

REVISED
Department of Planning and Budget
2007 Fiscal Impact Statement

1. Bill Number SB1091

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Puckett

3. Committee Passed Both Houses

4. Title Coal miner certification and mine safety

5. Summary/Purpose: This bill requires pre-employment substance abuse testing and provides for the immediate and temporary suspension of miner certification for certain violations related to drugs or alcohol. Requires certificate holders to notify the Board of Coal Mining Examiners (the Board) of any drug-related criminal conviction within 30 days. Also allows the Board of Coal Mining Examiners to increase examination fees for miner certification from \$10 to an amount not to exceed \$50.

6. Fiscal Impact Estimates are: Final.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$0	n/a	n/a
2007-08	\$17,250	n/a	Nongeneral
2008-09	\$17,250	n/a	Nongeneral
2009-10	\$17,250	n/a	Nongeneral
2010-11	\$17,250	n/a	Nongeneral
2011-12	\$17,250	n/a	Nongeneral
2012-13	\$17,250	n/a	Nongeneral

Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$0	n/a	n/a
2007-08	\$93,551	n/a	Nongeneral
2008-09	\$93,551	n/a	Nongeneral
2009-10	\$93,551	n/a	Nongeneral
2010-11	\$93,551	n/a	Nongeneral
2011-12	\$93,551	n/a	Nongeneral
2012-13	\$93,551	n/a	Nongeneral

7. Budget amendment necessary: No.

8. Fiscal implications: This bill is anticipated to have both a revenue and an expenditure impact on the state. The revenue impact is estimated to be \$93,551 in nongeneral funds, and the expenditure impact is estimated to cost approximately \$17,250, also in nongeneral funds. These

changes in revenues and expenditures may be made administratively because the funding will be from nongeneral sources.

Revenue Impact: Currently, the Code sets miner certification fees at \$10.00 per miner examination and \$1.00 for a replacement certificate. This bill authorizes the Board to raise these fees, (not to exceed \$50.00). The Department of Mines, Minerals and Energy (DMME) assumes that fees would be raised to a level similar to those of neighboring states, most of which set the fee at \$35.00, although there is a range from \$35.00 to \$50.00. Therefore, when calculating revenue increases DMME assumed a fee increase to \$35.00 for each miner certification. In addition, this bill also authorizes the Board to raise the fee for replacement certificates (not to exceed \$10.00), so DMME assumed a \$5.00 fee per lost certificate replacement in place of the existing \$1.00 per card charge.

In FY 2006, the Board (DMME) oversaw the administration of 3,691 examinations, and collected \$36,910 in examination fees at the cost of \$10.00 per examination. Assuming the Board raises the examination fee to \$35.00 per exam, DMME anticipates collecting a total of \$129,185 in nongeneral fund revenue, an additional \$92,275 per year (based on the 3,691 examinations that occurred in FY 2006). Also in FY 2006, DMME issued 319 replacement cards, and collected \$319 in card replacement fees at the cost of \$1.00 per card. Assuming the Board raises the card replacement fee to \$5.00 per card, DMME anticipates collecting \$1,595, an additional \$1,276 in nongeneral fund revenue (based on the 319 cards needing replaced in FY 2006). Combined, these anticipated increases in fees could total to an additional \$93,551 per year in nongeneral fund revenue. The Code specifies that all collected fees be paid into the Coal Mining Examiners' Fund (the Fund) in the state treasury. The Code currently specifies that this Fund shall be administered by the Chief for the purpose of paying the compensation and expenses of the Board, but this bill amends the purpose of the Fund to cover the costs of administering the miner certification, as well as costs incurred by the Board in carrying out its duties.

Expenditure Impact: This bill also mandates that the Chief of the Board require substance abuse testing as part of an inspection or complaint investigation if there is reasonable cause to suspect a miners' impairment has been a contributing factor to a serious injury or death at a mine. DMME pays for any substance abuse testing required by the Chief of the Board. DMME estimates that this bill would require that they pay for about 65 substance abuse tests per year as a result of accident or complaint investigations. This number is based on the typical number of fatality or serious personal injury and complaint investigations per year. The drug tests required in the proposed legislation costs \$150 per test. With 65 tests, at \$150 per test, DMME estimates having a total expenditure increase of approximately \$9,750 per year.

In addition, DMME anticipates that the Board of Coal Mining Examiners would have additional cases to consider due to the substance abuse enforcement requirements provided in this bill. It is unknown how many cases this statutory change would bring. DMME estimates that the Board will have to hold approximately one meeting every two months to meet the time limits outlined in the bill for conducting hearings within 60 days after temporarily suspending a miner's certificate. This would increase the frequency of Board meetings from the current average of one to six per year. In addition, any meetings of the Board may require the presence of a court recorder for dealing with enforcement needs. DMME estimates that the average cost for each of these meetings, including the cost of compensation and reimbursement of expenses for Board members, and the cost for a court recorder, to be approximately \$1,500. Overall, DMME

estimates an expenditure increase for these Board meetings to cost approximately \$7,500 per year.

The total expenditure impact as a result of this bill is estimated to be \$17,250 per year. The Code specifies that all costs pursuant to the duties of the Board be paid for out of the Fund. Should the revenue impact occur as estimated, there should be sufficient monies in the Fund to cover these additional costs.

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

10. Technical amendment necessary: No.

11. Other comments: This bill is identical to the enrolled version of HB3190.

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cc: Secretary of Commerce and Trade