

**Department of Planning and Budget  
2008 Fiscal Impact Statement**

**REVISED**

**1. Bill Number:** SB525

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

**2. Patron:**        Wagner

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

**4. Title:**         **Virginia Uranium Mining Commission**

**5. Summary:** This bill creates a 15-member executive branch commission to assess the risks and benefits of developing uranium resources in Virginia, and established the Uranium Study Fund. The bill has a sunset clause of July 1, 2011. *This FIS was revised to include a possible fiscal impact on the Virginia Department of Health.*

**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	\$11,434	0.00	GF
2010	\$11,434	0.00	GF
2011	\$11,434	0.00	GF
2012	\$0	0.00	GF
2013	\$0	0.00	GF
2014	\$0	0.00	GF

**7. Budget Amendment Necessary:** Yes, Item 295 and either Item 121 or an amendment depositing funding into the Uranium Study Fund created by this bill.

**8. Fiscal Implications:** This bill establishes the Virginia Uranium Mining Commission (the Commission) to assess the risks and benefits of developing Virginia's uranium resources and to advise the Governor and General Assembly. The Commission is to be comprised of 15 members: six legislators, six nonlegislative citizen members, the Director of the Department of Environmental Quality (DEQ), the Director of the Department of Mines, Minerals and Energy (DMME), and the Commissioner of Health.

The bill stipulates that all legislative members of the Commission shall receive such compensation as provided in §30-19.12, Code of Virginia, which provides for compensation of legislative councils as provided for in §2.2-2813, which sets the rate at \$50 per day unless a different rate of compensation is specified by statute. Item 1 of Chapter 847 of the 2007 Virginia Acts of Assembly, another statute, sets the level of compensation to members of the General Assembly at a rate of \$200 per day. While the bill does not specify when the Commission is to meet, assuming that semiannual meetings are held, and that all six

legislative members attend both annual meetings, total annual compensation costs for the legislative members would be approximately \$2,400. The bill stipulates that nonlegislative citizen members shall also receive compensation for the performance of their duties as provided in §2.2-2813. Again assuming semiannual meetings, the cost of the six nonlegislative citizen members would be approximately \$600 annually.

The bill also states that all members of the Commission shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§2.2-2813 and 2.2-2825. Assuming (1) semiannual meetings are held; (2) all 15 members attend each meeting; (3) each member will incur travel and lodging expenses for each meeting (average \$175 per meeting, per member), the total annual cost for reimbursement of necessary expenses would be approximately \$5,250.

All together, the total operating costs (compensation and reimbursable expenses) for the Commission are estimated to be \$8,250 annually.

The bill is unclear as to how the costs for the operation and administration of the Commission are to be funded. On lines 159-160 the bill stipulates that funding for compensation and expenses of the members of the Commission shall be provided by DMME. However, on lines 238-239 the bill states that the total costs for the operation and administration of the Commission shall be funded from the newly-established Uranium Study Fund (the Fund), and shall be in such amount as provided in the general appropriation act. Either way, there would need to be a budget amendment to cover the costs of the compensation and expenses of the Commission, estimated to be \$8,250 annually. While many who are eligible for reimbursement historically do not seek payment, it is uncertain as to the level of reimbursement that will be sought by members of this Commission, and so full reimbursement was assumed.

According to the bill, staffing for the Commission is to be provided by DMME, DEQ, and the Department of Health (VDH). DMME does not anticipate any fiscal impact as a result of providing staff support to the Commission and estimates that any staffing costs can be absorbed within current staffing levels. Any fiscal impact for DEQ as a result of providing staffing to the Commission is unknown at this time.

VDH estimates that this bill could have a fiscal impact on their agency. Based on the assumption that the Commission will meet only twice a year, and that VDH will not be used as the major source of scientific and technical support, the agency estimates that this bill may require approximately 80 hours of VDH dedicated staff support. As such, VDH anticipates additional staff may be needed at the cost of approximately \$3,184 (calculated at \$19.90/hr x 160 hrs). VDH notes that this bill is unclear on what agency is to conduct research, development, and issuance of RFPs for contracts to undertake the various scientific, environmental, and economic studies. If the Commission chooses to request that VDH conduct such research, then the fiscal impact to VDH could be substantially greater.

The bill specifies that the Commission shall consult with the Joint Legislative Audit and Review Commission (JLARC) in preparing request for proposals and reviewing proposals for services in connection with the Commission's duties and responsibilities. At this time the fiscal impact on JLARC is unknown.

The Uranium Study Fund is created by this bill as a special nonreverting fund, to be administered by the Commission. The Fund is to consist of (i) gifts, donations, grants, and bequests on behalf of the Commission, and (ii) such other funds as may be appropriated by the General Assembly. The bill specifies that moneys in the fund are to be used solely for the purposed set forth in the article, and that expenditures and disbursement from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Chairman of the Commission.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Mines, Mineral and Energy, the Department of Environmental Quality, the Department of Health, General Assembly, Joint Legislative Audit and Review Commission, state universities, all state agencies.
- 10. Technical Amendment Necessary:** The bill is unclear as to how the costs for the operation and administration of the Commission are to be covered. On lines 159-160 the bill stipulates that funding for compensation and expenses of the members of the Commission shall be provided by DMME. However, on lines 238-239 the bill states that the total costs for the operation and administration of the Commission shall be funded from the newly-established Uranium Study Fund (the Fund), and shall be in such amount as provided in the general appropriation act.

**11. Other Comments:** None.

**Date:** 1/25/2008 dpbaek

**Document:** G:\FIS\2008 Fiscal Impact Statements\DMME\SB525.Doc aek

cc: Secretary of Commerce and Trade  
Secretary of Finance