

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-0462
Prime Sponsor(s): Sen. Tochtrop
 Rep. Becker

Date: January 21, 2014
Bill Status: Senate Agriculture
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SHORT TITLE: NEW LIMITED-IMPACT MINING PERMIT CATEGORY

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue	(\$4,420)	(\$4,076)
Cash Funds	(4,420)	(4,076)
State Expenditures		
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

Summary of Legislation

This bill creates a new limited-impact permit for a person to conduct mining operations on five acres or less. Rather than pay an application fee of \$1,006 and an annual renewal fee of \$258 as required under the existing limited-impact permit for ten acres or less, this new permit has an application fee of \$288 and an annual fee of \$172. The permit will be administered by the Division of Reclamation Mining and Safety (DRMS) within the Department of Natural Resources. The limited-impact permit for 2 acres or less was discontinued in 1993 but operators mining under the permit were allowed to continue operating. Those operators have until July 1, 2015, to comply with the new permit standards and fee requirements set under this bill.

State Revenue

This bill is expected to reduce cash fund revenue from fees by **\$4,420 in FY 2014-15** and **\$4,076 in FY 2015-16** from the Mined Land Reclamation Fund, based on the following assumptions:

- Creating a lower cost permit will encourage more operators to become permitted;
- Beginning in FY 2014-15 and continuing annually, seven new operators and three prospectors will apply for the new permit;
- In FY 2015-16, eight operators with two-acre or less permits will change to the new permit;

- Operators changing from a ten-acre or less permit to the new permit are not included in the analysis because the \$661 fee to change permits may be prohibitive; and
- The fund balance of the Mined Land Reclamation Fund is sufficient to accommodate a minimal reduction in revenues from fees.

Fee impact on individuals and business. Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 1 below identifies the fee impact of this bill.

Table 1. Fee Impact on Individuals, Families or Business*					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
FY 2014-15					
New operators - application	\$1,006	\$288	(\$718)	7	(\$5,026)
Change from prospecting - application	86	288	202	3	606
FY 2014-15 Total					(\$4,420)
FY 2015-16					
New operators - application	1,006	288	(718)	7	(5,026)
New operators - renewal	258	172	(86)	7	(602)
Change from 2 acres to 5 acres	86	172	86	8	688
Change from prospecting - application	86	288	202	3	606
Change from prospecting - renewal	86	172	86	3	258
FY 2015-16 Total					(\$4,076)

*Permit renewal fees will annually.

State Expenditures

This bill is expected to increase the workload for the DRMS but not require an increase in appropriations.

DRMS, Minerals Regulatory Program. The Minerals Regulatory Program will conduct rulemaking, develop a new permit, process permit applications, recalculate bond amounts, assess new fees and work with individual operators to transition to the new permit. This work is expected to be addressed within existing appropriations.

Local Government Impact

The bill results in a minimal workload increase for county clerks. As more operators apply to become permitted, counties will see a minimal increase in notices filed regarding the location of proposed mining operations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Counties

Municipalities

Law

Natural Resources