

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3563**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed Versions are Considered Official***Prepared by: John Terpening
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Date: 6-10-2015**Measure Description:**

Requires person that engages in surface mining activities at levels below thresholds for applicability of operating permit and reclamation requirements to obtain exclusion certificate from State Department of Geology and Mineral Industries and to pay fee.

Government Unit(s) Affected:

Department of Geology and Mineral Industries (DOGAMI)

Summary of Revenue Impact:

Agency – Fund Type	2015-2017 Biennium	2017-2019 Biennium
DOGAMI – Other Funds	\$600,000	\$600,000

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure increases statutory limits on fees related to mining operations and establishes a fee for an exclusion certificate for small surface mining operations. The exclusion certificate includes an application fee and annual renewal. The following fee changes are anticipated to generate approximately \$600,000 Other Funds per biennium if increased to the maximum allowed by statute.

These estimates assume the fees will be raised to the maximum allowed by statute and are based on 128 applications per biennium, 900 active mining sites, and an annual aggregate production estimate of 30,000,000 tons.

Type of Fee	Previous Fee	New Fee
Exclusion Certificate Application	--	\$400
Exclusion Certificate Renewal	--	\$150
Application for Mining Operation	\$1,260	\$1,750
Annual Base Fee	\$635	\$850
Production Rate Per Ton	\$0.0075	\$0.0095
Reclamation Change Fee	\$1,260	\$1,750
Special Inspection Fee	\$200	\$500

The measure stipulates that all revenues from these fees are to be deposited into the Mined Land Regulation and Reclamation Program Subaccount and the Department shall report to the governing board annually on the financial status of the account. The measure also establishes the Reclamation Guarantee Fund, separate and distinct from the General Fund, and credits interest earned back to the fund. The fund is established to consist of monies deposited from surety bonds paid to the Department for surface mining operations. The Department is directed to transfer prior bond monies into the new fund and report on the financial status of the fund to the governing board annually.

The DOGAMI budget in SB 5512 assumes passage of this fee increase.