

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1171

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

2. Patron: Phillips

3. Committee: Appropriations

4. Title: **Coal mine license fee.**

5. Summary: This bill increases the coal mine license fee from \$180 to \$350. (Note: the change in fee to \$350 was by amendment in the bill's first committee assignment, the Committee on Agriculture, Chesapeake and Natural Resources).

6. Fiscal Impact Estimates: Preliminary.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2010	\$0	n/a
2011	\$42,500	Nongeneral
2012	\$42,500	Nongeneral
2013	\$42,500	Nongeneral
2014	\$42,500	Nongeneral
2015	\$42,500	Nongeneral
2016	\$42,500	Nongeneral

7. Budget Amendment Necessary: No, SB/HB 30 (the Budget bills) already account for a nongeneral fund increase of \$42,500 resulting from these fee increases.

8. Fiscal Implications: This bill would increase the annual coal mine license fee from \$180 to \$350, or an annual increase of \$170 per coal mine license. This fee was last increased from \$75 to \$180 in 2003.

Currently, coal mine operators must apply to the Department of Mines, Minerals and Energy (DMME) for a license to operate each mine. Per § 45.1-161.58 of the Code of Virginia, these fees are paid into a nongeneral fund administered by DMME, which must be used to support the activities of the agency's Coal Worker Safety service area. In 2008, there were approximately 260 licensed coal mines in Virginia. This increase in the annual coal mine license fee of \$170 is anticipated to raise approximately \$42,500 in additional revenue starting in FY 2011.

Note that this revenue estimate is based on the number of mines currently operating in Virginia. This number is susceptible to business conditions, such as the price of coal, changes in mine safety laws, and public policies that may increase or decrease the desirability

of coal as an energy fuel. Since there is a high degree of uncertainty in predicting these conditions for even a few years, it has been assumed that the number of coal mines in Virginia will remain relatively constant for the foreseeable future.

HB/SB 30 (the Budget bills) currently include \$42,500 in nongeneral fund revenue generated from this fee increase.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill, with amendments, is identical to the substitute version of SB558.

Date: 2/10/2010 dpbaek

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