



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 129 (as reported by the Committee of the Whole)  
Sponsor: Senator Tom Casperson  
Committee: Natural Resources

**CONTENT**

The bill would add Part 634 (Small Native Copper Mines) to the Natural Resources and Environmental Protection Act to establish regulations specific to elemental copper mining operations involving the generation of 10,000 to 75,000 tons of waste rock or the disturbance of one to 10 acres of land per year. Specifically, the bill would do the following:

- Require the Department of Environmental Quality (DEQ) to administer and enforce Part 634.
- Prohibit a local unit of government from regulating or controlling mining activities subject to Part 634.
- Allow a local unit to enact ordinances affecting mining that reasonably accommodated customary mining activities and did not conflict with Part 634.
- Prohibit a person from engaging in mining operations except as authorized by a permit issued by the DEQ.
- Require an application for a mining permit to include an application fee of \$5,000, provisions for a conformance bond, and a mining and reclamation plan.
- Prescribe a time frame for the DEQ to grant or deny a mining permit.
- Provide that a mining permit would be valid for the life of the mine.
- Authorize the DEQ to revoke a permit if the permittee did not commence mining activities within three years after the permit was issued.
- Require an operator to pay the DEQ an annual operating fee of \$5,000 per mine, and prescribe a 2% penalty for past-due fees.
- Require a mine operator to maintain a \$50,000 conformance bond for each mine during mining activities and until all reclamation was completed.
- Authorize the DEQ to order the suspension of mining activities if an operator did not comply with the conformance bond requirement.
- Require an operator to conduct mining activities in conformance with the approved mining and reclamation plan.
- Require that the mining and reclamation plan contain certain information, including plans and schedules for baseline water quality sampling.
- Require the samples to be collected before mining commenced, and to be analyzed for copper and nitrate using laboratory methods approved by the Environmental Protection Agency.
- Authorize the DEQ to enter a mining area and conduct any necessary reclamation if an operator failed to perform reclamation in conformance with Part 634; and provide that the operator and the surety executing the conformance bond would be liable for expenses incurred by the Department.
- Allow the DEQ to bring suit against the operator or surety for collection of a claim that was not paid within 30 days.
- Authorize the DEQ to order suspension of mining activities in the case of an emergency endangering public health and safety or an imminent threat to natural resources.

- Upon the DEQ's request, allow the Attorney General to institute an action to prevent or preclude a violation of Part 634.
- Specify that mining of earth material with significant acid-forming or leachable characteristics would not be subject to Part 634.

The bill also would amend Part 31 (Water Resources Protection) of the Act to provide that a notice of coverage would not have to include a copy of an individual permit if it included a copy of a permit for construction activity issued under certain parts of the Act that concern drilling for wells or mining.

The bill would amend Part 91 (Soil Erosion and Sedimentation Control) to provide that Part 91 would not apply to a metallic mineral mining activity regulated under a mining and reclamation plan under Part 634; and specify that a permit would not be required for mineral well exploration and development activities regulated under Part 625 (Mineral Wells).

The bill would amend Part 632 (Nonferrous Metallic Mineral Mining) to provide that a mining operation that was subject to proposed Part 634 would not be subject to regulation under Part 632.

MCL 324.3118 et al.

Legislative Analyst: Stephen Jackson

### **FISCAL IMPACT**

The bill would have a likely neutral fiscal impact on the Department of Environmental Quality, and no fiscal impact on local units of government. According to the DEQ, the \$5,000 application fee for a small native copper mine permit, and the \$5,000 annual permit fee would be sufficient to cover the cost of the Department's responsibilities under the bill. These fees would be deposited in the proposed Small Native Copper Mine Surveillance Fund, which would be used for administration and enforcement of Part 634.

Date Completed: 3-7-17

Fiscal Analyst: Josh Sefton