

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 3, 2023

Agency Submitting: Division of Minerals

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Mining Claim Fees (GL3717 and GL3727) (Revenue)		\$993,692		
Total	0	\$993,692	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

The requirement to backfill an open pit mine as proposed in Section 4 of AB313 (as introduced) will immediately and significantly increase the cost to mine with the real potential of making existing and proposed mines no longer economically viable, resulting in a substantial decrease in the number of mining claims retained in Nevada. According to the BLM Mineral and Land Records System (MLRS) website, as of March 1, 2023, there were 255,341 active, filed, or submitted mining claims in Nevada. The Division generally receives 75-80% of its revenue from mining claim filing fees. This amount is \$10 per mining claim filing filed at the recorder's office of each county, per NRS 513.094, \$4 of which funds our abandoned mine lands physical safety program (GL 3727). Claimants wishing to retain their claim, must file a notice of their intent to hold with the county recorder and pay a fee on or before November 1 of each year. Usually, the number of mining claims is proportional to the price of gold, see attached graph. However, any significant change to the cost of holding a claim can also impact the number of claims, as occurred in 1993 when a new annual federal maintenance fee was assessed for each mining claim. The result was a 43% year-over-year reduction in the number of mining claims in Nevada. The bill language does not include an effective date. For simplicity, if assumed to be July 2023, a 40% year-over-year decrease in mining claims would result in decreased revenue to Budget Account 4219 GL3718 of \$596,215.20 and to GL3727 of \$397,476.80 for a total of \$993,692 in FY24. Supporting documents attached include: a graph of the relationship between mining claims and gold price (pdf), the rationale for the analysis (Word), county by county mining claim filings listing for FY21 and FY22 (pdf). Exhibit 1 is a spreadsheet detailing the revenue loss analysis.

Name Mike Visher

Title Administrator

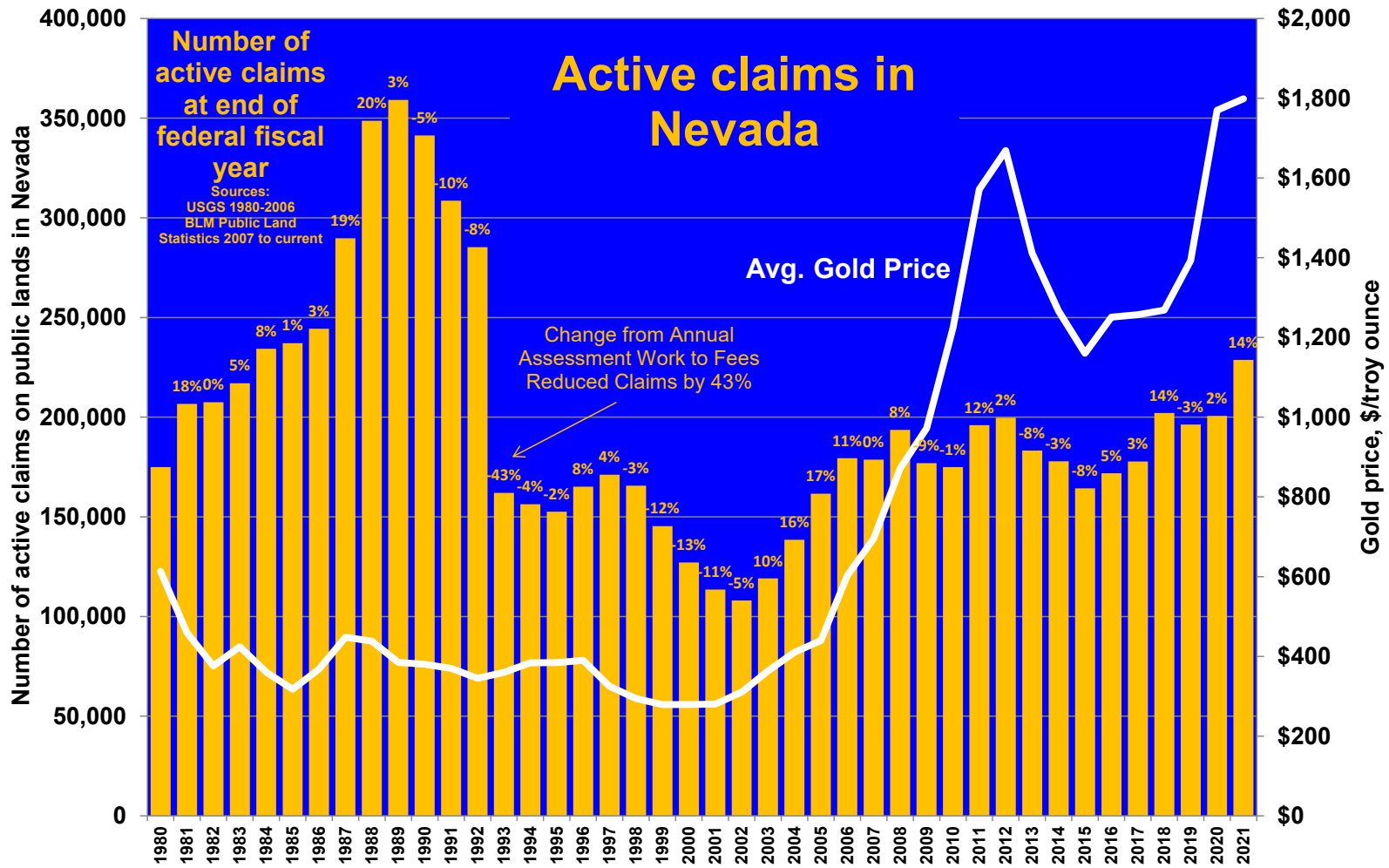
GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Monday, April 03, 2023

The agency's response appears reasonable.

Name Amy L. Stephenson

Title Director



DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: AB 313 (As Introduced)

Name of Agency: Minerals

Division/Department: Minerals

Date: 24-Mar-23

Analysis of Revenue Loss Resulting From Decrease in Number of Mining Claims in Nevada

Current number of mining claims in Nevada (Active, Filed, and Submitted - BLM MLRS)①	Number of mining claims within Authorized BLM Mining POOs (no USFS)	Approximate number of mining claims within existing surface disturbance footprints of 2020 active mines (NDOM 3/10/2022 analysis using 2021 data)	Approximate number of mining claims within active mines NDEP permitted disturbance (11/2019 NDEP-BMRR database export)
255,341	36,687	6,082	6,918
Approximate Number of Non-Mining Claims, i.e., Exploration (255,341-6,918)	Approximate Revenue to NDOM from county filing fee (\$10/claim)	FFY2021 Nevada BLM Receipts from Annual Holding Fees (\$165/claim)②	
248,423	\$2,484,230	\$45,343,638	
Revenue Loss From 10% Reduction in Claims	(\$248,423)	(\$4,534,364)	
Revenue Loss From 20% Reduction in Claims	(\$496,846)	(\$9,068,728)	
Revenue Loss From 30% Reduction in Claims	(\$745,269)	(\$13,603,091)	
Revenue Loss From 40% Reduction in Claims	(\$993,692)	(\$18,137,455)	

For reference, the 1993 Federal implementation of holding fees resulted in a **43%** YOY decline in mining claims

GL3718	(\$596,215.20)
GL3727	(\$397,476.80)

Data Sources - ①BLM MLRS, March 1, 2023; ②BLM Public Land Statistics, 2021