

A-Engrossed
Senate Bill 836

Ordered by the Senate May 29
Including Senate Amendments dated May 29

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Tina Kotek for State Department of Geology and Mineral Industries)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act increases fees charged by DOGAMI. (Flesch Readability Score: 66.7).
Increases fees charged by the State Department of Geology and Mineral Industries.

A BILL FOR AN ACT

1
2 Relating to fees imposed by the State Department of Geology and Mineral Industries; amending ORS
3 517.710, 517.753, 517.800, 517.973, 520.017, 522.055 and 522.115.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 517.710 is amended to read:

6 517.710. (1) If the person conducting an exploration under a permit issued under ORS 517.705 is
7 not in violation of ORS 517.702 to 517.740 or 517.810 or any terms of the permit and has paid an
8 annual renewal fee not to exceed [*\$1,460*] **\$1,500** prior to the anniversary date of the permit as es-
9 tablished by the State Department of Geology and Mineral Industries, the department shall renew
10 the permit.

11 (2) Nothing in this section prevents the department from suspending or revoking a permit for
12 violations of ORS 517.702 to 517.740 or 517.810 or taking any other action authorized under this
13 chapter.

14 **SECTION 2.** ORS 517.753 is amended to read:

15 517.753. (1) Notwithstanding the yard and acre limitations of ORS 517.750 (16), a person may not
16 engage in surface mining that results in the extraction of 5,000 cubic yards or less of minerals or
17 affects less than one acre of land within a period of 12 consecutive calendar months except in
18 compliance with an exclusion certificate issued by the State Department of Geology and Mineral
19 Industries under this section. Except as provided in ORS 517.755, a mining operation subject to a
20 valid exclusion certificate is not subject to the operating permit or reclamation requirements set
21 forth in ORS 517.702 to 517.989.

22 (2) A person shall submit an exclusion certificate application on a form provided by the de-
23 partment, accompanied by a fee not to exceed \$400. If the department does not approve or disap-
24 prove the application within 90 days after the date the application is filed with the department, the
25 application shall be deemed approved.

26 (3) Each holder of an exclusion certificate shall annually pay to the department a renewal fee
27 not to exceed [*\$165*] **\$200**, accompanied by a description of:

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 (a) The amount of minerals extracted pursuant to the certificate during the previous 12 months;

2 (b) The total acreage of surface disturbance by the mining operation as of the date that the re-
3 newal is submitted; and

4 (c) Any additional information required by the department to determine that the mining opera-
5 tion continues to qualify for an exclusion certificate.

6 **SECTION 3.** ORS 517.800 is amended to read:

7 517.800. (1)(a) Except for an application for a mining operation submitted under ORS 517.910 to
8 517.989, each applicant for an operating permit under ORS 517.702 to 517.989 shall pay to the State
9 Department of Geology and Mineral Industries a fee established by the State Geologist in an amount
10 not to exceed [~~\$2,000~~] **\$6,500**.

11 (b) If an application for a new permit or an amendment to an existing permit requires extraor-
12 dinary department resources because of concerns about slope stability or proximity to waters of the
13 state or other environmentally sensitive areas, the applicant shall pay to the department an addi-
14 tional fee in an amount the State Geologist deems adequate to cover the additional costs for staff
15 and other related expenses. The State Geologist shall consult with the applicant when determining
16 the amount of the fee.

17 (2) A holder of an operating permit that did not extract minerals during the preceding 12-month
18 period shall pay to the department an annual renewal fee of [~~\$1,200~~] **\$2,300**. A holder of an operating
19 permit that extracted minerals during the preceding 12-month period shall pay to the department
20 an annual renewal fee of [~~\$1,460~~] **\$2,300** and [~~\$0.0125~~] **\$0.03** per ton of minerals extracted during the
21 preceding 12-month period.

22 (3) If a reclamation plan is changed, the operator may be assessed for staff time and other re-
23 lated costs **in** an amount not to exceed [~~\$2,000~~] **\$4,000** in addition to the annual renewal fee. This
24 subsection does not apply to a mining operation that is subject to the fee established by ORS 517.973
25 (2)(a).

26 (4) If an operator requests that the department respond to requests for information required by
27 a local government in making a land use planning decision, the State Geologist may require the
28 operator to pay the department a fee for staff time and related costs. The department shall notify
29 the operator in advance of the estimated costs of providing the information, and the assessment may
30 not exceed the estimate.

31 (5) The State Geologist may require the operator of a site to pay to the department a special
32 inspection fee in an amount not to exceed [~~\$2,000~~] **\$4,000** for an inspection conducted under the
33 following circumstances:

34 (a) Investigation of surface mining operations conducted without the operating permit required
35 under ORS 517.790; or

36 (b) Investigation of surface mining operations conducted outside the area authorized in an op-
37 erating permit.

38 (6) Upon request of an applicant or operator, the department shall provide an itemized list and
39 documentation of expenses used to determine a fee under subsection (1)(b), (3) or (4) of this section.

40 (7) Notwithstanding the per ton fee established in subsection (2) of this section, the governing
41 board of the department may lower to zero or raise the per ton fee up to [~~\$0.015~~] **\$0.0325** to reflect
42 actual expenses of the department in administering ORS 517.702 to 517.951.

43 (8) All fees collected by the department under this section shall be deposited in the Mined Land
44 Regulation and Reclamation Program Subaccount within the Geology and Mineral Industries Ac-
45 count. The department shall prepare and submit to the governing board of the department an annual

1 report on the financial status of the Mined Land Regulation and Reclamation Program Subaccount.

2 (9) The governing board of the department shall adopt rules establishing:

3 (a) Procedures for the administrative review of the determinations of fees under this section.

4 (b) The payment date for fees required under this section.

5 (c) Late fees of up to five percent of the unpaid amount of a fee owed under this section if the
6 fee is more than 60 days past due.

7 **SECTION 4.** ORS 517.973 is amended to read:

8 517.973. (1) In addition to any permit fee required by any other permitting agency, each notice
9 of intent to submit a consolidated application under ORS 517.961 must be accompanied by an initial
10 fee established by the State Geologist in an amount not to exceed [~~\$2,000~~] **\$10,000**.

11 (2)(a) Annually on the anniversary date of an operating permit, each holder of an operating
12 permit shall pay to the State Department of Geology and Mineral Industries a renewal fee estab-
13 lished by the State Geologist in an amount not less than \$2,500.

14 (b) In addition to the fee prescribed in paragraph (a) of this subsection, the department may
15 charge an amount not to exceed [~~\$1,200~~] **\$4,000** for inspections made at sites if the surface mining
16 is:

17 (A) Conducted without the permit required by ORS 517.790;

18 (B) Abandoned; or

19 (C) Conducted in an area not described in the surface mining permit.

20 (3) Subject to the provisions of subsection (5) of this section, the prospective applicant or ap-
21 plicant shall pay all expenses incurred by the department and the permitting and cooperating
22 agencies related to the consolidated application process under ORS 517.952 to 517.989. These ex-
23 penses may include legal expenses, expenses incurred in processing and evaluating the consolidated
24 application, issuing a permit or final order and expenses of hiring a third party contractor under
25 ORS 517.979 and 517.980.

26 (4) If the costs exceed the fee, the prospective applicant or applicant shall pay any excess costs
27 shown in an itemized statement prepared by the department. The department and permitting and
28 cooperating agencies may not incur evaluation expenses in excess of 110 percent of the fee initially
29 paid unless the department provides prior notification to the prospective applicant or applicant and
30 a detailed projected budget the department believes necessary to complete the process or a portion
31 of the process under ORS 517.952 to 517.989. If the actual costs are less than the fee paid, the de-
32 partment shall refund the excess to the prospective applicant or applicant.

33 (5) All expenses incurred by the department and the permitting and cooperating agencies under
34 ORS 517.952 to 517.989 that are charged to or allocated to the fee paid by a prospective applicant
35 or an applicant shall be necessary, just and reasonable. Upon request, the department shall provide
36 a detailed justification for all charges to the prospective applicant or applicant.

37 **SECTION 5.** ORS 520.017 is amended to read:

38 520.017. (1) The following fees are established under this chapter:

39 (a) The application fee for a permit to drill a well is [~~\$2,000~~] **\$5,000**.

40 (b) The fee to modify a well permit, information hole permit or seismic program permit is
41 [~~\$2,000~~] **\$5,000**.

42 (c) The annual renewal fee for a well permit, information hole permit or seismic program permit
43 is [~~\$1,160~~] **\$4,000**.

44 (d) The application fee for a permit to drill an information hole may not exceed [~~\$2,000~~] **\$2,500**
45 per five information holes drilled in a contiguous 640-acre area. The State Department of Geology

1 and Mineral Industries shall base the fee on the estimated cost of review and approval and the
2 number and location of information holes to be drilled.

3 (e) The fee for approval of a seismic program may not exceed [~~\$2,000~~] **\$2,500**. The department
4 shall base the fee on the estimated cost of review and approval.

5 (f) A permittee that requests to transfer a well permit, information hole permit or seismic pro-
6 gram permit must pay a nonrefundable fee of [~~\$2,000~~] **\$5,000** at the time of the request.

7 (2) The governing board of the department by rule may specify a schedule of fees for costs in-
8 curred by the department for activities related to field designation for purposes of this section.

9 (3) All moneys received by the department under this section shall be paid into the State
10 Treasury and deposited in the General Fund to the credit of the Geology and Mineral Industries
11 Account established in ORS 516.070.

12 **SECTION 6.** ORS 522.055 is amended to read:

13 522.055. (1) A person may not engage in drilling a prospect well except in compliance with a
14 permit issued by the State Department of Geology and Mineral Industries under this section.

15 (2) An application for a permit to drill prospect wells must include:

16 (a) A plugging and decommissioning plan;

17 (b) Such other information as the department by rule may require to assess the impacts of the
18 proposed prospect well; and

19 (c) A nonrefundable fee as determined by the department based on the estimated cost of review
20 of the proposed prospect wells, not to exceed [~~\$2,000~~] **\$5,000** per application or permit modification.

21 (3) Each application may include up to five prospect wells per project area. The project area
22 must be contiguous and include no more than 640 acres.

23 (4) A permit to drill remains valid until it is revoked or modified by the department based on
24 new information or changed conditions.

25 (5) The permittee shall pay the department an annual nonrefundable renewal fee of [~~\$2,725~~]
26 **\$4,000** on or before the anniversary of each active permit.

27 (6) A permittee that requests to transfer a permit issued under this section shall pay a
28 nonrefundable fee of [~~\$2,000~~] **\$5,000** at the time of the request.

29 (7) All moneys received by the department under this section shall be paid into the State
30 Treasury and deposited in the General Fund to the credit of the Geology and Mineral Industries
31 Account established by ORS 516.070.

32 **SECTION 7.** ORS 522.115 is amended to read:

33 522.115. (1) A person may not engage in the drilling or operating of any geothermal well except
34 in compliance with a permit issued by the State Department of Geology and Mineral Industries un-
35 der this section.

36 (2) An application for a permit to drill or operate a geothermal well must include:

37 (a) The location and elevation of the floor of the proposed derrick.

38 (b) The number or other designation approved by the department by which the well shall be
39 known.

40 (c) The applicant's estimate of the depths to be drilled.

41 (d) The nature and character of the geothermal resource sought.

42 (e) A reclamation plan for the well pad.

43 (f) Such other information as the department by rule may require to assess the impact of the
44 proposed geothermal well.

45 (g) A nonrefundable fee of [~~\$2,000~~] **\$5,000**.

1 (3) The permittee shall pay an annual nonrefundable renewal fee of [~~\$2,725~~] **\$4,000** on or before
2 the anniversary of each active permit.

3 (4) A request by a permittee to modify a permit shall be accompanied by a nonrefundable fee
4 not to exceed [~~\$2,000~~] **\$5,000**.

5 (5) A request by a permittee to transfer a permit issued under this section must be accompanied
6 by a nonrefundable fee of [~~\$2,000~~] **\$5,000**.

7 (6) All moneys received by the department under this section shall be paid into the State
8 Treasury and deposited in the General Fund to the credit of the Geology and Mineral Industries
9 Account established by ORS 516.070.

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