## Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2015 Regular Session

**Part I: Measure Information** 

Bill Request #: 1703
Bill #: HB 543 GA
Bill Subject/Title: AN ACT relating to surface coal mining.
Sponsor: Representiative Rocky J. Adkins
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government
Office(s) Impacted: Planning and Zoning / code enforcement
Requirement: X Mandatory Optional
Effect on Powers & Duties: Modifies Existing Adds New _X_ Eliminates Existing
Part II: Purpose and Mechanics
HB 543 GA deletes wording that allows local governments with planning and zoning ordinances to regulate surface mining operations. By doing so, HB 543 GA gives the

HB 543 GA deletes wording that allows local governments with planning and zoning ordinances to regulate surface mining operations. By doing so, HB 543 GA gives the governmental responsibility for regulating surface coal mining operations solely to state government (Energy and Environment Cabinet) and non-surface mining ordinances as provided for in KRS Chapter 100.

**HB 543 GA creates A NEW SECTION OF KRS CHAPTER 350.** This section provides that the amendments provided for in Section 1 of this Act shall not relate to permit actions or the bonds in effect prior to the effective date of this Act.

## Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

HB 543 GA would only impact Henderson County and the impact is expected to be minimal.

The provision that is being struck from KRS 350.020 was introduced in the 1988 Legislative Session. At that time and continuing today, the only county with an operating

surface mining program is Henderson County. This proposal would delete the provision that allows Henderson County to operate its own surface mining regulatory program.

Currently the county issues permits and requires bonds in addition to the permits issued by the Department for Natural Resources (DNR) and the bonds required by DNR. HB 543 GA would remove the dual regulatory application of the Henderson County program making mining in Henderson County equivalent to mining in other counties within the Commonwealth. There is a \$250 fee to obtain a permit. Identical fees are required for increasing the land area under the permit and for renewing a permit.

**There is no mining in Henderson County today.** The only activity being done today is reclamation work. The bill as introduced does not address how bonding related to this reclamation may be transferred. There are currently \$21 million in bonds related to county permits and \$8 million in bonds related to state permits. However, the bonds are held by a third party so there is no impact to local government related to the bonds.

There will be no personnel impact to the county. The county engineer handles the inspections as part of his current responsibilities. There may be a minimal administrative savings related to the dissolution of a committee charged with overseeing surface mining activity within the county. This committee makes referrals and recommendations to the fiscal court.

**Data Source(s):** LRC Staff. Department of Natural Resources. Henderson County Code of

Ordinances.

**Preparer:** Wendell F. Butler **Reviewer:** MCY **Date:** 3/2/15