

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4302

80th Oregon Legislative Assembly – 2020 2nd Special Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 8-10-2020

Measure Description:

Establishes and modifies fees and requirements relating to permits for mineral exploration, mining operations, exclusion certificates, gas and oil drilling and exploration, and geothermal well drilling operation.

Government Unit(s) Affected:

Department of Geology and Mineral Industries (DOGAMI)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Revenue Impact:

	2019-21 Biennium	2021-23 Biennium
Department of Geology and Mineral Industries - Other Funds	359,079	1,564,365
Total Funds	\$359,079	\$1,564,365

Analysis:

HB 4302 increases the statutory limits on permitting fees charged by the Department of Geology and Mineral Industries (DOGAMI).

This measure 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.

There are also modifications to 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.

Increased fee revenue is expected to maintain program funding at the current service level. Without the fee increase, the MLRR program would not have enough revenue at the conclusion of the 2019-21 biennium and would need look at staff reductions within the program. The anticipated fee revenue is projected to provide the program with an ending balance equivalent to 2.1 months of operating expenses by the start of the 2021-23 biennium.

Changes to fees are anticipated to increase MLRR program revenues by \$359,079 Other Funds in 2019-21, and \$1,564,365 Other Funds in 2021-23. For 2019-21, these estimates are based on 438 mining site renewals and an aggregate production estimate of 19,500,000 tons for the remainder of the current biennium. The fee increase is effective January 1, 2021.