Department of Planning and Budget
2012 Fiscal Impact Statement

1. **Bill Number:** SB428

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

2. **Patron:** Ruff

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

4. **Title:** Payments from timber sales.

5. **Summary:** Payments from timber sales. Limits the payment made to localities by the Department of Forestry to one-fourth of the gross proceeds derived solely from the sale of timber harvested on state forest lands. Currently, localities receive one-fourth of the gross proceeds from revenue generated by any revenue-generating activity occurring on state forest lands.

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

7. **Fiscal Impact Estimates:** Preliminary. See item 8, below.

Expenditure Impact:

Fiscal Year	*Dollars*	*Fund*
2012	0	-
2013	-16,400	NGF
2014	-16,400	NGF
2015	-16,400	NGF
2016	-16,400	NGF
2017	-16,400	NGF
2018	-16,400	NGF

8. **Fiscal Implications:** The Department of Forestry estimates that the statewide impact to localities would be $16,400 per year, but will vary in accordance with the volume of use permit sales. In FY 2011, the state forests generated approximately $100,000 annually from the sale of special use permits. On average, localities receive 16.4 percent of the revenue generated from these sales; Appomattox, Buckingham and Cumberland counties receive payments based on 12.5 percent and all other counties receive payments based on 25 percent of the sales.

   Any moneys generated from the sale of special use permits that remain after the Department of Game and Inland Fisheries is compensated for its costs incurred in the sale of these permits, would be retained by Forestry and could be used for administration and management of the state forests.

The department's state forest management program is self-supporting, and the department must generate sufficient revenue to cover its expenditures. A budget amendment to reduce the agency's nongeneral fund appropriation is not necessary, as the appropriation may be redirected toward other activities in the state forest system.

9. Specific Agency or Political Subdivisions Affected: Localities, Department of Forestry.

10. Technical Amendment Necessary: No.

11. Other Comments: HB995 is the companion to this bill

Date: 1/20/12
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