

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4732-01
Bill No.: HB 1602
Subject: Environmental Protection; Property, Real and Personal; Natural Resources Dept.
Type: Original
Date: March 23, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials with the **Department of Natural Resources** assume the proposal sets up a separate appeals process just for commercial developers. This will require significant effort on the behalf of the Land Reclamation Program (LRP), for which no revenue is received.

It is unknown what would be involved to meet the requirements of the proposed process (investigation to determine the facts of each individual situation, processing administrative issues such as enforcement, variances, presentations to the commission, etc., appeal activities, such as an informal conference).

The number of appeals that would be field is unknown. It is also unknown what level of complexity of issues would be brought and the amount of time that would be required to resolve those issues. Therefore, the department is unable to determine the fiscal impact for this proposal.

Oversight assumes this would be accomplished during the normal budgetary process. Therefore, Oversight assumes the initial administrative impact of this proposal is \$0.

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ASSUMPTION (continued)

Officials with the **Office of Administration - Division of Design and Construction, Department of Transportation** and **Department of Conservation** assume no fiscal impact to their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill changes the laws regarding the Land Reclamation Act.

The bill:

- (1) Clarifies that the act does not regulate the excavation of minerals or fill dirt from construction sites;
- (2) Defines the terms "commercial purpose," "construction," "excavation," "fill dirt," "land improvement," "mining," "public entity," "quarry," and "surface mining";
- (3) Specifies that the Land Reclamation Commission in the Department of Natural Resources has no authority to regulate the excavation of minerals or fill dirt for construction;
- (4) Utilizes the powers authorized by the bill to promote the reclamation of land subjected to

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disturbance by surface mining and to promote and protect the health, safety, and general welfare of the people of this state in relation to surface mining;

DESCRIPTION (continued)

(5) Specifies that no one will be required to obtain a permit for the purpose of moving minerals or fill dirt within the confines of real property where excavation occurs or to remove minerals or fill dirt from the real property as incidental to the primary purpose of construction;

(6) Authorizes the commission to determine whether an activity on real property constitutes surface mining that requires a permit. If a permit is required, the owner of the property will be notified by a letter stating the reasons for the determination. If the staff director of the commission and the owner disagree with the findings, the owner can request a hearing before the commission at its next regular meeting; and a written determination will be issued within 30 calendar days. The determination can be appealed with the burden of proof on the director and the commission; and


(7) Allows additional penalties to be levied at the discretion of the court for up to double the cumulative total of penalties authorized for a violation of operation without a permit which constitutes fraud and the court imposes civil penalties for the violation

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

Attorney General's Office
Office of Administration
Division of Design and Construction
Department of Natural Resources
Department of Transportation
Department of Conservation

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 23, 2004