

ASSEMBLY BILL NO. 31—COMMITTEE ON
NATURAL RESOURCES, AGRICULTURE, AND MINING

(ON BEHALF OF THE DIVISION OF MINERALS OF THE
COMMISSION ON MINERAL RESOURCES)

PREFILED JANUARY 26, 2007

Referred to Committee on Natural Resources,
Agriculture, and Mining

SUMMARY—Revises provisions governing the pooling of
reclamation performance bonds. (BDR 46-565)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to mining reclamation; requiring each person who
participates in the program for the pooling of reclamation
performance bonds to pay an amount into the pool which
the Commission on Mineral Resources annually
determines is sufficient to enable the program to be self-
sustaining; and providing other matters properly relating
thereto.

Legislative Counsel's Digest:

1 Existing law requires a person who wishes to engage in a mining operation or
2 exploration project to agree in writing to assume responsibility for the reclamation
3 of any land or surface area damaged as a result of the mining or exploration and file
4 a bond or surety with the Division of Environmental Protection of the State
5 Department of Conservation and Natural Resources. (NRS 519A.190, 519A.210)
6 The term "reclamation" means an action performed during or after a mining or
7 exploration project that returns the land to a safe, stable condition and minimizes
8 the adverse visual effects of the mining operation or exploration project. (NRS
9 519A.100) The Division of Minerals is required by law to develop and administer a
10 program for the pooling of reclamation performance bonds. (NRS 519A.290) The
11 program for the pooling of reclamation performance bonds requires each person
12 who wishes to participate in the program to pay a certain amount of money into the



pool each year. Existing law requires that the amount of money be actuarially determined on an annual basis. (NRS 519A.290)

This bill requires the Commission on Mineral Resources to determine the amount of money that must be paid into the pool instead of having that amount actuarially determined.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 519A.290 is hereby amended to read as follows:

519A.290 1. The Division of Minerals of the Commission on Mineral Resources shall develop and administer a program providing for the pooling of reclamation performance bonds to assist:

(a) An operator to comply with the bonding and surety requirements of this chapter;

(b) A person who engages in small mining operations or small exploration projects to comply with the requirements for financial guarantees set forth in the regulations adopted pursuant to 43 U.S.C. § 1740; or

(c) A person who engages in mining operations, small mining operations, exploration projects or small exploration projects to comply with the bonding requirements imposed pursuant to an ordinance adopted by a county in this State.

2. The program must:

(a) Be designed to reduce the financial burden of obtaining a reclamation performance bond for mining operations, small mining operations, exploration projects or small exploration projects;

(b) Require each operator or any other person who participates in the program to:

(1) Pay an amount into the pool each year which *the Commission on Mineral Resources* annually *determines* is ~~actuarially determined~~ *sufficient* to enable the program to be self-sustaining;

(2) Execute an agreement of indemnity on a form provided by the Division of Minerals; and

(3) Provide collateral or other security approved by the Administrator of the Division of Minerals if the Administrator considers it necessary to ensure against the forfeiture of a reclamation performance bond;

(c) Use the money in the pool to cover the bonded liability of the operators and any other persons who participate in the program;

(d) Provide a limit on the total bonded liability of any person who may be covered under the program; and



- 1 (e) Provide conditions for the release and forfeiture of bonds.
- 2 3. The Division of Minerals shall adopt regulations relating to
- 3 the development and administration of the program.
- 4 4. If the reclamation performance bond of an operator or any
- 5 other person who participates in the program is forfeited, the
- 6 Attorney General may bring an action in the name of the State of
- 7 Nevada in any court of competent jurisdiction against the operator
- 8 or such other person to recover the costs incurred by the program in
- 9 the reclamation of the land.

