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BILL ANALYSIS

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House Bill 6243 (Substitute S-1 as reported by the Committee of the Whole)  
Sponsor: Representative Tom Casperson  
House Committee: Agriculture and Resource Management  
Senate Committee: Natural Resources and Environmental Affairs

### **CONTENT**

The bill would add Part 632, Nonferrous Metallic Mineral Mining, to the Natural Resources and Environmental Protection Act to do the following:

- Require a person to obtain a mining permit from the Department of Environmental Quality (DEQ) in order to engage in the mining of nonferrous metallic minerals.
- Require the DEQ to administer and enforce Part 632.
- Require a mining permit applicant to submit a \$5,000 application fee; an environmental impact assessment; and a mining, reclamation, and environmental protection plan.
- Establish procedures for public hearings and comments on proposed mining operations.
- Require a permittee to conduct reclamation activities and postclosure monitoring activities; and maintain financial assurance during the reclamation and postclosure monitoring periods.
- Require a permittee to submit to the DEQ an annual mining and reclamation report.
- Create the "Nonferrous Metallic Mineral Surveillance Fund" to reimburse the DEQ for its expenses in administering and enforcing Part 632.
- Impose an annual surveillance fee on material mined from a mining area of up to five cents per ton but not less than \$5,000.
- Require application fees and surveillance fees to be deposited in the proposed Fund.
- Allow the DEQ to require an operator in violation of Part 632 to take corrective action; and prescribe civil and criminal penalties for a violation.
- Allow the DEQ, until December 31, 2005, to promulgate rules it considered necessary to carry out its duties under Part 632.

The bill would define "nonferrous metallic mineral" as any ore or material to be excavated from the natural deposits on or in the earth for its metallic content, but not primarily for its iron or iron mineral content, to be used for commercial or industrial purposes.

The bill also would amend Part 631 (Reclamation of Mining Lands) to specify that that part would not apply to activities subject to Part 632.

MCL 324.63101 et al.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would establish a new permit program for the Department to administer and enforce. The program is intended to be self-supporting, with the revenue from application fees and annual surveillance fees covering all expenses. Since this would be a new permit program, it is unknown how many applications would be received and approved. Exploration for nonferrous metallic minerals is ongoing, although no such mining activity is happening on State-owned land. Existing environmental standards would apply to nonferrous metallic mineral mining.

By creating a new felony, the bill would increase State and local corrections costs. There are no data to indicate how many offenders would be convicted of a violation. Local units would incur the cost of incarceration in local facilities, which varies by county. The State would incur the cost of felony probation at an average annual cost of \$1,800 and the cost of incarceration in a State facility at an average annual cost of \$28,000. Public libraries would benefit from any additional penal fine revenue.

Civil fine revenue would be deposited into the General Fund.

Date Completed: 12-7-04

Fiscal Analyst: Jessica Runnels

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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.