



Fiscal Note

Legislative Council Staff

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SB 25-054: MINING RECLAMATION & INTERSTATE COMPACT

Prime Sponsors:

Sen. Simpson; Bridges
Rep. Martinez; McCormick

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Published for: Senate Ag. & Natural Resources

Drafting number: LLS 25-0157

Version: Initial Fiscal Note

Date: January 16, 2025

Fiscal note status: The fiscal note reflects the introduced bill, which was requested by the Water Resources and Agriculture Review Committee.

Summary Information

Overview. The bill creates a new permit type in the Department of Natural Resources for the removal of mining waste and refuse, updates forfeiture and warranty procedures related to mining operations, and ratifies Colorado as a full member of the Interstate Mining Compact.

Types of impacts. The bill is projected to affect the following areas:

- State Expenditures
- State Revenue
- TABOR Refunds

Appropriations. The bill requires an appropriation of \$1,440 to the Department of Natural Resources.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue (Cash Funds)	\$1,440	\$1,440
State Expenditures (Cash Funds)	\$1,440	\$1,440
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$1,440	\$1,440
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill creates a new permit process in the Division of Reclamation, Mining, and Safety in the Department of Natural Resources (DNR) to facilitate the removal of mining waste piles and refuse as part of the division's overall permitting of mining operations. Beginning July 2025, the division may issue a reclamation-only permit for operations conducted on less than two acres and that removes less than 70,000 tons of refuse. An applicant must show evidence of the legal right to conduct the reclamation activities, and file a financial warranty and pay fee to the division.

The bill limits the value of the interest in real or personal property that can be offered as financial warranty for the reclamation liability of a mining operator. The division may accept an interest in property as warranty only where the amount of the reclamation liability exceeds 50 million dollars. The percentage of the estimated value of the property may not exceed 75 percent of the appraised value. The bill also updates other restrictions on the posting of financial warranties by mining operators, and requires that 100 percent of the money recovered in forfeiture proceedings be used for reclamation purposes and none for administration.

The bill updates the required elements of revegetation plans of reclaimed mining operations to require a priority consideration for native and pollinator species.

Finally, this bill ratifies and enters the state into the Interstate Mining Compact with all states that enact the compact. Participating states agree to establish an effective program for the conservation and use of mined lands, including the conduct of mining and handling of waste. The governor of each state or their designee serves on the Interstate Mining Compact Commission (IMCC). The commission submits an annual budget to member states with specific recommendations for the amount to be appropriated by each party state. The DNR must pay annual membership dues to the commission, paid from mining fees, abandoned mine land fees and funds, or from federal funds.

Background

The IMCC is a 25-member multi-state government organization providing recommendations to member states, and representing natural resources and environmental interests concerning coal and hard rock mining operations. Colorado is the sole associate member of the compact, however, the DNR receives appropriations to pay the full annual membership dues to the IMCC.

State Revenue and Expenditures

Beginning FY 2025-26, the DNR will issue an estimated 5 new permits for the removal of waste piles at an estimated per-permit cost of \$288. The department will use the additional fee revenue to administer the issuance and oversight of the new permit type. This fee revenue is subject to TABOR.

Total revenue and expenditures are estimated at \$1,440 annually. Expenditures represent approximately 100 hours of workload annually. Revenue and expenditures are from the Mined Land Reclamation Fund.

As an associate member, the DNR currently pays about \$22,000 annually in dues to the interstate compact. This is equivalent to the dues for full membership. Thus, costs for participating in the compact will not increase as a result of ratifying full membership in the compact.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the Table 1. This estimate assumes the June 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

State Appropriations

For FY 2025-26, the bill requires an appropriation of \$1,440 from the Mined Land Reclamation Fund to the Department of Natural Resources.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Agriculture	Law
Governor	Natural Resources
Information Technology	Public Health and Environment
Judicial	

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the General Assembly website.