

LEGISLATIVE AUDIT DIVISION

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DEQ Opencut 24P-03

Department of Environmental Quality
Department of Revenue

Audit Objectives (what the audit intends to accomplish or questions auditors will answer):

1. Does the Department of Environmental Quality review and issue opencut mining permits within statutory timeframes and requirements?
2. What are the impacts of opencut mining on nearby property values and aggregate material production?

Audit Scope (the boundary of the audit & subject matter auditors will assess):

The first aspect of an examination of the Department of Environmental Quality's Opencut Mining Section will focus on the Opencut Section's permit review process for standard and dryland permits within statutory timeframes and other requirements in calendar years 2020 to 2023. The second aspect of the work will examine the impacts of opencut mining on residential property sales and taxable values and near opencut mining sites, using sales and housing data in the Department of Revenue's Customer Reporting System; and on in-state production levels of aggregate materials such as sand and gravel in years 2020 to 2023. Audit work will include:

- Review statute, rules, and DEQ policies and procedures for opencut mining permits.
- Identify best practices for environmental permitting processes through other states' mining programs and other agencies and sources.
- Identify successes and challenges in the permit application process through interviews with DEQ staff and a survey to active opencut mining operators.
- Review 150 permit applications submitted in 2020 to 2023 for compliance to statutory timelines and requirements.
- Speak with stakeholders in the mining industry, partner agencies, and public interest groups.
- Evaluate Opencut Section staff resources and workload for key duties and tasks.
- Visit opencut mining sites with DEQ staff and opencut mining operators.
- Calculate total production of aggregate material for active operators in the state and amount of aggregate material produced for various development projects.
- Identify trends in application submissions relative to county population trends.
- Interview property owners near opencut mining sites.
- Consult DOR property assessment division staff related to assessment and valuation of residential properties.
- Analyze impact of opencut mining site locations on nearby residential property sales and taxable values from 2008 to present through property sales data in DOR's Customer Reporting System.