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SFA**BILL ANALYSIS**

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Senate Bill 742 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Don Koivisto
Committee: Appropriations

CONTENT

The bill would amend Part 631 of the Natural Resources and Environmental Protection Act (NREPA) to establish statutorily a Metallic Mining Permit Program administered by the Department of Environmental Quality (DEQ).

The bill would require that a metallic mineral operator apply for a Metallic Mining permit within one year after the bill's effective date, and include a Mining and Reclamation Plan with the application. Upon approval, the permit would be valid for the life of the mine. However, a permit could be revoked under certain conditions. It could also be transferred to a new person with the approval of the Department. The Department could order emergency suspension of activities at the site if public health and safety were endangered, or there were an imminent threat to the natural resources of the State.

The bill would require that a metallic mineral operator file an annual report on or before February 15 of each year. The report would include annual production of metallic product from each metallic mineral mine.

The bill would assess a Metallic Mineral Surveillance Fee on the product. Funds collected by the assessment could not exceed the actual costs to the Department of surveillance, monitoring, administration, and enforcement activities. The bill would establish limits on the fee as follows: gold - not more than 9.4 cents per troy ounce; silver - not more than .13 cents per troy ounce; copper - not more than .03 cents per pound; iron - not more than 1 cent per pound.

MCL 324.63101 et al.

FISCAL IMPACT

In the current fiscal year, the bill could generate approximately \$63,000 in revenue to the State, to be deposited into the Metallic Mineral Surveillance Fund. There would be no fiscal impact on local governments.

This estimate is based on the FY 1997-98 Department of Environmental Quality budget, which appropriates \$62,800 for the Metallic Mining Program. The bill is designed to generate only enough revenue to cover these costs, with any unused funds to be carried forward to the following year.

Date Completed: 10-29-97

Fiscal Analyst: G. Cutler

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.