

**DEPARTMENT OF TAXATION  
2012 Fiscal Impact Statement**

1. **Patron** R. Creigh Deeds

2. **Bill Number** SB 354

3. **Committee** House Appropriations

**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 equipment to start a new beehive. The amount of the grant would equal \$200 per new hive, not to exceed \$2,400 per year. In order to qualify for the grant, the new beehive must be inspected by VDACS.

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 not become effective unless the General Assembly makes an appropriation of General Funds to the Beehive Grant Fund during the 2012 General Assembly session.

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: Tentative. (See Line 8.)**

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011-12	\$0	0	GF
2012-13	\$245,542	3 FTE	GF
2013-14	\$182,542	3 FTE	GF
2014-15	\$182,542	3 FTE	GF
2015-16	\$182,542	3 FTE	GF
2016-17	\$182,542	3 FTE	GF
2017-18	\$182,542	3 FTE	GF

**8. Fiscal implications:**

Expenditure

The amounts in Line 7a reflect only VDACS cost to administer the grant program and the additional requirement imposed by this bill on existing programs, and do not include funding for the grants.

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.

Inspections: The state apiarist, an employee of VDACS, is responsible primarily for the promotion of beekeeping through education and other means, and for the inspection of apiaries, beehives, and beekeeping equipment to detect, control, eradicate, or prevent bee diseases. The state apiarist carries out these activities in coordination with 11 plant health inspectors. During an average year, plant health staff spend more than 2,200 hours and drive approximately 20,000 miles to inspect anywhere from 2,400 to 2,600 existing hives in Virginia. In addition to the 2,600 apiary inspections conducted during

2011, these inspectors are responsible for the issuance of more than 4,000 phytosanitary certificates per year to allow movement of lumber, logs, pine bark and hardwood mulch, plants, bulbs and rhizomes, apples, peanuts, cotton, soybeans, and seeds to numerous foreign countries. These staff members also inspect more than 300 nurseries and more than 2,000 establishments that sell retail nursery stock.

This bill would make inspections of the new beehives a prerequisite for applying for a grant. The prerequisite would, therefore, increase the number of inspections by as much as 10,000 annually. According to VDACS, it would incur administrative costs in the amount of \$245,542 in FY 2013 and \$182,542 in FY 2014 and thereafter, to hire three new full-time inspectors and purchase a new vehicle for each inspector.

According to VDACS, it may be possible to protect honeybees and promote beekeeping in the Commonwealth if the requirement that beehives be inspected, as a condition of qualifying for grant funds, is eliminated. This would eliminate the need for additional inspector positions or reprioritizing of the workload of existing inspectors.

#### 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

**House Bill 300** is similar to this bill, but would allow an individual income tax credit for the purchase of equipment to start a new beehive. The amount of the credit would equal \$200 per new hive, not to exceed \$2,400 per year. The credit would be capped at \$100,000 for each calendar year. This bill would be effective for taxable years beginning on and after January 1, 2012, but before January 1, 2015.

cc : Secretary of Finance

Date: 2/23/2012 tlg  
SB354FE161