

Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget **Economic Impact Analysis**

4 VAC 25-35 Certification Requirements for Mineral Miners

Department of Mines, Minerals and Energy

Town Hall Action/Stage: 4541 / 7525

May 16, 2016

Summary of the Proposed Amendments to Regulation

The Department of Mines, Minerals and Energy proposes to amend this regulation to specify that applicants who already possess a valid coal mine inspector certification will be deemed to also have met the requirements for mineral mine inspector certification.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Under the current regulation all applicants for mineral mine inspector certification must pass an examination demonstrating knowledge and competence in the various systems of working and ventilating underground mineral mines and working surface mineral mines, the control of mine roof and ground control, methods of rescue and recovery in mining operations, application of electricity and mechanical loading in mining operations, equipment and explosives used in mining; and mine haulage. The proposed amendment to specify that applicants who already possess a valid coal mine inspector certification will be deemed to also have met the requirements for mineral mine inspector certification will enable certified coal mine inspectors to become certified mineral mine inspectors without taking this examination.

According to the Department of Mines, Minerals and Energy (DMME), the knowledge and competence needed to properly inspect a coal mine is virtually identical to that needed to safely inspect a mineral mine site. Coal mine inspector certification, among other requirements, does require the passing of an examination. Thus the proposal will save certified coal mine inspectors who wish to become certified mineral mine inspectors the time involved for preparing and taking an additional examination (and a \$10 fee), without putting the public at risk of having inspectors who have not demonstrated the necessary knowledge and competence needed to properly inspect mineral mines. Therefore the proposed amendment creates a net benefit.

Businesses and Entities Affected

The proposed amendment potentially affects the 34 certified coal mine inspectors in the Commonwealth in that their costs of becoming certified mineral mine inspectors is reduced. Mineral mine inspectors work for DMME; thus the proposal does not directly affect businesses. Lowering the cost of having mineral mine inspectors available may help speed approvals of mineral mine activity by DMME. Therefore indirectly the proposal may also benefit mineral mine firms. There are 444 existing mineral mine permits in Virginia; approximately 150 of those are held by small businesses.¹

Localities Particularly Affected

The proposed amendment could potentially affect all localities in the Commonwealth that have mineral mines. According to DMME, 91% of Virginia's counties have mineral mines.

Projected Impact on Employment

The proposed amendment would reduce the cost for certified coal mine inspectors to gain employment as mineral mine inspectors, but would not likely significantly affect total employment.

Effects on the Use and Value of Private Property

The proposed repeal of the regulation does not directly affect the use and value of private property.

¹ Data source: Department of Mines, Minerals and Energy

Real Estate Development Costs

The proposed amendment lowers the cost of having mineral mine inspectors available, and thus may help speed approvals of mineral mine activity. This may moderately reduce the cost of developing mineral mines.

Small Businesses:

Definition

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

The proposed amendment does not increase costs for small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendment does not adversely affect small businesses.

Adverse Impacts:

Businesses:

The proposed amendment does not adversely affect businesses.

Localities:

The proposed amendment does not adversely affect localities.

Other Entities:

The proposed amendment does not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and

Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

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