

SB 836 -4 STAFF MEASURE SUMMARY

Senate Committee On Rules

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 5/19, 5/28

WHAT THE MEASURE DOES:

The measure increases various fees charged by the Department of Geology and Mineral Industries for the Mineral Land Regulation and Reclamation Program.

Fiscal Impact: Fiscal impact issued.

Revenue Impact: No revenue impact.

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:

- Moss Adams 2025 audit of the Department of Geological and Mineral Industries (DOGAMI) Surface Mine Permitting in the Mineral Land Regulation and Reclamation Program (MLRRP)
- Reduction in DOGAMI staffing and potential impacts to permit backlogging
- DOGAMI and third party mine site and field inspectors
- Agency need for additional technical reviewers
- DOGAMI key performance measures and agency-industry relationships

EFFECT OF AMENDMENT:

-4 amendment reduces certain onshore exploration and mining operations fees charged by the Department of Geological and Mineral Industries for the Mineral Land Regulation and Reclamation Program.

Detailed Summary:

Modifies the following fees for Onshore Exploration:

- Removes the non-refundable \$5,000 application fee for onshore exploration permits
- Modifies the Annual renewal fee cap for onshore exploration permits from \$3,500 to \$1,500

Reduces the following fees for Mining Operations:

- Reduces renewal fees for operating permits as follows:
 - For those who did not extract minerals during the preceding year, from \$3,500 to \$2,300
 - For those who did extract minerals during the preceding year, from \$3,500 to \$2,300, plus an additional fee (reduced from \$0.05) of \$0.0325 per ton of minerals extracted

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's Mineral Land Regulation and Reclamation Program (MLRRP) is a field-based, statewide (excluding tribal lands), fee-funded regulatory program. It works with both the industry and the public to reduce environmental impacts from resource extraction and promote land reclamation. MLRRP regulates:

- All upland and underground mining
- Oil and gas well drilling
- Geothermal well drilling

The program is funded entirely through fees paid by those it regulates.