

DEPARTMENT OF TAXATION

2012 Fiscal Impact Statement

1. **Patron** Edward T. Scott

2. **Bill Number** HB 300

3. **Committee** Passed House and Senate

House of Origin:

☐ Introduced

☐ Substitute

☐ Engrossed

4. **Title** Beehive Grant Program: Creates the
Beehive Grant Fund and Program for New
Beehives

Second House:

☐ In Committee

☐ Substitute

☒ Enrolled

5. **Summary/Purpose:**

This bill would establish the Beehive Grant Fund (the "Fund"), a special non-reverting, permanent fund, on the books of the Comptroller. The Fund would be administered by the Department of Agriculture and Consumer Services (VDACS). Under this bill, an individual may apply to VDACS for a grant for the purchase of a new hive or the materials or supplies to construct a new beehive. The amount of the grant would equal \$200 per new hive, not to exceed \$2,400 per individual per year.

The grants would be issued in the order that the completed eligible application is received. Any yearend balances would be reappropriated and the fund retains any interest earned. In the event that the total amount of grants requested in a fiscal year exceeds the available funds in the Fund, the grants would be issued in the next fiscal year in which funds are available.

This bill would require VDACS to develop guidelines that establish the process for qualifying for the grant. In addition, this bill would require VDACS to compile, maintain, and distribute a Virginia Beekeeping Guide to provide information to beekeepers on beekeeping.

This bill would be effective beginning January 1, 2013.

6. **Budget amendment necessary:** Yes.

ITEM(S):

New provision for the Beehive Grant Fund

92 and 101, Virginia Department of Agriculture and Consumer Services (an appropriation for the administration of the grant)

7. **Fiscal Impact Estimates are:** Final. (See Line 8.)

8. Fiscal implications:

Expenditure

According to VDACS, the amount that is eventually appropriated to fund activities associated with this bill will determine the maximum number of new beekeepers who would qualify for a grant. Since the amount of the appropriation is not known at this time, VDACS cannot estimate with sufficient specificity the cost of administering this new mandate. However, VDACS expects to absorb the requirements of this bill with existing resources.

Grant fund: This bill would require an appropriation from the General Fund to fund the Beehive Grant Fund. Based on VDACS estimates, there are 2,750 beehive operations, with a total of 30,000 beehives in Virginia. Approximately one-third of these hives are typically lost and replaced annually. Therefore, with 10,000 new beehives initiated annually at \$200 per beehive, it is estimated that the total amount of grants that may be requested in a fiscal year could be as much as \$2 million. However, actual requests may be less because an individual cannot receive more than \$2,400 (equivalent to 12 new hives).

Virginia Beekeeping Guide: Currently, VDACS distributes approximately 2,000 beekeeping guides per year, and the groups that request this guide reimburse VDACS for printing costs. This bill would require VDACS to create and distribute hardcopies of the Guide without reimbursement for printing costs. According to VDACS, printing cost for the Guide varies between \$5,000 to \$10,000 annually. If the Guides are free, then VDACS expects future printing costs to be at least \$10,000 annually.

Registration: The requirement that all grant applicants be registered with VDACS would require the creation and administration of a new registration database and online registration portal. VDACS estimates that the creation and administration of a new registration database and online registration portal would cost between \$5,000 and \$7,500 in Fiscal Year 2014 in order to be operational by January 1, 2013.

Revenue

This bill would have no impact on revenue.

9. Specific agency or political subdivisions affected:

Department of Agriculture and Consumer Services

10. Technical amendment necessary: No.

11. Other comments:

Similar Bills

Senate Bill 354 is identical to this bill.

cc : Secretary of Finance

Date: 3/23/2012 tlg
HB300FER161