

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1815-01  
Bill No.: HB 741  
Subject: Fees; Mining and Oil and Gas Production  
Type: Original  
Date: March 26, 2013

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Bill Summary: This proposal extends the expiration date of certain surface mining fees to 2018.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |            |            |            |
|-----------------------------------------------------------|------------|------------|------------|
| FUND AFFECTED                                             | FY 2014    | FY 2015    | FY 2016    |
|                                                           |            |            |            |
|                                                           |            |            |            |
| <b>Total Estimated Net Effect on General Revenue Fund</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |            |            |            |
|---------------------------------------------------------------|------------|------------|------------|
| FUND AFFECTED                                                 | FY 2014    | FY 2015    | FY 2016    |
| Metallic Mineral Waste Management*                            | \$0        | \$0        | \$0        |
|                                                               |            |            |            |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

\* Revenues and Expenditures net to zero

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---------------------------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                          | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</b> |
|                                                               |                |                |                |
|                                                               |                |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|-----------------------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</b> |
|                                                           |                |                |                |
|                                                           |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

#### § 444.772 - Industrial Minerals Permit Fee Extension:

Officials from the **Department of Natural Resources (DNR)** state this proposal extends the industrial minerals fees for five years from December 31, 2013 until December 31, 2018. All fees remain at current levels. Fees support department permitting actions, inspections, enforcement proceedings and reclamation provisions of all mining laws to ensure the protection of human health and the environment.

The Land Reclamation Program (LRP) administers and enforces section 444.760 - 444.790. LRP has issued 339 permits and 789 industrial mineral mining sites. Fees range from \$300 to a maximum of \$3,000. Fees consist of permit fees, site fees, and acreage fees. Fees from these permitting activities average approximately \$500,000 annually.

**Oversight** assumes this is an extension of the industrial minerals permit fee and will reflect this as a fee continuance to the Metallic Mineral Waste Management Fund.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Officials from the **Department of Revenue, Office of the Attorney General, City of Columbia, and City of Kansas City** each assume the proposal would not fiscally impact their respective agencies.

| <u>FISCAL IMPACT - State Government</u>                                   | FY 2014<br>(10 Mo.) | FY 2015            | FY 2016            |
|---------------------------------------------------------------------------|---------------------|--------------------|--------------------|
| <b>METALLIC MINERAL WASTE MANAGEMENT FUND</b>                             |                     |                    |                    |
| <u>Revenue - DNR</u>                                                      |                     |                    |                    |
| § 444.772 - Industrial Minerals Permit fee continuance                    | \$250,000           | \$500,000          | \$500,000          |
| <u>Expense - DNR</u>                                                      |                     |                    |                    |
| § 444.772 - Department enforcement of mining laws                         | <u>(\$250,000)</u>  | <u>(\$500,000)</u> | <u>(\$500,000)</u> |
| <b>ESTIMATED NET EFFECT ON THE METALLIC MINERAL WASTE MANAGEMENT FUND</b> | <b><u>\$0</u></b>   | <b><u>\$0</u></b>  | <b><u>\$0</u></b>  |
| <br>                                                                      |                     |                    |                    |
| <u>FISCAL IMPACT - Local Government</u>                                   | FY 2014<br>(10 Mo.) | FY 2015            | FY 2016            |
|                                                                           | <b><u>\$0</u></b>   | <b><u>\$0</u></b>  | <b><u>\$0</u></b>  |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§ 444.772 - Industrial Minerals Permit Fee Extension:

Extends from December 31, 2013, to December 31, 2018, the industrial mineral permit fees utilized to regulate and ensure reclamation of surfaced mined lands.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources  
Office of Secretary of State  
Department of Revenue  
Office of the Attorney General  
City of Columbia  
City of Kansas City



Ross Strope  
Acting Director  
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