

**Small Business Regulatory Fairness Board
Small Business Impact Statement**

Date: July 29, 2015

Rule Number: 10 CSR 40.020

Name of Agency Preparing Statement: Department of Natural Resources

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Please describe the methods your agency considered or used to reduce the impact on small businesses:

The Department of Natural Resources Land Reclamation Program has worked with the Missouri Mining Commission, Missouri Limestone Producers Association, Missouri Mining Council, industrial mineral mine operators, and other stakeholders to develop a proposed fee increase that is fair to all levels of the industrial mineral mining business. The majority of small businesses are sand and gravel operators who mine less than 5,000 tons per year and are exempt from this rule amendment. Fee structure scenarios were prepared giving careful consideration to minimize the financial impact to small businesses (operators). The proposed permit fee increase does consider small businesses while balancing the need to increase the fee to maintain the state's industrial mineral program.

Discussions during stakeholder meetings covered various fee proposal considerations, taking into account how any fee increase would impact small business. The workgroup recommended reducing the impact on small businesses by developing a tiered fee system based on how many bonded acres are associated with a site. Previously, all permitted operators paid the same site fee regardless of how many bonded acres are associated with the site. In this proposal, a tiered system is established wherein mine sites with fewer than ten bonded acres per site would pay a smaller site fee when compared to mine sites with a large amount of acres. This should help reduce the impact of the fee increase on permits of a small acreage.

Please explain how your agency has involved small businesses in the development of the proposed rule.

Small and large Industrial Mining Companies received a notification to attend any of the four stakeholder meetings throughout the State of Missouri held in May 2015. Meetings were set up in areas with a higher concentration of industrial mineral mining activities in order to better accommodate these companies. All industrial mineral operators with the exception of those sites

where mining is less than 5,000 tons of sand and gravel received notification of meetings sent via email and United States postal service. About two-hundred fifteen permitted operators were sent meeting notifications. Eight stakeholders attended the four meetings and the Land Reclamation Program received three written comments. Notification of stakeholder meetings was posted to program's web page. Stakeholder meeting updates were provided to the Missouri Mining Commission at their meetings and the Land Reclamation Program Director attended the Limestone Producers Association's Environmental Committee Meeting held on April 17 and July 16, 2015 to discuss the fee increase.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

The department will incur some costs to implement the revised fee structure, no matter the recommended change. The department anticipates some costs from the revisions to the databases and application forms, as well as for training and development of guidance materials required in response to the proposed changes to the fee structure. No other agencies are affected by a proposal to increase fees for a surface mining operation.

Benefits to the Missouri Department of Natural Resources Land Reclamation Program will include maintaining Non-Coal Unit solvency in the near future, which in turn will continue to enable the state's Industrial Mineral Program. Implementation of the fee increase through a tiered system will result in a different projected income amount each year.

The additional revenue collected from these fees will be deposited into the Mine Land Reclamation Fund. This revenue will assist in maintaining the department's administration costs and activities related to the implementation of the Land Reclamation Act in Missouri.

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

Industrial Mineral Operators mining less than 5,000 tons of sand and gravel will not be affected by this rule amendment. All other open-pit mining operations along with those who mine greater than 5,000 tons of sand and gravel will see a fee increase. The fee increase will depend on the number of acres and number of sites specific to each operation.

Please list direct and indirect costs (in dollars amounts) associated with compliance.

No indirect costs are associated with compliance. Sand and Gravel operators who mine less than 5,000 tons will continue to pay the same fees they currently pay. New rates established in the rule will begin January 1, 2017. Direct costs are those associated with the change in the rates of the fees listed in the rule amendment. Costs will vary with the size of the site and how many acres are associated with each site; under no circumstance will the overall annual costs be greater than \$9,000 after implementation of the cap in 2021.

Under the current fee structure an annual permit fee is \$800/year, sites fees are \$200/year for those businesses who operate fewer than six months out of a year, \$400/year for businesses who operate over six months out of a year. Acreage fees are \$10 per bonded acre. The Land Reclamation Act implements a fee cap at \$3,000; once an operator reaches \$3,000 in fees, anything over \$3,000 is waived per permit application.

The proposal keeps the annual permit fee static at \$800. The site fee would be tiered as follows: 0.1-10 acres \$200, 10.01 – 75 acres \$500, 75.01-200 \$800, and greater than 200.01 acres \$1,000. Bonded acreage fees would increase from \$10 to \$13. As allowed by the Land Reclamation Act, 10 CSR 40-10.020 would be altered to reflect an increase in the cap amount from \$3,000 to \$6,000 in 2017, \$7,500 in 2019 and \$9,000 in 2021.

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

Businesses with multiple sites and larger acreages will be directly affected and will bear the most cost of the proposed fee structure. Smaller businesses that mine a limited amount of acres and locations will be insignificantly impacted.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes___ No X

If yes, please explain the reason for imposing a more stringent standard.