



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # SB0229

Title: Revise open-cut mining laws

Primary Sponsor: Hamlett, Bradley

Status: As Introduced

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue-DEQ	(\$43,031)	(\$43,031)	(\$43,031)	(\$43,031)
State Special Revenue-DOR	(\$7,594)	(\$7,594)	(\$7,594)	(\$7,594)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The proposed changes to the Opencut Mining Act would allow for up to 50,000 cubic yards of material to be mined without a permit and without fees, causing a loss of revenue to both the Department of Environmental Quality (DEQ) and the Department of Revenue (DOR).

FISCAL ANALYSIS

Assumptions:

1. In accordance with the Opencut Mining Act, DEQ receives 85% of Opencut fees and DOR receives 15%.
2. In 2012, there were 45 sites that utilized the permit exclusion that currently allows for removal of up to 5,000 cubic yards of material without a permit, and without payment of the associated fees.
3. It is assumed that there would be increased use of the permit exclusion because of the increase in cubic yards that can be mined without a permit. However, it is unknown how much additional mining would occur.
4. For purposes of this fiscal note, it is assumed that at a minimum the current 45 sites would remove 50,000 cubic yards resulting in a revenue reduction to DEQ and DOR.

- The reduction in revenue was calculated by multiplying the rate of \$.025/cubic yard times 45 sites times the difference in the new allowance of material mined or 50,000 cubic yards less the current allowance of material mined or 5,000 cubic yards. The reduction of revenue amounts to \$50,625 (\$.025 x 45 x 45,000). DEQ would realize 85% of the reduction or \$43,031 and DOR would realize 15% or \$7,594.

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)-DEC	(\$43,031)	(\$43,031)	(\$43,031)	(\$43,031)
State Special Revenue (02)-DOI	(\$7,594)	(\$7,594)	(\$7,594)	(\$7,594)
TOTAL Revenues	<u>(\$50,625)</u>	<u>(\$50,625)</u>	<u>(\$50,625)</u>	<u>(\$50,625)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$50,625)	(\$50,625)	(\$50,625)	(\$50,625)

Effect on County or Other Local Revenues or Expenditures:

- Counties or other local governments could see some savings if they use the exclusion as opposed to obtaining a permit.

Long-Term Impacts:

- The Opencut Program currently funds 4.00 FTE with permit fees. Reduction in fees could lead to the inability to fund some of the FTE and operations with fee revenues.

Sponsor's Initials

Date

Budget Director's Initials

Date