

SB 1579 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Haylee Morse-Miller, Fiscal Analyst

Meeting Dates: 2/24, 2/27, 2/28

WHAT THE MEASURE DOES:

Increases statutory limits on permitting fees charged by the Department of Geology and Mineral Industries (DOGAMI), effective January 1, 2021. Impacts numerous fees for DOGAMI’s Mined Land Regulation and Reclamation (MLRR) program, including but not limited to, the following fee modifications for aggregate producers: an increase in the annual renewal tonnage fee from \$0.0095 to \$0.0125; an increase to the statutory cap for the tonnage fee from \$0.0095 to \$0.015; an increase in the annual base fee for non-producing aggregate sites from \$850 to \$1,200; and, an increase in the annual base fee for producing aggregate sites from \$850 to \$1,460.

ISSUES DISCUSSED:

- Merits of the bill

EFFECT OF AMENDMENT:

Modifies annual operating permit renewal fees and tonnage fees for extracted minerals.

BACKGROUND:

The Mined Land Regulation and Reclamation (MLRR) program within the Department of Geology and Mineral Industries (DOGAMI) is the state's regulator of natural resource extraction industries, which include surface mining, oil and gas, and geothermal. The MLRR program is supported by fees paid by natural resource extraction permittees.

Many fees in the MLRR section were increased by HB 3563 (2015), but some fees have not been changed since 1991. The agency has been working with the stakeholders to modify fees so that fee revenue will fully cover the costs of permitting and oversight of regulated industry.

This measure increases fees for aggregate producers in order to maintain MLRR at current service level through the end of the biennium. This measure also modifies oil, gas and geothermal fees in order to align these fees with administrative expenses related to regulation of these industries and to prevent subsidization across fee types.