

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** HB1562

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Waddell

**3. Committee** General Laws

**4. Title** Virginia Residential Property Disclosure Act; disclosure; previous mining and abandoned mines.

**5. Summary/Purpose:** This bill provides that for the sale of new dwellings the builder or owner, if the builder is not the owner, must disclose to the purchaser whether mining operations had previously been conducted on the property and the presence of abandoned mines, shafts, or pits.

**6. Fiscal Impact:** According to the Department of Mines, Minerals and Energy (DMME), this bill is not expected to have a significant fiscal impact. In order to respond to owner and builder inquiries, DMME will utilize existing in-house resources to develop an automated mechanism for determining whether mining operations had previously been conducted on the property for sale as well as to determine the presence of abandoned mines, shafts, or pits. However, if owner and builder inquiries for this type of information exceed DMME's current expectations, the department will likely have to seek additional resources to implement a web-based system to provide this information. It is not possible to estimate the potential fiscal impact of such a system until the volume of demand is further understood.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** See Item 6.

**9. Specific agency or political subdivisions affected:** Department of Mines, Minerals and Energy

**10. Technical amendment necessary:** If it is the intent of this legislation not to require disclosure by the builder or owner in cases where mining operations have not taken place and there is no presence of abandoned mines, shafts, or pits, then the last sentence found on lines 44 and 45 needs to be amended.

**11. Other comments:** None.

**Date:** 01/31/06 / dma

**Document:** G:\2006 Fis\Hb1562.Doc

cc: Secretary of Commerce and Trade