HOUSE BILL REPORT
SB 5319

As Reported by House Committee On:
Agriculture & Natural Resources
Appropriations

Title: An act relating to establishing surface mine reclamation permit fees.

Brief Description: Establishing surface mine reclamation permit fees.

Sponsors: Senators Shewmake, Chapman and Nobles; by request of Department of Natural Resources.

Brief History:
Committee Activity:
Agriculture & Natural Resources: 3/26/25, 4/2/25 [DPA];
Appropriations: 4/5/25, 4/8/25 [DPA(AGNR)].

Brief Summary of Bill
(As Amended by Committee)

- Increases surface mine reclamation permit fees.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass as amended. Signed by 8 members: Representatives Reeves, Chair; Morgan, Vice Chair; Dent, Ranking Minority Member; Bernbaum, Nance, Richards, Schmick and Springer.

Minority Report: Do not pass. Signed by 2 members: Representatives Engell, Assistant Ranking Minority Member; Orcutt.

Staff: Lily Smith (786-7175).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

The Department of Natural Resources (DNR) regulates surface mine reclamation in Washington for the purpose of restoring landscape and environmental conditions after mining. Persons engaging in surface mining activities must have an approved reclamation plan and a reclamation permit issued by the DNR and must pay permit application fees and annual permit fees.

The application fee for a new reclamation permit, for the expansion of an existing permitted mine, or for the combination of existing public or private reclamation permits, is $4,500. The fee for a revision to an application for an existing reclamation plan is $2,500. The annual fee for all permit holders is $2,000.

Certain smaller county mines used for public works projects are subject to lower annual fees. County mines under 7 acres that are used exclusively for public works projects have a fee cap of $1,000. County mines under 7 acres with 1993 county populations under 20,000, that are used primarily for public works projects, do not have to pay a fee.

Summary of Amended Bill:

Surface mine reclamation permit fees are increased as follows:

- for revision of an existing reclamation permit or reclamation plan, the fee is increased from $2,500 to $4,500;
- for public or private permit holders not falling under one of the lower fee categories, the annual fee is increased from $2,000 to $3,500; and
- for all public permit holders for mines used exclusively for public works projects that do not fall under the small county mine fee cap, the annual fee is $2,500.

Within 60 days of receipt, the DNR must advise applicants for permit or plan revisions of any information necessary to complete the application.

Duplicative language exempting county mines under 7 acres with 1993 county populations under 20,000 used for public works projects is removed.

Amended Bill Compared to Original Bill:

The striking amendment restores the fee cap for certain smaller county mines used exclusively for public works.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 3, 2025.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) No one likes to ask for fee increases, but these fees have not been raised in 10 years and are generally supported. There was extensive stakeholder participation on this topic. This is a small staff team that covers many mines across the state and has a goal of visiting every mine every year. The amount of work that goes into the permitting process does not change based on the size of the mine. This fee increase is necessary to keep this program going. The relevant advisory committee landed on the solution proposed by the bill. The state mining industry contributes significantly to the out-of-state economy.

(Opposed) Many small mines don't produce anything in a given year, or when they do, it is a small quantity. It doesn't make sense to pay a large annual fee for a pit that doesn't always produce. A haul of materials over 25 miles or more will double the cost of the products. This bill will have a significant impact on small operations and likely close a number of smaller mines. If mines near where the products are used are closed, haul distances will increase to between 50 and 75 miles. Exemptions have been in place for 30 years, and they exist because these mines are responsible for a significant amount of the material needed for public works projects and it makes sense to keep this infrastructure material affordable. Surface mine regulation is a partnership. These increases are coming on top of other heavy financial and regulatory burdens imposed by the state, such as the Climate Commitment Act, making it more and more difficult to conduct business in the state. It doesn't make sense to apply the same flat fee as large metropolitan producers that may produce a vastly larger amount from a single source. Small producers here will be footing the majority of the costs and driving up the price of materials locally. Fine levels should be tiered and based on the business size. This bill is bad for rural Washington, the economy, and the state as a whole, which already competes with Idaho. Mines will close, jobs will be lost, and families will leave. These community members support and reinvest in their local communities.

Persons Testifying: (In support) Michael Transue, WA Aggregate and Concrete Association; and Erika Odem, Department of Natural Resources.

(Opposed) Brian Winkler; Kory Hedrick, Versatile Industries Inc; Jim Derrer, Copenhaver Construction, Inc; Timothy Hemphill, Co-owner of Hemphill Brothers, Inc. and Lane Mountain Company; Kory Hedrick, Versatile Industries Inc; Axel Swanson, Washington State Association of County Engineers; and Jessica Garza, Port of Pend Oreille.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Agriculture & Natural Resources. Signed by 21 members: Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Schmick, Assistant Ranking Minority Member; Berg, Bergquist, Callan, Cortes, Doglio, Dye, Fitzgibbon, Leavitt, Lekanoff, Peterson, Pollet, Ryu, Springer, Stonier, Street, Thai and Tharinger.

Minority Report: Do not pass. Signed by 2 members: Representatives Corry and Rude.

Minority Report: Without recommendation. Signed by 8 members: Representatives Couture, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Penner, Assistant Ranking Minority Member; Burnett, Caldier, Keaton, Manjarrez and Marshall.

Staff: Dan Jones (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Agriculture & Natural Resources:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 3, 2025.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The amendment in the policy committee that reduced the impact on small county mines is appreciated. The Surface Mine Reclamation Program (Program) within the DNR is entirely fee-supported. These fees haven't been raised in almost 10 years, and the additional revenue is needed to keep the Program going. The exemption for small county mines will result in about $60,000 less in revenue, and the bill should be moved forward including that exemption.

(Opposed) None.

Persons Testifying: Pat Sullivan, Department of Natural Resources; and Michael Transue, WA Aggregates and Concrete Association.

Persons Signed In To Testify But Not Testifying: None.