

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB413

House of Origin      X   Introduced               Substitute               Engrossed  
Second House               In Committee           Substitute               Enrolled

**2. Patron:**        Puckett

**3. Committee:** Agriculture, Conservation and Natural Resources

**4. Title:**        **National pollutant discharge elimination system permits; mining operations.**

**5. Summary:** This bill provides for permit fees to be submitted from applicants that discharge waters from mining operations. Applicants will pay \$5,000 per discharge point from a major facility and \$750 for each other discharge point. In addition, applicants will pay an annual fee of \$2,500 for discharge points for major facilities and \$250 for other discharge points. Permits will remain valid for five years.

**6. Fiscal Impact Estimates:** Preliminary. See Item 8.

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	\$0	0.00	n/a
2009	\$603,500	0.00	NGF
2010	\$603,500	0.00	NGF
2011	\$603,500	0.00	NGF
2012	\$603,500	0.00	NGF
2013	\$603,500	0.00	NGF
2014	\$603,500	0.00	NGF

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	\$0	0.00	n/a
2009	\$603,500	0.00	NGF
2010	\$603,500	0.00	NGF
2011	\$603,500	0.00	NGF
2012	\$603,500	0.00	NGF
2013	\$603,500	0.00	NGF
2014	\$603,500	0.00	NGF

**7. Budget Amendment Necessary:** No. See Item 8.

**8. Fiscal Implications:** This bill authorizes the Department of Mines, Minerals and Energy (DMME) to begin collecting fees for issuing surface water discharge permits under the Environmental Protection Agency's (EPA) National Pollutant Discharge Elimination System (NPDES). The Virginia Department of Environmental Quality (DEQ) was granted authority

by the EPA to administer this program statewide, and under §45.1-254 of the Code of Virginia, DEQ's State Water Control Board has delegated the authority for the NPDES program to DMME for the purpose of regulating coal mining operation.

This bill authorizes DMME to collect fees for issuing surface water discharge permits under NPDES. Specifically, this bill authorizes a \$750 application fee for each permitted water discharge point from surface mines, and an annual \$250 anniversary fee thereafter for the five-year term of the permit. DMME reports that most discharges are from surface run-off and therefore are not considered major discharge. However, any discharges from a major facility, (as defined at §9 VAC 25-31-10), would be charged an application fee of \$5,000 per discharge point, with an annual anniversary fee of \$2,500.

DMME estimates that approximately \$511,000 will be collected on an annual basis from anniversary fees, and approximately \$92,500 will be collected on an annual basis from new or renewal permit fees. In total, DMME estimates that this bill will result in approximately \$603,500 in revenue annually, beginning in FY 2009. The Governor's proposed budget has already been adjusted to reflect this additional nongeneral fund revenue for DMME. DMME reports that all revenue generated by these fees would go to support the costs of administering the program; specifically salaries and other operating costs. The agency currently absorbs any operating expenses associated with issuing surface water discharge permits and reports that they are no longer able to support this permitting function without a separate funding stream.

The fees proposed by this bill are comparable to those being charged by other Virginia state agencies for similar water discharge permits. Other fees range from \$300 for a general storm water management permit to \$24,000 for a major industrial discharge permit. These proposed fees are also comparable with those charged by other states for similar permits.

**9. Specific Agency or Political Subdivisions Affected:** Department of Mines, Minerals and Energy.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/18/2008 dpbaek

**Document:** G:\FIS\2008 Fiscal Impact Statements\DMME\SB413.Doc aek

cc: Secretary of Commerce and Trade  
Secretary of Finance