

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**FISCAL ESTIMATE**

DOA-2048 N(R10/94)

Subject

Application requirements for metallic mining permits

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation     Increase Existing Revenues
- Decrease Existing Appropriation     Decrease Existing Revenues
- Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget     Yes     No
- Decrease Costs

Local:  No local government costs

- |   |   |   |
|---|---|---|
| <p>1. <input checked="" type="checkbox"/> Increase Costs<br/> <input type="checkbox"/> Permissive    <input checked="" type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs<br/> <input type="checkbox"/> Permissive    <input type="checkbox"/> Mandatory</p> | <p>3. <input type="checkbox"/> Increase Revenues<br/> <input type="checkbox"/> Permissive    <input type="checkbox"/> Mandatory</p> <p>4. <input type="checkbox"/> Decrease Revenues<br/> <input type="checkbox"/> Permissive    <input type="checkbox"/> Mandatory</p> | <p>5. Types of Local Government Units Affected:</p> <p><input checked="" type="checkbox"/> Towns    <input checked="" type="checkbox"/> Villages    <input checked="" type="checkbox"/> Cities</p> <p><input checked="" type="checkbox"/> Counties    <input type="checkbox"/> WTCS Districts</p> <p><input type="checkbox"/> School Districts    <input type="checkbox"/> Others</p> |
|---|---|---|

Fund Sources Affected

- GPR     FED     PRO     PRS     SEG     SEG-S

Affected Ch. 20 Appropriations

20.370 (2) (gh)

Assumptions Used in Arriving at Fiscal Estimate

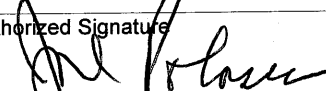
**SUMMARY OF BILL -** SB 139 revises the information required from applicants for a metallic mining permit, revises the circumstances under which the Department of Natural Resources (DNR) must deny a mining permit, changes the circumstances under which local governmental units enter into mining agreements with mining operators, specifies occurrences under which general contractors may not be engaged to operate a mine and applies these to subcontractors, and requires provision of information on exploratory drilling at proposed mining sites to the DNR.

**Mining Permit Information -** Current law requires persons applying for a mining permit to provide information concerning the following occurrences within ten years of the application (for the applicant or related persons): forfeiture in the United States of mining reclamation bonds; felony convictions for mining-related violations of state or federal environmental protection laws; financial problems resulting in failure to reclaim a mining site in the United States; and revocation of mining permits in the United States because of failure to reclaim a mining site. SB 139 requires: the reporting of these occurrences in Canada as well as the United States; reporting any criminal conviction for mining-related violations (not just felony convictions); submittal of information about forfeitures or other civil penalties for mining-related violations; and information about unpaid forfeitures or other civil penalties or judgements against the applicant as a result of environmental law violations or damage caused by a mining operation

**Denial of Mining Permits -** Current law requires DNR to deny a mining permit if, within ten years of applying, the applicant or a related person has: forfeited a mining reclamation bond in the United States; failed to reclaim a mining site in the United States due to financial problems or had a mining permit revoked because of such failure; or been convicted of more than one felony for mining-related violations of state or federal environmental protection laws (unless pardoned, the applicant terminates the relationship with the convicted person or submits a plan to prevent similar occurrences). SB 139 requires denial of a mining permit for: these occurrences in Canada as well as the United States; revocation of an applicants mining permit because of violation of any environmental law; conviction of the applicant or a related person of any mining-related crime; payment by the applicant within the last ten years of over \$50,000 in penalties or forfeitures for mining-related violations of environmental laws in the United States or Canada; or failure by the applicant or a related person to pay a forfeiture or civil penalty imposed as a result of violations of environmental laws or environmental damage. The bill also eliminates the provision allowing the DNR to grant a mining permit if an applicant that has committed a mining-related crime submits a plan to prevent similar occurrences.

Long-Range Fiscal Implications

Some additional information requests will be processed by the department. Additional local governmental units will be required to analyze the need to establish and administer agreements with mining operators.

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
DNR	Joe Polasek	(608) 266-2794		(608) 266-2794	05/11/1999

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**Assumptions Used in Arriving at Fiscal Estimate**

**Local Mining Agreements** - Under current law, a local governmental unit requiring an approval or permit for a proposed metallic mineral mine, or where any portion of a mine is located, may enter into an agreement with the mine operator to specify the applicability of local ordinances, approvals or resolutions. SB 139 provides that these agreements may only be entered into after DNR completes the environmental impact statement for the proposed mining operation and expands authorization for local governmental agreements to areas where processing of mined minerals is proposed. The bill further requires DNR to deny a mining permit unless all eligible local governmental units have either entered into agreements with the mine operator or waived the opportunity.

**General Contractor and Subcontractor Provisions** - SB 139 provides that no metallic mining operator may engage a general contractor or subcontractor to participate in the operation of a mining site if within the last ten years in the United States or Canada they: have been convicted of a crime for violating an environmental protection law; forfeited a mining reclamation bond; declared bankruptcy or undergone dissolution resulting in failure to reclaim a mining site; had a mining permit revoked due to violation of environmental protection laws; or have been required to pay over \$50,000 in forfeitures or other civil penalties due to violations of environmental protection laws.

**Exploratory Drilling Information** - SB 139 requires a person to provide records to DNR of all exploratory drilling conducted at a proposed mining site with the notice of intent to apply for a mining permit, and for DNR to make that information available to any person.

**FISCAL IMPACT** - DNR will experience minimal fiscal impact from SB 139. Some additional review of permit applications may be required due to added permit information requirements, and this cost is estimated at \$5,800/year. Some additional costs would be incurred to revise data bases and create reports to provide this information to decision makers and the public. These one-time costs are estimated at \$5,000. Local governmental units may experience increased costs to develop agreements with mining operators because more units will be authorized, and all units will need to analyze the appropriateness of these agreements to their situation to determine whether or not to waive their opportunity. These local costs are estimated at \$5,000/year.

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/94)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. SB 139, 99-1807/1	Amendment No.
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Subject  
Application requirements for metallic mining permits

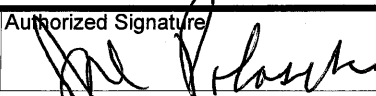
**I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal affect):**

\$5,000 for DNR data base development to accommodate changes in application requirements

<b>II. Annualized Costs:</b>	<b>Annualized Fiscal impact on State funds from:</b>	
<b>A. State Costs by Category</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
State Operations - Salaries and Fringes	\$5,800	
(FTE Position Changes)	0.10	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	\$5,800	
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR		
FED		
PRO/PRS	\$5,800	
SEG/SEG-S		
<b>III. State Revenues:</b>	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes		
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>		

**NET ANNUALIZED IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
<b>NET CHANGE IN COSTS</b>	\$5,800	\$5,000
<b>NET CHANGE IN REVENUES</b>		

Agency DNR	Prepared By Joe Polasek	Phone No. (608) 266-2794	Authorized Signature 	Phone No. (608) 266-2794	Date 05/11/1999
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