

HOUSE BILL REPORT

HB 1406

As Reported by House Committee On:
Agriculture & Natural Resources
Appropriations

Title: An act relating to adjusting the surface mining funding structure.

Brief Description: Adjusting the surface mining funding structure.

Sponsors: Representatives Barkis, Blake, Chandler, Fitzgibbon and Wilcox; by request of Department of Natural Resources.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/31/17, 2/7/17 [DP];
Appropriations: 2/20/17, 2/21/17 [DP].

Brief Summary of Bill

- Changes the application fee for certain surface mining actions and permits from \$2,500 to \$4,500.
- Changes the fee for a revision to an application for an existing reclamation plan from \$1,000 to \$2,500.
- Changes the annual fee that each surface mine permit holder must pay, from a fee ranging from \$1,250 to \$3,500 depending on the quantity of material extracted, to a flat fee of \$2,000 regardless of the quantity of material extracted.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 9 members: Representatives Blake, Chair; Chapman, Vice Chair; Buys, Ranking Minority Member; Fitzgibbon, Pettigrew, Robinson, Schmick, Stanford and J. Walsh.

Minority Report: Do not pass. Signed by 3 members: Representatives Dent, Assistant Ranking Minority Member; Kretz and Orcutt.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Robert Hatfield (786-7117).

Background:

The Surface Mine Reclamation Act.

Surface mining activities in Washington consist primarily of rock, sand, and gravel mining. The Department of Natural Resources (DNR), pursuant to the Surface Mine Reclamation Act (Act), regulates surface mine reclamation in Washington.

Persons engaging in surface mining activities must have an approved reclamation plan and a reclamation permit issued by DNR. "Reclamation" means rehabilitation for future use of areas that have been disturbed by surface mining. The objective of reclamation is to reestablish the vegetative cover, soil, stability, and water conditions appropriate to the approved subsequent use of the surface mine and to prevent or mitigate future environmental degradation.

The state surface mine reclamation permit issued by the DNR to the permit holder applies to most of the surface mines in Washington. The Act does not apply where the excavation or grading is used for certain purposes, including on-site construction, certain forest or farm road construction, and public works projects if the mine is smaller than seven acres and the mine is owned by a county whose 1993 population was fewer than 20,000 people.

The application fee for a new reclamation permit, for the expansion of an existing permitted mine, or for the combination of existing public or private reclamation permits, is \$2,500. The fee for a revision to an application for an existing reclamation plan is \$1,000. Permit holders must also pay an annual fee that varies based on the quantity of material extracted:

- 0 - 50,000 tons: \$1,250;
- 50,001 - 350,000 tons: \$2,500; and
- 350,000+ tons: \$3,500.

Summary of Bill:

The application fee for a new reclamation permit, for the expansion of an existing permitted mine, or for the combination of existing public or private reclamation permits, is \$4,500.

The fee for a revision to an application for an existing reclamation plan is \$2,500.

The annual fee for all permit holders, regardless of amount extracted, is changed to \$2,000.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Department of Natural Resources (DNR) reached out to stakeholders to develop the fee structure in this bill. The bill provides necessary funding for the DNR. The current fee structure does not provide adequate funding for the DNR. The current three-tiered fee system is cumbersome and inefficient. The current three-tiered fee structure requires the DNR to ask permit holders what quantity of material they extracted over the year, which requires permit holders to monitor and report. The Surface Mine Advisory Committee recommended the fee structure in the bill. The proposed rates are fair and equitable for all surface mine operations in the state. The DNR does a job that is needed, and these are fees that are well-founded. This is not so much a fee increase as a fee restructure. The DNR needs sustainable, predictable funding. The proposed fee structure ensures that the DNR has adequate funding going forward to sustain the quality work that the DNR does.

(Opposed) None.

Persons Testifying: Representative Barkis, prime sponsor; Dave Norman; Dan Oneill, Great Western Supply; Jerry Trudeau, Miles Sand and Gravel Company; Bruce Chattin, Washington Aggregates and Concrete Association; and Ed Owens, CalPortland Company.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Fitzgibbon, Haler, Hansen, Hudgins, Jinkins, Kagi, Lytton, Manweller, Nealey, Pettigrew, Pollet, Sawyer, Schmick, Senn, Springer, Stanford, Sullivan, Tharinger, Vick, Volz and Wilcox.

Minority Report: Do not pass. Signed by 3 members: Representatives Condotta, Harris and Taylor.

Staff: Dan Jones (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Agriculture & Natural Resources:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The fee increases in this bill were determined through a work group with stakeholders. The fee increases would provide necessary funding to maintain the DNR's Surface Mining Program and fill important vacancies. This is a modest increase, and the fees have not been increased since 2006. Permits have been declining since 2010, and the current funding is not sustainable.

(Opposed) None.

Persons Testifying: Dave Norman, Department of Natural Resources; and Bruce Chattin, Washington Aggregates and Concrete Association.

Persons Signed In To Testify But Not Testifying: None.