \$3,500 plus an additional \$0.03 per ton of minerals extracted.
- Staff time and related costs if a reclamation plan is changed from \$2,000 to \$4,000, separate from the annual renewal fee.
- Special inspection fee from \$2,000 to \$4,000.

Establishes that DOGAMI has the authority to raise the per ton fee up from \$0.015 to \$0.05.

Applications and Inspections:

- Initial fee of intent to submit a consolidated application from \$2,000 to \$10,000.
- Site inspection fees for surface mining from \$1,200 to \$4,000.

Well Drilling:

- Application fee for well drilling from \$2,000 to \$5,000.
- Modify a well permit, information hole permit, or seismic program permit from \$2,000 to \$5,000.
- Annual renewal fee for a well permit, information hole permit, or seismic program permit from \$1,160 to \$4,000.
- Nonrefundable fee to request a transfer well permit, information hole permit, or seismic program permit from \$2,000 to \$5,000.
- Nonrefundable fee for DOGAMI to estimate the cost of review for proposed prospect wells from \$2,000 to \$5,000 per application or permit modification.
- Annual renewal of permit to drill a well from \$2,725 to \$4,000.

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- Transfer of permit to drill a well fee from \$2,000 to \$5,000.

Establishes that the application fee for approval of a seismic program may not exceed \$2,500.

Geothermal Wells:

- Nonrefundable application fee for a permit to drill or operate a geothermal well from \$2,000 to \$5,000.
- Annual renewal fee for permit to drill or operate a geothermal well from \$2,725 to \$4,000.
- Request to modify a permit to drill or operate a geothermal well from \$2,000 to \$5,000.
- Request to transfer a permit to drill or operate a geothermal well from \$2,000 to \$5,000.

ISSUES DISCUSSED:

- Backlog of permits being issued
- Justification for tripling of fees
- DOGAMI Joint Ways and Means February presentation
- Staff permit and application processing efficiency in 2009
- Time since last fee increase
- 2024-2025 volume of permit applications
- HB 2785

EFFECT OF AMENDMENT:

-1 replaces the measure.

Modifies the following fees:

Onshore Exploration:

- Non-refundable fee for onshore exploration permits from \$2,000 to \$3,000.
- Annual renewal fee for onshore exploration permits from \$1,460 to \$2,190.

Surface Mining:

- Annual fee of exclusion certificates from \$165 to \$247.50.

Mining Operations:

- Operating permit application from \$2,000 to \$3,000.
- Renewal fees for operating permits as follows:
 - For those that did not extract minerals during the preceding year from \$1,200 to \$1,800.
 - For those that did extract minerals during the preceding year from \$1,460 to \$2,190 plus an additional \$0.01875 per ton of minerals extracted.
- Staff time and related costs if a reclamation plan is changed from \$2,000 to \$3,000, separate from the annual renewal fee.
- Special inspection fee from \$2,000 to \$3,000.

Establishes that DOGAMI has the authority to raise the per ton fee up from \$0.015 to \$0.0225.

Applications and Inspections:

- Initial fee of intent to submit a consolidated application from \$2,000 to \$3,000.
- Site inspection fees for surface mining from \$1,200 to \$1,800.

Well drilling:

- Application fee for well drilling from \$2,000 to \$3,000.
- Modify a well permit, information hole permit, or seismic program permit from \$2,000 to \$3,000.
- Annual renewal fee for a well permit, information hole permit, or seismic program permit from \$1,160 to \$1,740.
- Nonrefundable fee to request a transfer well permit, information hole permit, or seismic program permit from \$2,000 to \$3,000.

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- Nonrefundable fee for DOGAMI to estimate the cost of review for proposed prospect wells from \$2,000 to \$3,000 per application or permit modification.
- Annual renewal of permit to drill a well from \$2,725 to \$4,087.50.
- Transfer of permit to drill a well fee from \$2,000 to \$3,000.

Establishes that the application fee for approval of a seismic program may not exceed \$3,000.

Geothermal wells:

- Nonrefundable application fee for a permit to drill or operate a geothermal well from \$2,000 to \$3,000.
- Annual renewal fee for permit to drill or operate a geothermal well from \$2,725 to \$4,087.50.
- Request to modify a permit to drill or operate a geothermal well from \$2,000 to \$3,000.
- Request to transfer a permit to drill or operate a geothermal well from \$2,000 to \$3,000.

-2 replaces the measure.

Authorizes the Department of Geology and Mineral Industries to adjust the maximum amount of fees for onshore exploration, surface mining, mining operations, application and inspections, well drilling, and geothermal wells. Requires that the adjustment will be proportional to the percentage change in inflation over the 24-month period preceding the start of each biennium.

BACKGROUND:

The Department of Geology and Mineral Industries (DOGAMI) is responsible for issuing permits related to mineral exploration, upland mining, surface impacts of underground mining, emergency or temporary mining, and drilling or using wells to extract oil, gas, or geothermal resources. DOGAMI is additionally funded by permit fees that are paid by the regulated industry.