

## **SB 836 A STAFF MEASURE SUMMARY**

### **Joint Committee On Ways and Means**

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**Prepared By:** Katie Bannikov, Budget Analyst

**Meeting Dates:** 6/3

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#### **WHAT THE MEASURE DOES:**

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

#### Detailed Summary:

Increases the following fees and fee caps:

##### Onshore Exploration:

- Annual renewal fee cap for onshore exploration permits from \$1,460 to \$1,500.

##### Mining Operations:

- Annual fee cap for surface mining exclusion certificates from \$165 to \$200.
- 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 \$2,300.
  - For those who did extract minerals during the preceding year, from \$1,460 to \$2,300, plus an additional \$0.03 per ton of minerals extracted in the preceding 12-month period.
- 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 \$0.0325.

##### 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.
- 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:

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*This summary has not been adopted or officially endorsed by action of the committee.*

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- 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:**

No amendment.

### **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.