

## Department of Planning and Budget 2021 Fiscal Impact Statement

**1. Bill Number:** HB2213

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

**2. Patron:**        Guzman

**3. Committee:** Rules

**4. Title:**         Study; gold mining; prohibition on permitting; report.

**5. Summary:** Directs the Secretary of Natural Resources, the Secretary of Health and Human Resources, and the Secretary of Commerce and Trade to conduct a study of the mining of gold in the Commonwealth. The bill requires that the study be conducted in consultation with the Virginia Council on Environmental Justice and appropriate stakeholders, including experts in mining, hydrology, toxicology, and other fields; environmental organizations; representatives of potentially affected communities in localities with significant deposits of gold; and residents of Native American communities in such counties.

The bill provides that the study shall evaluate the impacts of gold mining on public health, safety, and welfare; evaluate whether existing air and water quality regulations are sufficient; consider which processing and beneficiation techniques, including cyanide heap leaching and cyanide vat leaching, should be permitted; consider whether the dewatering of an open pit mine should be permitted; make a recommendation as to whether the issuance of any permit to operate a gold mine should be prohibited; and report its findings to the General Assembly by July 1, 2023. The bill also prohibits the issuance of any permit by the Department of Mines, Minerals and Energy to operate a gold mine of an area larger than 10 acres until July 1, 2024.

**6. Budget Amendment Necessary:** See item 8.

**7. Fiscal Impact Estimates:** Preliminary.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021			
2022	\$250,000	n/a	GF
2023	\$250,000	n/a	GF

**7b. Revenue Impact:** N/A

**8. Fiscal Implications:** At this time, the fiscal impact of this bill is preliminary, as DPB is awaiting information from several of the agencies that would be required to participate in the study. However, the Department of Mines, Minerals, and Energy (DMME) has stated that if it is charged with leading the study, it anticipates that a contract with a consultant will be

necessary at a rate of \$250,000 per year. In 2014, DMME paid \$225,000 for a one-year study on the readiness of Virginia's ports for the offshore oil and gas industry. DMME assumed a 1.5 percent inflation rate.

The bill also prohibits the issuance of any permit by DMME to operate a gold mine of an area larger than 10 acres until July 1, 2024. The agency does not anticipate a fiscal impact as a result of this provision.

- 9. Specific Agency or Political Subdivisions Affected:** Secretaries of Natural Resources, Commerce and Trade, and Health and Human Resources; Department of Mines, Minerals, and Energy.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.