



## Fiscal Estimate Narratives

DNR 4/9/2009

LRB Number	09-1925/1	Introduction Number	SB-139	Estimate Type	Original
<b>Description</b> 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 rule-making needed to fully implement the provisions contained in the bill would require significant staff time. As a result of past budget cuts, the Waste & 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 FTE (2-year project position) for the duration of the rule-making activities. In addition to being the primary author on the required rule revisions, this individual would be responsible for coordinating with other Bureaus in the DNR, other agencies and external stakeholders. In particular, the currently-inactive Metallic Mining Council, whose previous members' terms have all expired, would need to be reformed; the FTE would serve as the DNR liaison to the Council.

In order to make the requisite changes to the Solid Waste Rules, NR 500 series, and the Hazardous Waste Rules, NR 600 series, an additional 0.5 FTE project position would also be required in the Solid Waste and the Hazardous Waste Programs, bringing the total additional staff resources required to 1.5 FTE.

Assuming \$80,000 in costs (salary, fringe, supplies) per FTE, the 1.5 project FTEs would cost approximately \$120,000 per year.

Specifics of the rule-making activities are:

1. Develop Rules to interpret the statutory changes. This includes:
  - Work with external interested parties (there will be many divergent views on how to interpret the rule changes)
  - Work with Mining Council on proposed rule issues (see below)
  - Develop specific proposals for rule language, including internal coordination with other programs/Divisions
  - Respond to questions and comments from the public
  - Work with EPA on the Bevel amendment issues (which exempts mining waste from hazardous waste regulation)
  - Develop rule package to take to the NRB for hearing
  - Lead technical aspects of public hearings

- Develop responsiveness summary
  - Work with external interested parties and the Mining Council on revised language
  - Develop final rule package to take to the NRB for adoption
  - Address questions/issues from the NRB (this may mean additional steps depending on the issues raised by the Board)
  - Develop testimony for legislative hearings and address questions
  - Develop guidance for implementation
2. Work with the Mining Council
- Convene the 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
3. Outreach & Information
- Develop FAQ and web page information on proposed rule revisions
  - Answer public questions, including legislators
  - Work with staff on implementation of the rule revisions

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 existing complement.

### **Long-Range Fiscal Implications**

Beyond the approximate two-year period required to make the necessary rule revisions, no significant costs to the DNR are expected as a result of this bill.

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
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 \$120,000 annually.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes (FTE Position Changes)	\$		\$
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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