

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB413

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

**2. Patron:** Puckett

**3. Committee:** Passed Both Houses

**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 an application fee of \$300 per discharge point under the permit, and an annual anniversary fee of \$300 for each discharge outfall point under the permit. Permits will remain valid for five years.

**6. Fiscal Impact Estimates:** Final.

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	\$0	0.00	n/a
2009	\$570,000	0.00	NGF
2010	\$570,000	0.00	NGF
2011	\$570,000	0.00	NGF
2012	\$570,000	0.00	NGF
2013	\$570,000	0.00	NGF
2014	\$570,000	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	\$570,000	0.00	NGF
2010	\$570,000	0.00	NGF
2011	\$570,000	0.00	NGF
2012	\$570,000	0.00	NGF
2013	\$570,000	0.00	NGF
2014	\$570,000	0.00	NGF

**7. Budget Amendment Necessary:** Yes. Item 120; the Governor's introduced budget includes \$603,500 in additional nongeneral fund appropriation for DMME to reflect the revenue projections based on the original version of this bill. A budget amendment is necessary to readjust the nongeneral fund appropriation downward by \$33,500 to account for the decreased revenue impact expected as a result of the amendments made to the bill.

- 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 an application fee of \$300 for each water discharge point for a new or renewal permit and an anniversary fee of \$300 for each discharge point for each year thereafter of the five-year term of the permit. DMME does not expect a significant change in the number of permits issued, as coal production appears to remain constant. Therefore it is anticipated that any new permits issued should be offset by an equal closing of discharge points. Since the number of permits is not expected to change, the total revenue estimate is based on an annual \$300 anniversary fee/renewal permit fee multiplied by the current number of NPDES discharge monitoring points (1,900 NPDES discharge monitoring points on 300 active permits). Based on these numbers, DMME estimates that approximately \$570,000 will be collected on an annual basis, beginning in FY 2009.

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:** 2/28/2008 dpbaek

**Document:** G:\FIS\2008 Fiscal Impact Statements\DMME\SB413ER.Doc aek

cc: Secretary of Commerce and Trade  
Secretary of Finance