

(prepare in triplicate)

FISCAL NOTE

prepared in regard to:

SB 2135

(List bill or resolution and number, if available, or subject)

Amendment to: _____

(List bill or resolution and number

Requested by: John D. Olsrud Date of receipt: January 10 19 75

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed, attach a supplementary sheet. (Please type)

None. See attached Narrative.

Date of preparation: January 10, 1975

Signed *Al Bumann*

Typed Name- Al Bumann, Secretary

Department Public Service Commission

SB2135

(Assume that there will be no change in the amount of mining equipment now in the hands of the mining companies)

If SB2135 became law, the current markets for North Dakota surface-mined coal for power production, steam generation for food processing, briquette manufacturing, etc., would necessarily disappear completely by January 1, 1979 (three years after the cutoff date for further three-year mining permits). Mining companies would have to obtain their final permits before January 1, 1976.

Two possibilities exist: (a) a slackening of coal mining activity during 1976, 1977 and 1978 as existing consumers gradually shift to other fuels or to other sources of supply, and (b) accelerated mining activity during 1976, 1977 and 1978 as the mining industry attempts to mine and stockpile as much coal as possible.

Under possibility (a), major operators would apply for no more acreage than they are currently mining (and possibly a good deal less). Taking into account current permit expiration dates and current production levels, we estimate this to be a maximum of 1650 acres to be mined over the years 1976, 1977 and 1978, resulting in an income from permit fees of \$14,625 near or at the end of 1975. No further income would accrue to the state from this source.

Under possibility (b), we estimate that as much as 10% more acreage could be mined than in the case of (a), and requests for putting 1815 acres under permit would be received by the end of 1975 for mining during the permit term encompassing the years 1976, 1977 and 1978. Permit fees would rise in this case to \$16,275. Again, no further income to the state would accrue from this source beyond the end of 1975.

By comparison, assume that SB2135 is not passed and that the climate for surface mining in North Dakota remains favorable. Over the short term of the 1975-1977 biennium, land disturbance, and hence income to the state, will not differ materially from that of the same time period for the cases presented above.