

**THE NEVADA DIVISION OF MINERALS  
OF THE COMMISSION ON MINERAL RESOURCES**

**May 19, 2016**

**SMALL BUSINESS IMPACT DETERMINATION  
FILED IN ACCORDANCE WITH NRS § 233B.0608**

**IN THE MATTER OF PROPOSED REGULATION CHANGES**

As provided in Nevada Revised Statute (NRS) Chapter 233B, and NRS Sections (§§) 513.063(5) and 513.094, the Division of Minerals of the Commission on Mineral Resources is proposing to amend the present regulations for the abandoned mine lands program contained in Nevada Administrative Code (NAC) § 513.010 through 513.390.

The Division of Minerals has made a concerted effort to determine if the proposed regulation changes are likely to impose a direct and significant economic burden on a small business or restrict the formation, operation or expansion of a small business.

The following information is provided pursuant to the requirements of NRS 233B.0608:

- 1) The Division of Minerals mailed a written request to all interested persons on the agency established mailing list and distributed by email to the members of the Geological Society of Nevada, the Nevada Mining Association, and the Nevada Mineral Exploration Coalition, soliciting comment on the proposed regulation. One written comment was received opposing the proposed claim fee increase as ill timed. A summary of the comment and response is available at the agency's Carson City office.
- 2) An analysis of the potential impact included calculating the resultant fee increase and to all claimants utilizing 2016 Assessment Year filings at the Bureau of Land Management (BLM). An analysis of the current active claims in Nevada found 63% of the 1,968 active claimants have 10 or fewer claims and the average impact from this fee increase would be \$5.39. Approximately 86 claimants are current mine operators with an average impact of \$1,240.24. The remaining claimants, approximately 642, would see an average impact of \$197.28.
- 3) The estimated direct and indirect economic effect on small businesses in the regulated industry involves an increase in the annual fee for certain filings of mining claims at the offices of county recorders. The current fee is \$8.50 per claim, which is in addition to the \$155 per claim annual assessment fee paid to the BLM. The proposed fee increase represents a 0.9% increase in the annual costs of holding a claim, as paid to the BLM and county recorder each year. The fee increase is needed to fund the abandoned mines securing program, the field activities of which have been reduced for the past several years due to decreased funding from lower number of claims, and increases in labor and material costs. The last fee increase in support of activities of the AML program occurred in 1999. The adverse effect is a higher cost to industry for holding mining claims. The beneficial effect to the public is a more robust and competent abandoned mine lands program that is adequately funded. The short and long-term effects of the fee increase are not significant in the total cost of locating and maintaining mining claims. Based on 2016 active claim numbers, the \$1.50 per claim increase to the mineral industry in Nevada would amount to approximately \$240,000 annually. The total increase to claimants qualifying as a small business is estimated at \$133,340, with an average increase of \$70.85 per claimant. The immediate and long-term effect of the proposed

regulations to the public is improved ability by the agency to ensure public safety related to dangerous mine conditions resulting from mining practices at mines which are no longer operating.

- 4) The Division carefully considered the possibility of reducing the economic impacts to small business but determined that changes to the rule would undermine and lessen the effectiveness of the abandoned mine lands program.
- 5) The estimated additional cost to the agency for enforcement of the proposed regulation is not significant.
- 6) The estimated total of the new fees proposed to be collected in Nevada Administrative Code §513 is approximately \$240,000 annually (based upon 2016 Assessment Year Filings), and will be used to cover agency costs of administering Chapter 513.
- 7) The proposed regulation does not duplicate or overlap federal, state, or local standards regulating dangerous conditions resulting from mining practices at mines no longer operating.
- 8) The proposed fee increase is not significant when compared to the total cost of locating and maintaining a mining claim.

The Division of Minerals has duly considered all of the statutory requirements in NRS 233B and has compiled this Small Business Impact Determination with the reasons and conclusions above. To my knowledge and belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and the information contained in this statement was prepared properly and is accurate.

Respectfully submitted,



Richard Perry  
Administrator  
Nevada Division of Minerals