

March 11, 2026

Mr. Jeffrey Schmidt  
Executive Officer  
California State Mining & Geology Board  
801 K Street, MS 2015  
Sacramento, CA 95814

Re: Annual Fees to Mine Operators and other concerns with SMARA  
Implementation

Dear Mr. Schmidt:

Annual Fees to Mine Operators are getting out of control. The SMGB recently imposed new annual fees payable to the Department of Conservation. These fees have been established to fund an ever-growing Division of Mine Reclamation. The new fee schedule is shown below:

Annual Production	2019 Fees	2022 Fees	Difference	Percent Change
0 TONS UP TO AND INCLUDING 100 TONS	\$3,074	\$3,226	\$152	4%
GREATER THAN 100 TONS UP TO AND INCLUDING 1,000 TONS	\$5,123	\$5,347	\$224	4%
GREATER THAN 1,000 TONS UP TO AND INCLUDING 10,000 TONS	\$8,254	\$8,226	-\$28	-.03%
GREATER THAN 10,000 TONS UP TO AND INCLUDING 50,000 TONS	\$9,887	\$11,751	\$1,864	19%
GREATER THAN 50,000 TONS UP TO AND INCLUDING 100,000 TONS	\$10,298	\$11,751	\$1,453	12%
GREATER THAN 100,000 TONS	\$10,298	\$11,751	\$1,453	12%

How were these fees determined? DMR supported the fee schedule by identifying the cost for supporting its staffing and expenses. Yet the fee schedule would appear to be somewhat arbitrary. SMARA regulations (§2207 (d) (2) (A) requires: *In establishing the schedule of fees to be paid by each active and idle mining operation, the fees shall be calculated on an equitable basis reflecting the size and type of operation. The board shall also consider the total assessed value of the mining operation, the acreage disturbed by mining activities, and the acreage subject to the reclamation plan.* While it can be argued that there is some equity in the fee schedule (i.e., production volumes), it is clear that the adopted fee schedule has not addressed the letter of the regulations.

If you have a smallish operation, say a DG pit that sends out a few loads each day, maybe 20,000 tons per year, charging \$8/ton, after operating expenses are paid, it might be a good supplement for a family business. An operation of this scale won't support a large payroll but provides materials that are needed by somebody and are likely advantageous for meeting a specific market need, not to mention reducing

vehicle miles traveled. Yet, the annual fee to the DOC is more than 6% of the gross anticipated revenue.

On top of the mine reporting fees, there are also lead agency fees to consider. Lead agency charges range from almost nothing in some locations to more than \$10,000, with the provision that additional charges for actual time spent must be paid by the operator. Then there are also annual Stormwater fees and annual Air Permit fees.

Current staffing at DMR finds more than 30 people [protecting] the people of California from the excesses of mine operators. What do these people do? Mine reporting and record keeping, reviewing reclamation plans to determine if they meet SMARA minimum requirements, reviewing annual financial assurance estimates and inspection reports, and – answering questions from the author of this article.

SMARA's introductory statute *finds and declares that the extraction of minerals is essential to the continued economic well-being of the state and to the needs of society, and that the reclamation of mined lands is necessary to prevent or minimize adverse effects on the environment to protect the public health and safety.* As stated, SMARA is supposed to provide for two basic “carrot and stick” components: The Carrot: preserving access to mineral resources; The Stick: reclamation of mined land is necessary to prevent or minimize adverse effects on the environment and to protect the public health and safety.

SMGB, CGS and DMR provide the policy, resource identification and regulatory oversight to ensure SMARA implementation. However, there is no attempt to ensure that resources can actually be accessed. Discussion with DOC management indicates that it does not consider support for ensuring access to mineral resources to be an element of its charge but fully embraces the regulatory functions.

On top of this, SMARA is implemented by more than 100 lead agencies across the state; many have very few mining operations within their jurisdiction. With limited exception, most lead agency staff rarely work with SMARA implementation and new staff members are often called to interpret a complex law with many nuances. Excepting the larger corporations who employ professional regulatory staff, mining operators rarely work with SMARA implementation once the permitting process has been completed. This results in the need to contract with knowledgeable professionals (consultants and attorneys) to address agency demands. This is expensive and strongly favors large corporations.

It is this writer's opinion that local agency permitting and reclamation requirements be removed from local control. In nearly every state in the Country, mining regulation is centered in state government agencies. This allows for knowledgeable staffing that is current on legal requirements, while also removing the tendency for emotional political decisions that favor mining opponents. Centering mining regulation with a State agency would also help to ensure that all important resources can actually be accessed by the industry. Local permitting efforts are a log-jam that can rarely be overcome to allow access to important mineral resources.

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Please present my position to the SMGB.

Sincerely,

Warren Coalson

Retired