

Department of Planning and Budget
2021 Special Session I Fiscal Impact Statement

1. Bill Number: SB1453

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

2. Patron: Edwards

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Revision of Titles 45.1 and 67.

5. Summary: Creates proposed Title 45.2 (Mines, Minerals, and Energy) as a revision of existing Title 45.1 (Mines and Mining) and existing Title 67 (Virginia Energy Plan). Proposed Title 45.2 consists of 21 chapters divided into five subtitles: Subtitle I (Administration), Subtitle II (Coal Mining), Subtitle III (Mineral Mines), Subtitle IV (Gas and Oil), and Subtitle V (Other Sources of Energy; Energy Policy). The bill organizes the laws in a more logical manner, removes obsolete and duplicative provisions, and improves the structure and clarity of statutes pertaining to the administration of the Department of Mines, Minerals and Energy, underground and surface coal mining, underground and surface mineral mines, the Virginia Gas and Oil Act, energy from wind, solar, geothermal, and nuclear sources, and energy policy. The bill moves the remaining provisions of Title 67 that are not appropriate for inclusion in proposed Title 45.2 into other existing titles of the Code. The bill has a delayed effective date of October 1, 2021, and is a recommendation of the Virginia Code Commission.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: The bill is based on the recommendations of the Report of the Virginia Code Commission: The Revision of Titles 45.1 and 67 of the Code of Virginia, dated November 2020. The bill revises, incorporates and replaces Title 45.1 Mines and Mining and Title 67 Virginia Energy Plan, Code of Virginia. Title 45.1 is renamed from Mines and Mining to Mines, Minerals, and Energy as Title 67 is mainly incorporated into proposed Title 45.2. It is anticipated that the bill will not result in a fiscal impact to the Department of Mines, Minerals and Energy (DMME).

The bill establishes six new nongeneral funds: Coal Mining Examiners' Fund (§ 45.2-523); Coal Mine Operator License Fund (§ 45.2-536); Coal Surface Mining Regulatory Fund (§ 45.2-1007); Mineral Mining Examiners' Fund (§ 45.2-1117); Mineral Mine License Fund (§ 45.2-1125); and, Special Reclamation Fund (§ 45.2-1207).

The bill continues nine existing nongeneral funds: Mine Rescue Fund (§ 45.2-552 and § 45.2-1141); Abandoned Mine Reclamation Fund (§ 45.2-1032); Coal Surface Mining

Reclamation Fund (§ 45.2-1043); Permit Fee Fund (§ 45.2-1204); Orphaned Lands Reclamation Fund (§ 45.2-1228); Minerals Reclamation Fund (§ 45.2-1234); Gas and Oil Plugging and Restoration Fund (§ 45.2-1634); Low-to-Moderate Income Solar Loan and Rebate Fund (§ 45.2-1916); and, Orphaned Well Fund (§ 45.2-1642).

The bill moves Clean Coal Projects from Title 67 to Title 10.1 Conservation. Any fiscal impact of this bill on the Department of Environmental Quality is not known at this time.

The bill moves Biodiesel Fuel from Title 67 to Title 33.2 Highways and Other Surface Transportation Systems. It is anticipated that this bill will not result in a fiscal impact to the Department of Transportation and the Commonwealth Transportation Board.

The bill moves Covenants Restricting Solar Energy Collection Devices from Title 67 to Title 55.1 affecting the Property Owners' Association Act, the Virginia Condominium Act, and the Virginia Real Estate Cooperative Act. Any fiscal impact of this bill on the Department of Professional and Occupational Regulation is not known at this time.

The bill moves Renewable Energy Co-Location of Distribution Facilities from Title 67 to Title 56 Public Service Companies. Any fiscal impact of this bill on the State Corporation Commission is not known at this time.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Mines, Minerals and Energy; Department of Accounts; Department of Environmental Quality; Department of Transportation; Department of Professional and Occupational Regulation; State Corporation Commission.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** The Mine Rescue Fund is created under both § 45.2-552 and § 45.2-1141. The purpose for which the fund is to be used is not consistent in each Code Section.

According to the Department of Accounts, the Orphaned Lands Reclamation Fund under § 45.2-1228 appears to be based on the interest calculated on the Minerals Reclamation Fund but deposited in the Orphaned Lands Reclamation Fund. The Minerals Reclamation Fund under § 45.2-1234 allows the fund to earn and retain its interest. The interest earned on the Mineral Reclamation Fund cash balances cannot be deposited twice.