

SB 836 -2 STAFF MEASURE SUMMARY

Senate Committee On Rules

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 5/19

WHAT THE MEASURE DOES:

The measure increases various fees charged by the Department of Geology 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 and fee caps:

Onshore Exploration:

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

Surface Mining:

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

Mining Operations:

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

Changes amount that DOGAMI may raise the per ton fee to reflect actual department expenses from \$0.015 to \$0.05.

Non-Aggregate Mineral Surface Mines - Applications and Inspections:

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

Well Drilling:

- Application fee for well drilling permit 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.
- Application fee cap to drill an information hole from \$2,000 to \$2,500 per five holes drilled in contiguous 640 acre area.
- Nonrefundable fee to request a transfer well permit, information hole permit, or seismic program permit from \$2,000 to \$5,000.

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- Nonrefundable fee cap 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.
- 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 fee cap 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:

EFFECT OF AMENDMENT:

-2 amendment 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 funded by permit fees that are paid by the regulated industry.