

## **STATEMENT OF PURPOSE**

**RS27203 / S1216**

The Ore Processing by Cyanidation statute was enacted in 1987 with the primary purpose to provide the Idaho Department of Environmental Quality (DEQ) with authority to regulate all aspects of a cyanide operation, including closure activities and water quality impacts. The statute was amended in 2005 to transfer financial assurance for closure of cyanide facilities from DEQ to the Idaho Department of Lands (IDL). The purpose of the proposed changes to 39-118A(3)(b) is to resolve a timeline issue between the IDL and DEQ processes. Approval of the permanent closure plan by IDL and the submittal of required financial assurance based on the permanent closure cost estimate may take up to 270 days, 180 days, and 90 days, respectively. Meanwhile the issuance/rejection of a cyanidation permit by DEQ is required within 180 days of receipt of a complete permit application. However, the statute currently prohibits DEQ from issuing a cyanidation facility permit unless the facility has satisfied the financial assurance requirements of chapter 15, title 47, Idaho Code. Therefore, under the current statute, if an applicant submits their cyanidation permit application to DEQ on or near the date they submit a permanent closure plan to IDL, DEQ may not be able to issue a permit simply because of timing.

The proposed changes will rectify this potential conflict by tying the issuance of a cyanidation permit to the submittal of the permanent closure plan for IDL approval, on the condition that the permittee submits the financial assurance required by chapter 15, title 47, Idaho Code. This will allow DEQ to issue a cyanidation permit within the 180-day requirement while still ensuring the financial assurance requirements of chapter 15, title 47, Idaho Code, relating to ore processing by cyanidation are satisfied before construction of the cyanidation facility may begin. This allows IDL's permanent closure plan approval process and DEQ's cyanidation permit process to be on parallel, rather than sequential, paths.

### **FISCAL NOTE**

The proposed amendments will have no impact to the state General Fund, or any other fund, and will not add any additional costs to the state or to regulated facilities. Costs to implement the statutes and regulations associated with cyanidation will only be incurred if a cyanide facility is proposed and those costs are not impacted by this legislation. Current law allows both DEQ and IDL to charge reasonable application fees to help offset those costs. The actual costs incurred to process an application will depend on the size and scope of the proposed facility.

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).