

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LRB Number 07-3212/1 | Introduction Number SB-441 |
| Description Environmental regulation of mining and notice to transferees of interests in mining sites | |
| Fiscal Effect | |
| State: | |
| <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate | |
| <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues |
| <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="text-align: right; margin-right: 100px;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs | |
| Local: | |
| <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate | |
| 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
| 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts | |
| Fund Sources Affected | |
| <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370(2)(ma) and (2)(mm) | |
| Affected Ch. 20 Appropriations | |
| Agency/Prepared By | Authorized Signature |
| DNR/ Joe Polasek (608) 266-2794 | Joe Polasek (608) 266-2794 |
| Date | |
| 3/3/2008 | |

Fiscal Estimate Narratives

DNR 3/3/2008

| | | | | | |
|-----------------------------------------------------------------------------------------------------------------|-----------|---------------------|--------|---------------|----------|
| LRB Number | 07-3212/1 | Introduction Number | SB-441 | Estimate Type | Original |
| Description Environmental regulation of mining and notice to transferees of interests in mining sites | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Bill summary: This bill proposes several changes to the state's mining laws and would require related changes to rules pertaining to solid and hazardous waste and groundwater.

The bill removes existing authority under which the DNR may grant exemptions from rules regulating the storage and disposal of solid and hazardous waste, as they apply to metallic mining operations, and would require the DNR to regulate mining waste under the hazardous waste regulations if the mining waste exhibits hazardous characteristics. The bill also specifies that in cases of regulatory overlap between the metallic mining statutes and rules and other environmental protection regulations, the most stringent standard shall apply. A separate provision requires that the rules applied to mining waste facilities must be at least as stringent as the rules regulating solid and hazardous waste facilities.

The proposed legislation also changes the distance that design management zones for metallic mining facilities may be from the edge of the regulated facility or from the waste boundary in the case of a mining waste facility (the current allowable distance is up to 1,200 feet, the bill proposes this be reduced to no greater than 150 feet).

Finally, the bill requires a person who intends to transfer an ownership interest in a mining site for which a permit application is pending with DNR to provide written notices to the transferee of certain environmental statutes and rules applicable to mining operations.

Fiscal Estimate: The rule changes and rulemaking needed to fully implement the provisions contained in the bill would require significant staff time. The Waste and Materials Management Program has no FTEs authorized from the Mining Program Revenue account. The revenue in the Mining account has been depleted, and no additional revenue is coming in, since there are no metallic mines currently going through the permitting process.

The Bureau would need 1.0 FTE (2-year project position) for the duration of the rulemaking activities. In addition to being the primary author on the required rule revisions, this individual would be responsible for coordinating with other DNR Bureaus, other agencies, and external stakeholders. The Department assumes that the currently-inactive Metallic Mining Council, whose previous members' terms have all expired, would need to be reassembled. The Council is statutorily obligated to make recommendations on mining rules and the FTE would serve as the DNR liaison to the Council. The Department estimates that this project position will result in annual costs of \$77,200 [\$25/hour x 2080 hours x 1.4845 (fringe)].

In addition, the Department assumes that, in order to make the requisite changes to the NR 500 series solid waste rules and the NR 600 series hazardous waste rules, NR 600 series, additional staff resources (0.50 FTE 2-year project position) would also be required in the Solid Waste and the Hazardous Waste Programs. The Department estimates that this 0.50 FTE will result in annual costs of \$38,600 [\$25/hour x 1040 hours x 1.4845 (fringe)].

The Department assumes that the complexity and controversy surrounding mining regulations and policies are contributing factors resulting in the need for an additional 1.50 FTE project staff. A survey of tasks needed to integrate this proposed bill includes: public participation (work with external interested parties, respond to questions and comments from the public, lead technical aspects of public hearings); rule development (develop specific proposals for rule language, including internal coordination with other Department programs, take rule package to Natural Resources Board for hearing, address any questions and issues, and return for adoption); work with Environmental Protection Agency on Bevel amendment issues, which exempts mining waste from hazardous waste regulation; work with Mining Council (arrange for meeting logistics, minutes and web page information, develop policy or issue papers for consideration, coordinate with other programs on issues for the Council to consider); develop outreach and information (develop frequently asked questions and web pages on rule revisions, share outreach and information with

Department staff, public, and legislators); develop testimony for legislative hearings and address questions; and develop guidance for implementation.

A significant time commitment from the Bureau of Legal Services will also be required to oversee and advise on rule-making. Staff time will also be required from both the Bureau of Integrated Science Services and the Bureau of Drinking Water and Ground Water. For the purposes of this fiscal estimate, it is assumed this can be done within the existing staff complement.

Long-Range Fiscal Implications

None

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------------------|-----------------|
| LRB Number 07-3212/1 | | Introduction Number SB-441 | |
| Description Environmental regulation of mining and notice to transferees of interests in mining sites | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| Project positions would end after rule revisions are completed. Rule revisions are expected to take approximately two years. Costs for 1.5 project FTE is \$115,800 annually. | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations - Salaries and Fringes (FTE Position Changes) | \$ | | \$ |
| State Operations - Other Costs | | | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | \$ | | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | | |
| | Increased Rev | | Decreased Rev |
| GPR Taxes | \$ | | \$ |
| GPR Earned | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| TOTAL State Revenues | \$ | | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | State | | Local |
| NET CHANGE IN COSTS | \$ | | \$ |
| NET CHANGE IN REVENUE | \$ | | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| DNR/ Joe Polasek (608) 266-2794 | | Joe Polasek (608) 266-2794 | 3/3/2008 |