



2013 ASSEMBLY BILL 868

March 14, 2014 - Introduced by Representatives HULSEY and C. TAYLOR, cosponsored by Senator RISSER. Referred to Committee on Jobs, Economy and Mining.

1 **AN ACT** *to amend* chapter 295 (title) and subchapter I (title) of chapter 295
2 [precedes 295.11]; and *to create* 20.370 (6) (cs), 25.46 (13) and 295.24 of the
3 statutes; **relating to:** monitoring industrial sand mining and processing
4 operations, a fee on the extraction of certain sand, compensation for costs
5 incurred because of sand mining, granting rule-making authority, and making
6 an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires a person who engages in the mining of frac sand (a type of sand that can be used to prop open rock fissures and increase the flow of natural gas or oil) to pay a fee of one dollar per ton of frac sand extracted.

The bill requires the Department of Natural Resources (DNR) to use a portion of the revenue generated from the fee imposed on frac sand mining to provide compensation to cities, villages, towns, and counties for costs incurred due to the impacts of frac sand mining, including costs of road repair and repairing damaged wetlands.

The bill also authorizes ten full-time equivalent positions to DNR for monitoring industrial sand mining and processing operations and provides funding for those positions from the environmental fund.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.370 (6) (cs) of the statutes is created to read:

2 20.370 **(6)** (cs) *Compensation for frac sand mining impacts.* From the
3 environmental fund, from the moneys received under s. 295.24 (2), the amount by
4 which those moneys exceed \$1,117,000 in each fiscal year for compensation for frac
5 sand mining impacts under s. 295.24 (3).

6 **SECTION 2.** 25.46 (13) of the statutes is created to read:

7 25.46 **(13)** The moneys received under s. 295.24 (2) for environmental
8 management.

9 **SECTION 3.** Chapter 295 (title) of the statutes, as affected by 2013 Wisconsin
10 Act 1, is amended to read:

11 **CHAPTER 295**

12 **NONMETALLIC MINING RECLAMATION;**

13 **OIL AND GAS;**

14 **FERROUS METALLIC MINING**

15 **SECTION 4.** Subchapter I (title) of chapter 295 [precedes 295.11] of the statutes
16 is amended to read:

17 **CHAPTER 295**

18 **SUBCHAPTER I**

19 **NONMETALLIC MINING RECLAMATION**

20 **SECTION 5.** 295.24 of the statutes is created to read:

ASSEMBLY BILL 868**1 295.24 Frac sand mining fee and community impact program. (1)**

2 DEFINITIONS. In this section:

3 (a) "Frac sand" means a type of industrial sand that can be used in deep well
4 applications to prop open rock fissures and increase the flow rate of natural gas or
5 oil.

6 (b) "Political subdivision" means a city, village, town, or county.

7 **(2) FEE.** (a) A person who engages in frac sand mining shall pay to the
8 department a fee of \$1 for each ton of frac sand extracted by the person in this state.

9 (b) A person shall pay the fee under par. (a) for the frac sand extracted during
10 a calendar quarter no later than the 30th day after the last day of the calendar
11 quarter.

12 **(3) COMMUNITY IMPACT PROGRAM.** (a) From the appropriation under s. 20.370
13 (6) (cs), the department shall provide compensation to political subdivisions for costs
14 incurred due to the impacts of frac sand mining, including costs incurred for road
15 repair, cleaning up spilled sand, repairing damaged wetlands, and mitigating other
16 environmental impacts.

17 (b) The department shall promulgate rules for the program under this
18 subsection.

19 **SECTION 6. Fiscal changes.**

20 (1) SAND OPERATION MONITORING. In the schedule under section 20.005 (3) of the
21 statutes for the appropriation to the department of natural resources under section
22 20.370 (3) (mq) of the statutes, as affected by the acts of 2013, the dollar amount is
23 increased by \$279,250 for the first fiscal year of the fiscal biennium in which this
24 subsection takes effect to increase the authorized FTE positions for the department
25 by 10.0 SEG positions for monitoring industrial sand mining and processing

ASSEMBLY BILL 868**SECTION 6**

1 operations. In the schedule under section 20.005 (3) of the statutes for the
2 appropriation to the department of natural resources under section 20.370 (3) (mq)
3 of the statutes, as affected by the acts of 2013, the dollar amount is increased by
4 \$1,117,000 for the second fiscal year of the fiscal biennium in which this subsection
5 takes effect to provide funding for the positions authorized in this subsection.

6 **SECTION 7. Initial applicability.**

7 (1) SAND MINING FEE. The treatment of section 295.24 (2) of the statutes first
8 applies to frac sand extracted on March 1, 2014.

9 (END)