

## Department of Planning and Budget 2021 Fiscal Impact Statement

1. **Bill Number:** HB1855

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

2. **Patron:** Sullivan

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

4. **Title:** Department of Mines, Minerals and Energy.

5. **Summary:** Renames the Department of Mines, Minerals and Energy as the Department of Energy. Within the Department, the bill renames the Division of Mined Land Reclamation as the Division of Mined Land Repurposing and renames the Division of Energy as the Division of Renewable Energy and Energy Efficiency. The bill makes substantive changes, removing the requirement that the Chief of the Division of Mines be appointed by the Governor and authorizing an employee other than the Virginia Gas and Oil Inspector to serve as the principal executive of the staff of the Virginia Gas and Oil Board. The bill creates a new position, the Chief Clean Energy Policy Advisor, that shall be appointed by the Governor and shall be under the direction of and report to the Director. The bill removes or updates outdated language, changing the title of the head of the Division of Mined Land Repurposing from Commissioner to Director and changing the identity of the division overseeing permits for certain mining operations from the Division of Mined Land Repurposing to the Division of Mineral Mining. The bill includes an enactment clause that the provisions of this act shall become effective on October 1, 2021.

6. **Budget Amendment Necessary:** No; see Items 124, 125, and 126 in HB1800/SB1100, as Introduced. See item 8, below.

7. **Fiscal Impact Estimates:** Preliminary, see Item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	0	n/a	n/a
2022	(\$547,780)	0	GF
2023	(\$547,780)	0	GF
2024	(\$547,780)	0	GF
2025	(\$547,780)	0	GF
2026	(\$547,780)	0	GF
2027	(\$547,780)	0	GF

8. **Fiscal Implications:** It is anticipated that this bill will result in a fiscal impact to the Department of Mines, Minerals and Energy (DMME); however, the fiscal impact is reflected in HB1800/SB1100 as Introduced. It is anticipated that the reorganization of the agency will

result in general fund savings of \$547,780 beginning in FY 2022 and ongoing, and that any expenditure impact associated with the reorganization can be absorbed with existing resources.

As part of the reorganization toward a focus on renewable energy development, the name of the agency will change as will the names of several divisions. Additionally, the agency will eliminate 11 existing positions, and establish eight new positions, and close a field office. Most of the savings anticipated to be generated as a result of the elimination of positions in the regulatory divisions and the closure of a field office will be reinvested primarily in the agency's re-named Division of Renewable Energy and Energy Development, and any savings that result after reinvestment in the Division of Renewable Energy and Energy Development are eliminated from the agency's budget beginning in FY 2022 as reflected in HB1800/SB800, as Introduced.

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

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

**11. Other Comments:** None.