

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB1310

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Puckett

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

**4. Title:** Ensures the Coal Mine Safety Act is in line with federal requirements and current industry standards and practices

**5. Summary:** This bill updates the Coal Mine Safety Act to reflect current federal law and industry standards. The changes include expanded safety and emergency response plans; circuitry, voltage, and grounding requirements; and a penalty for any person who provides false information during investigations by the Chief of the Division of Mines of the Department of Mines, Minerals and Energy.

**6. Budget Amendment Necessary:** No.

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

**8. Fiscal Implications:** This bill amends the Coal Mine Safety Act to maintain consistency with industry best safety practices and existing federal laws and regulations. Most of the amendments made by the bill are technical in nature and any costs associated with the changes would be the responsibility of the coal mine operator. Examples include: specifications for mapping requirements, positioning and insulating of trolley lines, regulations related to ropes, life lines, high-voltage disconnects, and grounding resistors. Several amendments include the language "unless otherwise approved by the Chief," thereby expanding the authority of the Chief to approve specifications of mine equipment or safety guidelines.

However, in addition to the bill's amendments that directly impact the coal mine operators, there are several that would directly impact the state:

(1) The bill creates a Class 1 Misdemeanor charge for "any person who knowingly provides any false statement, representation or certification, during investigations." Anyone convicted of a Class 1 Misdemeanor can be sentenced to jail for up to 12 months. The state pays localities \$4 per day for each of these "local-responsible" prisoners. It is unknown how many cases would result from this proposal so the fiscal impact is indeterminate.

(2) The bill amends the language surrounding the Mine Rescue Fund (the Fund) to align with current practices. The Fund is managed by the Department of Mines, Minerals and Energy

(DMME). According to DMME, a federal law passed in 2008, known as the MINER Act, revised coal mine safety laws and shifted the responsibility for providing mine rescue teams from the state, to coal mine operators. As an effort to assist smaller mine companies with the organizational and fiscal burdens associated with this new requirement, DMME now coordinates mine rescue team operations between small mines. DMME receives funding from these small mine operators to support a DMME-run mine rescue coordination station. The agreement to determine the amount due to support this station is negotiated on an annual basis and payments are made by small mine operators into the Mine Rescue Fund. All monies deposited to this fund are used by DMME to provide mine rescue operational support. As the negotiated payment changes annually, administrative adjustments to the Fund's nongeneral fund appropriation may be necessary. However, as this is already current practice and appropriation is adjusted to meet actual cash flow, this bill will not result in an additional fiscal impact.

(3) The bill amends regulations about when and how DMME is to review and furnish rescue and recovery plans. DMME states that there will be no additional cost associated with these changes as this process has become entirely electronic and the changes proposed align the Code of Virginia with current practices.

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

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

**11. Other Comments:** None.

**Date:** January 21, 2011

c: Secretary of Commerce and Trade