

The primary manner in which the Department of Mines, Minerals and Energy (DMME) addresses issues of eliminating accidents, injuries, and fatalities in Virginia coal and mineral mines and coal bed methane wells, and eliminating adverse environmental conditions and public safety hazards resulting from mineral and fossil fuel extraction is through regular inspections. DMME is regularly inspecting all active and inactive surface and underground coal mines, mineral mines, gas and oil exploration, and production operations. These inspection and enforcement activities are supported by general fund dollars, federal funds, and special funds generated from permit and license fees paid by operators.

The bill increases the amount of the permit and license fees assessed and collected by D MME based on inflation. Many of the permit and license fees collected by D MME have remained unchanged since the 1970s, others were last increased in the early 1990s. The additional revenue would be used to support agency operations, supplanting general fund dollars removed from the agency's operating budget in the Introduced Budget Bill. Sufficient appropriation for the additional revenue is included in SB 700.

Based on an increase to each fee by approximately 80.5 percent of the amount that would be required to make up for inflation based on the Consumer Price Index, \$835,859 in additional special fund revenue would be generated.

9. Specific agency or political subdivisions affected:

Department of Mines, Minerals and Energy

10. Technical amendment necessary:

No.

11. Other comments:

A companion bill, HB 2465, is also enrolled.

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cc: Secretary of Commerce and Trade
Secretary of Finance