

HOUSE BILL REPORT

SB 5669

As Passed House

April 14, 1997

Title: An act relating to the collection of the metals mining and milling fee.

Brief Description: Revising the collection of the metals mining and milling fee.

Sponsors: Senator Morton; by request of Department of Revenue.

Brief History:

Committee Activity:

Finance: 3/27/97, 4/7/97 [DP].

Floor Activity:

Passed House: 4/14/97, 77-15.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 12 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Mulliken, Vice Chairman; Dunshee, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Butler; Conway; Kastama; Mason; Morris; Thompson and Van Luven.

Minority Report: Do not pass. Signed by 3 members: Representatives Boldt; Pennington and Schoesler.

Staff: Linda Brooks (786-7153).

Background: In 1994 the Legislature enacted a comprehensive new state regulatory law governing metals mining and milling operations. The new regulations include authorization for a metals mining and milling fee. Fee revenues pay for two costs:

- (1) salary and benefits for a state metals mining coordinator; and
- (2) additional inspections of mining sites by the departments of Ecology and Natural Resources.

Currently three metals mining and milling operations are active in Washington. The Department of Ecology annually assesses fees for each operator based on the frequency and type of inspections needed and the time spent by the mining coordinator on each project.

The Department of Ecology informs the Department of Revenue of its fee assessments. The Department of Revenue then bills and collects the appropriate fees from each operator. The collected fees are deposited into a special metals mining account in the state treasury.

Summary of Bill: The Department of Ecology takes over responsibility from the Department of Revenue for the collection of metals mining and milling fees. As a result, the Department of Revenue has no role in the administration of metals mining and milling fees. Otherwise, there is no change. The Department of Ecology will continue to deposit the collected fees into the same metals mining account in the state treasury.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1997.

Testimony For: This bill simply transfers the collection of mining and milling fees from the Department of Revenue to the Department of Ecology. Currently, the Department of Revenue only collects the fees. The Department of Ecology determines the fees and administers the program. There are no tax compliance or tax discovery issues involved. Only three companies are presently subject to the fees, and allowing the Department of Ecology to collect the fees simplifies the process.

Testimony Against: None.

Testified: Jim Hedrick, Department of Revenue.