

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: SB560

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

2. Patron: Puckett

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Reclamation of coal-mined areas.

5. Summary: Amends the Virginia Coal Surface Mining Control and Reclamation Act of 1979 by removing the ability of certain applicants to provide a bond without separate surety. The bill also raises the target balance of the Coal Surface Mining Reclamation Fund (the Fund) from \$1.75 million to \$20 million, alters the method of deducting certain expenditures from the Fund, and makes technical amendments.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8, below.

Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014		
2015	\$300,000	Coal Surface Mining Reclamation Fund/Special Fund
2016	\$285,000	Coal Surface Mining Reclamation Fund/Special Fund
2017	\$280,000	Coal Surface Mining Reclamation Fund/Special Fund
2018	\$275,000	Coal Surface Mining Reclamation Fund/Special Fund
2019	\$270,000	Coal Surface Mining Reclamation Fund/Special Fund
2020	\$270,000	Coal Surface Mining Reclamation Fund/Special Fund

8. Fiscal Implications: This bill would raise the target balance in the Coal Surface Mining Reclamation Fund, which would result in additional revenue for the Fund. A recent audit commissioned by the Department of Mines, Minerals, and Energy and conducted in 2011 determined that the Fund is undercapitalized and this bill would assist in remedying that situation. Payments to the Fund are made by coal mine operators based on productions; therefore the amount of future revenue impact is dependent upon how many tons of coal are mined in the Commonwealth. Revenue estimates are preliminary and are based on expectations of a declining market for coal. Revenue to the Fund is dependent on market

forces, thus revenue from this bill could potentially be greater than or less than the estimated figures in item 7 above.

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

10. Technical Amendment Necessary: No.

11. Other Comments: HB710 is the companion to this bill.