



Udall Abandoned Hardrock Mines Reclamation Act (HR504)

Revenue Estimate

*Protecting
Communities
and the
Environment*

HR 504, the Abandoned Hardrock Mines Reclamation Act would generate approximately **\$45 million per year** for the cleanup of abandoned hardrock mines in lands claimed or purchased under the General Mining Law of 1872. Of the \$45 million, before the Interior Secretary disbursed the portion of the fund at his/her discretion, each state would receive approximately:

State	Funding	Percent
Alaska	\$1,712,636	5.05%
Arizona	\$9,871,639	29.11%
California	\$3,119,701	9.20%
Colorado	\$2,207,212	6.51%
Idaho	\$1,815,405	5.35%
Montana	\$3,157,338	9.31%
Nevada	\$4,314,170	12.72%
New Mexico	\$1,933,546	5.70%
Oregon	\$49,758	0.15%
South Dakota	\$632,984	1.87%
Utah	\$4,758,348	14.03%
Washington	\$169,521	0.50%
Wyoming	\$167,705	0.49%

Average payout is \$2.6 million.

How the Reclamation Fee is Generated

The abandoned hardrock mine reclamation fund would be generated by a fee levied on mining occurring on lands claimed or patented under the General Mining Law of 1872. The fee is based on the Nevada state mineral excise tax:

- each mine (not each company) would pay 2-5% net proceeds depending upon the efficiency of the mine;
- the higher the percentage of gross proceeds to net proceeds, the higher the fee – up to 5% ;
- mines with gross revenues of less than \$500,000 year would be exempt;
- unprofitable mines would be exempt.

How the Reclamation Fee is Disbursed

Of the monies generated by the fee, 25% would be returned to states where the revenue was generated (current production), 50% would be allocated to states based upon historical hardrock mineral production, and 25% would be disbursed at the discretion of the Secretary of Interior.

How the Revenue was Estimated

USGS data was used for all calculations. The value of current production was estimated using most recent available nonfuel minerals data, less the value of nonlocatable minerals (e.g. stone, gravel). The value of historical production was generated by selecting representative hardrock minerals (gold, copper, silver, lead, molybdenum), determining the value of each state's production of each selected mineral for each year from 1900 – 1980, adjusting each year's total value to 1998 dollars, and then calculating the total for each state.

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