

SOP-Fiscal Impact form questions

Basic Idea Information

1. Title: [Placer Mine Permit Modernization](#)
2. Preferred house of origin and Committee: [House Resources and Conservation](#)
3. Please list all interested parties that are impacted by the potential law change: [Future placer mining permittees would be affected by the increase in application fees and the need for actual cost bonding. If an existing permittee amends their permit, then the amendment would also be subject to these changes. An average of only one permit per year has been issued over the last five years because most dredge and placer mining in Idaho is small scale exploration or recreational activity that does not require a permit under this statute.](#)
4. Proposal (text) – attached

Contacts

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Commentary

7. **Statement of Purpose:** [This legislation modifies Idaho Code § 47-13, the Idaho Dredge and Placer Mining Protection Act, in four ways. Sections 47-1315 and 47-1324 are modified with technical corrections to update statutory and agency references and to correct misspellings. Section 47-1317 is modified to increase application fees so they cover the approximate administrative costs of reviewing and issuing these permits. Fees were last set in the 1950's and are currently \\$50 for every ten acres with a maximum of \\$1,000. They would increase to \\$500 for every ten acres with a maximum of \\$2,000. Section 47-1317 is also modified to allow actual cost bonding for these permits. The current reclamation bond limit of \\$1,800 per acre is removed and replaced with the estimated reasonable costs of reclamation plus indirect costs. Modernizing fees and bonding allows the state to recoup actual cost by providing a means for operators to pay their way in the same manner that other mine operators do. This is similar to bond requirements under the Mined Land Reclamation Act. Lastly, Section 47-1319 is modified to allow expenditures from the Dredge and Placer Mining Account for administrative costs.](#)

[Application fees have not kept pace with the actual cost of reviewing and approving placer permits. In addition, the \\$1,800 per acre bonding limitations passed in 1993 to mimic the bonding limitations in the Idaho Surface Mining Act are outdated and do not reflect the actual cost of reclamation. This creates a shortfall in reclamation funding when a permittee defaults on their reclamation obligations. The Dredge and Placer Mining Account currently can only be used for restoration of](#)

lands and watercourses damaged by placer or dredge mining operations. Administrative purposes are added to allow the fees collected to be used for those purposes. The historical need for restoration funding is very low, but the need for additional funding in this General Fund program is very high. Lastly, several technical corrections are needed.

8. **Fiscal Impact of legislative idea:** Over the last five years, approximately one permit a year has been processed. Allowing actual cost bonding should help eliminate bonding shortfalls when operators are unable to complete their reclamation. This will help insure the stability of the Dredge and Placer Mining Account. Based on the average size of these permits, the Dredge and Placer Mining Account will see an annual increase of approximately \$400 due to the application fees. The ability to use the Dredge and Placer Mining Account for administrative costs should allow IDL to fulfill statutory obligations and better administer this program.