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ASSEMBLY BILL NO. 516—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

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Referred to Committee on Ways and Means

SUMMARY—Transfers the Division of Minerals from the Commission on Mineral Resources to the State Department of Conservation and Natural Resources. (BDR 46-1207)

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.

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AN ACT relating to governmental administration; transferring the Division of Minerals from the Commission on Mineral Resources to the State Department of Conservation and Natural Resources; revising certain duties of the Commission and the Administrator of the Division; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law creates the Commission on Mineral Resources and places the  
2 Division of Minerals within the Commission. (NRS 513.023, 513.025) Existing law  
3 also creates the State Department of Conservation and Natural Resources and sets  
4 forth the divisions of the Department. (NRS 232.090) **Section 21** of this bill repeals  
5 the provisions which place the Division within the Commission, and **section 11** of  
6 this bill transfers the Division to the Department. **Sections 2 and 4** of this bill  
7 revise certain duties of the Commission and the Administrator of the Division that  
8 are required to carry out the transfer. **Section 3** of this bill requires the  
9 Administrator to be appointed by the Director of the Department in lieu of being  
10 appointed by the Commission.

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

**Section 1.** NRS 513.011 is hereby amended to read as follows:  
513.011 As used in this chapter, unless the context requires  
otherwise:

1. "Administrator" means the Administrator of the Division.  
2. "Commission" means the Commission on Mineral  
Resources.

3. "Division" means the Division of Minerals of the  
~~[Commission.]~~ *State Department of Conservation and Natural  
Resources.*

**Sec. 2.** NRS 513.063 is hereby amended to read as follows:  
513.063 The Commission shall:

1. Keep itself informed of and interested in the ~~[entire field]~~  
*fields* of ~~[legislation and administration charged to]~~ *oil, gas,  
geothermal energy and minerals exploration and development as  
those fields relate to the duties of* the Division.

2. Report to the Governor and the Legislature on all matters  
which it may deem pertinent to the Division, and concerning any  
specific matters previously requested by the Governor.

3. Advise and make recommendations to the Governor and the  
Legislature concerning the policy of this State relating to minerals.

4. ~~[Formulate the administrative policies of the Division.  
—5.]~~ Adopt regulations necessary for carrying out the duties of  
the Commission and the Division.

**Sec. 3.** NRS 513.083 is hereby amended to read as follows:

513.083 1. The Chief Administrative Officer of the Division  
is the Administrator, who must be appointed by the ~~[Commission.]~~  
*Director of the State Department of Conservation and Natural  
Resources.*

2. The Administrator : ~~[of the Division:]~~

(a) Must be a graduate of an accredited college or university and  
have substantial experience as an administrator or at least 5 years'  
experience in the exploration for or the production or conservation  
of minerals.

(b) Is in the unclassified service of the State.

(c) Except as otherwise provided in NRS 284.143, shall devote  
his or her entire time and attention to the Administrator's duties as a  
public officer and shall not pursue any other business or occupation  
or hold any other office of profit.

**Sec. 4.** NRS 513.093 is hereby amended to read as follows:

513.093 The Administrator:

1. Shall coordinate the activities of the Division.



2. Shall ~~report~~, *if requested by the Commission or deemed necessary by the Administrator, provide information and reports* to the Commission . ~~[upon all matters pertaining to the administration of the Division.]~~

3. Shall submit a biennial report to the Governor and the Legislature through the Commission concerning the work of the Division, with recommendations that the Administrator may deem necessary. The report must set forth the facts relating to the condition of mining and of exploration for and production of oil and gas in the State.

**Sec. 5.** NRS 517.003 is hereby amended to read as follows:

517.003 As used in this chapter, unless the context otherwise requires, "Division" means the Division of Minerals of the ~~[Commission on Mineral]~~ *State Department of Conservation and Natural Resources.*

**Sec. 6.** NRS 519A.140 is hereby amended to read as follows:

519A.140 The Division shall:

1. Administer and enforce the provisions of NRS 519A.010 to 519A.280, inclusive, and the regulations adopted by the Commission pursuant to NRS 519A.160.

2. Employ persons who are experienced and qualified in the area of reclamation.

3. Enter into a memorandum of understanding with the United States Bureau of Land Management and the United States Forest Service concerning the adoption by those agencies of plans of reclamation that:

(a) Apply to mining operations or exploration projects that are conducted on a site which includes public land administered by a federal agency and privately owned land; and

(b) Substantially provide for the reclamation and security required by this chapter.

4. Develop and offer to operators on a regular basis educational workshops that include and emphasize reclamation training and techniques suitable for small exploration projects and mining operations.

5. Offer advice and technical assistance to operators.

6. Approve, reject or impose conditions upon the approval of any plan for reclamation for an exploration project or mining operation.

7. Provide the Division of Minerals of the ~~[Commission on Mineral]~~ *State Department of Conservation and Natural Resources* with a copy of any conditions imposed upon an approved plan and the security required, on the same day that information is sent to the operator.



**Sec. 7.** NRS 519A.210 is hereby amended to read as follows:

519A.210 A person who desires to engage in a mining operation must:

1. File with the Division, upon a form approved by it, an application for a permit for each location at which the person will conduct operations. The application must include:

(a) The name and address of the applicant and, if a corporation or other business entity, the name and address of its principal officers and its registered agent for service of process;

(b) A completed checklist developed by the Division pursuant to NRS 519A.220; and

(c) Any other information required by the regulations adopted by the Commission pursuant to NRS 519A.160.

2. Pay to the Division the application fee established in the regulations adopted by the Commission pursuant to NRS 519A.160.

3. Agree in writing to assume responsibility for the reclamation of any land damaged as a result of the mining operation.

4. Not be in default of any other obligation relating to reclamation pursuant to this chapter.

5. File with the Division a bond or other surety in a form and amount required by the regulations adopted by the Commission pursuant to NRS 519A.160.

6. File with the Division of Minerals of the ~~{Commission on Mineral}~~ *State Department of Conservation and Natural Resources* a copy of the plan for reclamation which is filed with the application pursuant to subsection 1, on the same day the application is filed with the Division.

**Sec. 8.** NRS 519A.250 is hereby amended to read as follows:

519A.250 1. An operator who is required by federal law to file a plan of operation or an amended plan of operation with the United States Bureau of Land Management or the United States Forest Service for operations relating to mining or exploration on public land administered by a federal agency, shall, not later than 30 days after the approval of the plan or amended plan, provide the Division of Minerals of the ~~{Commission on Mineral}~~ *State Department of Conservation and Natural Resources* with a copy of the filing and pay to the Division of Minerals a fee in an amount established pursuant to subsection 5 for each acre or part of an acre of land to be disturbed by mining included in the plan or incremental acres to be disturbed pursuant to an amended plan.

2. The Division of Minerals shall adopt by regulation a method of refunding a portion of the fee required by this section if a plan of operation is amended to reduce the number of acres or part of an acre to be disturbed pursuant to the amended plan. The refund must



1 be based on the reduced number of acres or part of an acre to be  
2 disturbed.

3 3. All money received by the Division of Minerals pursuant to  
4 subsection 1 must be accounted for separately and used by the  
5 Division of Minerals to create and administer programs for:

6 (a) The abatement of hazardous conditions existing at  
7 abandoned mine sites which have been identified and ranked  
8 pursuant to the degree of hazard established by regulations adopted  
9 by the Division of Minerals; and

10 (b) The education of the members of the general public  
11 concerning the dangers of the hazardous conditions described in  
12 paragraph (a).

13 ➔ All interest and income earned on the money in the account, after  
14 deducting applicable charges, must be deposited in the Account for  
15 the Division of Minerals created pursuant to NRS 513.103.

16 4. On or before February 1 of each odd-numbered year, the  
17 Division of Minerals shall file a report with the Governor and the  
18 Legislature describing its activities, total revenues and expenditures  
19 pursuant to this section.

20 5. The Commission on Mineral Resources shall, by regulation,  
21 establish the fee required pursuant to subsection 1 in an amount not  
22 to exceed \$30 per acre.

23 **Sec. 9.** NRS 519A.290 is hereby amended to read as follows:

24 519A.290 1. The Division of Minerals of the ~~[Commission~~  
25 ~~on Mineral]~~ *State Department of Conservation and Natural*  
26 Resources shall develop and administer a program providing for the  
27 pooling of reclamation performance bonds to assist:

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

30 (b) A person who engages in small mining operations or small  
31 exploration projects to comply with the requirements for financial  
32 guarantees set forth in the regulations adopted pursuant to 43 U.S.C.  
33 § 1740; or

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

38 2. The program must:

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

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

44 (1) Pay an amount into the pool each year which annually is  
45 actuarially determined to enable the program to be self-sustaining;



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(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

(e) Provide conditions for the release and forfeiture of bonds.

3. The Division of Minerals shall adopt regulations relating to the development and administration of the program.

4. If the reclamation performance bond of an operator or any other person who participates in the program is forfeited, the Attorney General may bring an action in the name of the State of Nevada in any court of competent jurisdiction against the operator or such other person to recover the costs incurred by the program in the reclamation of the land.

**Sec. 10.** NRS 522.023 is hereby amended to read as follows:

522.023 "Division" means the Division of Minerals of the ~~{Commission on Mineral}~~ *State Department of Conservation and Natural Resources*.

**Sec. 11.** NRS 232.090 is hereby amended to read as follows:

232.090 1. The Department consists of the Director and the following divisions:

(a) The Division of Water Resources.

(b) The Division of State Lands.

(c) The Division of Forestry.

(d) The Division of State Parks.

(e) The Division of Conservation Districts.

(f) The Division of Environmental Protection.

(g) *The Division of Minerals.*

(h) Such other divisions as the Director may from time to time establish.

2. The State Environmental Commission, the State Conservation Commission, the Commission for the Preservation of Wild Horses, the Nevada Natural Heritage Program and the Board to Review Claims are within the Department.

**Sec. 12.** NRS 235.012 is hereby amended to read as follows:

235.012 1. The Director, after consulting with the Director of the Commission on Tourism, the Administrator of the Division of Museums and History of the Department of Cultural Affairs and the Administrator of the Division of Minerals of the ~~{Commission on Mineral}~~ *State Department of Conservation and Natural*



1 Resources, may contract with a mint to produce medallions made of  
2 gold, silver, platinum or nonprecious metals and bars made of gold,  
3 silver or platinum.

4 2. The decision of the Director to award a contract to a  
5 particular mint must be based on the ability of the mint to:

6 (a) Provide a product of the highest quality;

7 (b) Advertise and market the product properly, including the  
8 promotion of museums and tourism in this State; and

9 (c) Comply with the requirements of the contract.

10 3. The Director shall award the contract to the lowest  
11 responsible bidder, except that if in his or her judgment no  
12 satisfactory bid has been received, the Director may reject all bids.

13 4. All bids for the contract must be solicited in the manner  
14 prescribed in NRS 333.310 and comply with the provisions of  
15 NRS 333.330.

16 **Sec. 13.** NRS 235.014 is hereby amended to read as follows:

17 235.014 1. The ore used to produce a medallion or bar must  
18 be mined in Nevada, if the ore is available. If it is not available, ore  
19 newly mined in the United States may be used. Each medallion or  
20 bar made of gold, silver or platinum must be 0.999 fine. Additional  
21 series of medallions made of gold, silver or platinum at degrees of  
22 fineness of 0.900 or greater may be approved by the Director with  
23 the concurrence of the Interim Finance Committee. The degree of  
24 fineness of the materials used must be clearly indicated on each  
25 medallion.

26 2. Medallions may be minted in weights of 1 ounce, 0.5 ounce,  
27 0.25 ounce and 0.1 ounce.

28 3. Bars may be minted in weights of 1 ounce, 5 ounces, 10  
29 ounces and 100 ounces.

30 4. Each medallion must bear on its obverse The Great Seal of  
31 the State of Nevada and on its reverse a design selected by the  
32 Director, in consultation with the Director of the Commission on  
33 Tourism, the Administrator of the Division of Museums and History  
34 of the Department of Cultural Affairs and the Administrator of the  
35 Division of Minerals of the ~~{Commission on Mineral}~~ *State*  
36 *Department of Conservation and Natural Resources.*

37 **Sec. 14.** NRS 321.5967 is hereby amended to read as follows:

38 321.5967 1. There is hereby created a Board of Review  
39 composed of:

40 (a) The Director of the State Department of Conservation and  
41 Natural Resources;

42 (b) The Administrator of the Division of Environmental  
43 Protection of the State Department of Conservation and Natural  
44 Resources;



(c) The Administrator of the Division of Minerals of the ~~Commission on Mineral~~ *State Department of Conservation and Natural Resources*;

(d) The Administrator of the Division of State Parks of the State Department of Conservation and Natural Resources;

(e) The State Engineer;

(f) The State Forester Firewarden;

(g) The Chair of the State Environmental Commission;

(h) The Director of the State Department of Agriculture;

(i) The Chair of the Board of Wildlife Commissioners; and

(j) The Administrator of the Office of Historic Preservation of the Department of Cultural Affairs.

2. The Chair of the State Environmental Commission serves as Chair of the Board.

3. The Board shall meet at such times and places as are specified by a call of the Chair. Six members of the Board constitute a quorum. The affirmative vote of a majority of the Board members present is sufficient for any action of the Board.

4. Except as otherwise provided in this subsection, the members of the Board serve without compensation. The Chair of the State Environmental Commission and the Chair of the Board of Wildlife Commissioners are entitled to receive a salary of not more than \$80, as fixed by the Board, for each day's attendance at a meeting of the Board.

5. While engaged in the business of the Board, each member and employee of the Board is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

6. The Board:

(a) Shall review and approve or disapprove all regulations proposed by the State Land Registrar pursuant to NRS 321.597.

(b) May review any decision of the State Land Registrar made pursuant to NRS 321.596 to 321.599, inclusive, if an appeal is taken pursuant to NRS 321.5987, and affirm, modify or reverse the decision.

(c) Shall review any plan or statement of policy concerning the use of lands in Nevada under federal management which is submitted by the State Land Use Planning Agency.

**Sec. 15.** NRS 445B.200 is hereby amended to read as follows:

445B.200 1. The State Environmental Commission is hereby created within the Department. The Commission consists of:

(a) The Director of the Department of Wildlife;

(b) The State Forester Firewarden;

(c) The State Engineer;

(d) The Director of the State Department of Agriculture;





(e) The Administrator of the Division of Minerals of the  
~~{Commission on Mineral Resources;}~~ **Department;**

(f) A member of the State Board of Health to be designated by  
that Board; and

(g) Five members appointed by the Governor:

(1) One of whom is a general engineering contractor or a  
general building contractor licensed pursuant to chapter 624 of  
NRS;

(2) One of whom possesses expertise in performing mining  
reclamation; and

(3) One of whom possesses experience and expertise in  
advocating issues relating to conservation.

2. The Governor shall appoint the Chair of the Commission  
from among the members of the Commission.

3. A majority of the members constitutes a quorum, and a  
majority of those present must concur in any decision.

4. Each member who is appointed by the Governor is entitled  
to receive a salary of not more than \$80, as fixed by the  
Commission, for each day's attendance at a meeting of the  
Commission.

5. While engaged in the business of the Commission, each  
member and employee of the Commission is entitled to receive the  
per diem allowance and travel expenses provided for state officers  
and employees generally.

6. Any person who receives or has received during the  
previous 2 years a significant portion of his or her income, as  
defined by any applicable state or federal law, directly or indirectly  
from one or more holders of or applicants for a permit required by  
NRS 445A.300 to 445A.730, inclusive, is disqualified from serving  
as a member of the Commission. The provisions of this subsection  
do not apply to any person who receives, or has received during the  
previous 2 years, a significant portion of his or her income from any  
department or agency of State Government which is a holder of or  
an applicant for a permit required by NRS 445A.300 to 445A.730,  
inclusive.

7. The Department shall provide technical advice, support and  
assistance to the Commission. All state officers, departments,  
commissions and agencies, including the Department of  
Transportation, the Department of Health and Human Services, the  
Nevada System of Higher Education, the State Public Works Board,  
the Department of Motor Vehicles, the Department of Public Safety,  
the Public Utilities Commission of Nevada, the Nevada  
Transportation Authority and the State Department of Agriculture  
may also provide technical advice, support and assistance to the  
Commission.



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1     **Sec. 16.** NRS 455.030 is hereby amended to read as follows:

2     455.030 1. If a board of county commissioners receives  
3 information from the Division of Minerals of the ~~{Commission on~~  
4 ~~Mineral}~~ *State Department of Conservation and Natural* Resources  
5 that there is in the county a dangerous condition that results from  
6 mining practices which took place at a mine that is no longer  
7 operating, if the information identifies a person responsible for the  
8 condition, the board shall transmit this information to the sheriff or  
9 the constable of the township where the condition exists.

10    2. Upon receipt of information pursuant to subsection 1 or  
11 upon the filing of the notice, as provided for in NRS 455.020, the  
12 sheriff or constable shall serve a notice, in the same manner and  
13 form as a summons, upon each person identified as owner or  
14 otherwise responsible.

15     **Sec. 17.** NRS 455.060 is hereby amended to read as follows:

16     455.060 1. If the notice states that the excavation, shaft or  
17 hole has been abandoned, and no person claims the ownership  
18 thereof, the sheriff or constable shall notify the board of county  
19 commissioners of the county, or any member of the board of county  
20 commissioners, of its location. Upon receipt of the notice, or of  
21 information from the Division of Minerals of the ~~{Commission on~~  
22 ~~Mineral}~~ *State Department of Conservation and Natural* Resources  
23 that there is in the county a dangerous condition resulting from  
24 mining practices which took place at a mine that is no longer  
25 operating, if the information does not identify any person  
26 responsible for the dangerous condition, the board shall, as soon as  
27 possible thereafter, decide whether it should be fenced or otherwise  
28 guarded to prevent accidents to persons or animals.

29    2. All expenses thus incurred must be paid first out of the  
30 judgments collected in accordance with the provisions of NRS  
31 455.010 to 455.180, inclusive, in the same manner as other county  
32 expenses.

33     **Sec. 18.** NRS 534A.031 is hereby amended to read as follows:

34     534A.031 Any exploration and subsurface information  
35 obtained as a result of a geothermal project must be filed with the  
36 Division of Minerals of the ~~{Commission on Mineral}~~ *State*  
37 *Department of Conservation and Natural* Resources within 30 days  
38 after it is accumulated. The information is confidential for 5 years  
39 after the date of filing and may not be disclosed during that time  
40 without the express written consent of the operator of the project,  
41 except that it must be made available by the Division to the State  
42 Engineer or any other agency of the State upon request. The State  
43 Engineer or other agency shall keep the information confidential.



**Sec. 19.** NRS 534A.060 is hereby amended to read as follows:

534A.060 1. A person may not drill or operate a geothermal well or drill an exploratory well without obtaining a permit from the Administrator of the Division of Minerals of the ~~{Commission on Mineral}~~ *State Department of Conservation and Natural Resources* and complying with the conditions of the permit.

2. An application must set forth such information as the Administrator requires by regulation.

**Sec. 20.** NRS 534A.070 is hereby amended to read as follows:

534A.070 1. The Administrator of the Division of Minerals of the ~~{Commission on Mineral}~~ *State Department of Conservation and Natural Resources* shall approve or reject an application for a permit to drill an exploratory well within 10 days after the Administrator receives the application in proper form. The permit must not be effective for more than 2 years, but may be extended by the Administrator.

2. Upon receipt of an application for a permit to drill or operate a geothermal well, the Administrator of the Division of Minerals shall transmit copies of the application to the State Engineer, the Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources, and the Director of the Department of Wildlife. After consultation with the State Engineer, the Administrator of the Division of Environmental Protection, and the Director of the Department of Wildlife, the Administrator of the Division of Minerals may issue a permit to drill or operate a geothermal well if it is determined that issuance of a permit is consistent with:

(a) The policies specified in NRS 445A.305 and 445B.100;

(b) The purposes of chapters 533 and 534 of NRS; and

(c) The purposes specified in chapter 501 of NRS.

3. The Administrator of the Division of Minerals shall approve or reject the application to drill or operate a geothermal well within 90 days after the Administrator receives it in proper form, unless it is determined that a conflict exists pursuant to subsection 2 or a public hearing is necessary pursuant to subsection 4. Notice of the conflict or need for a public hearing must be provided to the applicant within the 90-day period.

4. The State Engineer and the Administrator of the Division of Minerals may hold public hearings jointly or separately to gather such evidence or information as they deem necessary for a full understanding of all the rights involved and to guard properly the public interest.

5. A permit issued pursuant to this section must include any conditions:



(a) Deemed necessary by the Administrator of the Division of Minerals to carry out the purposes of this section; and

(b) Imposed by the State Engineer consistent with the provisions of chapters 533 and 534 of NRS.

**Sec. 21.** NRS 513.025 is hereby repealed.

**Sec. 22.** The amendatory provisions of this act do not affect the current appointment of the Administrator of the Division of Minerals of the Commission on Mineral Resources.

**Sec. 23.** 1. Any administrative regulations adopted by an officer or an agency whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer or agency remain in force until amended by the officer or agency to which the responsibility for the adoption of the regulations has been transferred.

2. Any contracts or other agreements entered into by an officer or agency whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer of agency are binding upon the officer or agency to which the responsibility for the administration of the provisions of the contract or other agreement has been transferred. Such contracts and other agreements may be enforced by the officer or agency to which the responsibility for the enforcement of the provisions of the contract or other agreement has been transferred.

3. Any action taken by an officer or agency whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer or agency remains in effect as if taken by the officer or agency to which the responsibility of the enforcement of such actions has been transferred.

**Sec. 24.** 1. The Legislative Counsel shall:

(a) In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately change any references to an officer or agency whose name is changed or whose responsibilities have been transferred pursuant to the provisions of this act to refer to the appropriate officer or agency.

(b) In preparing supplements to the Nevada Administrative Code, appropriately change any references to an officer or agency whose name is changed or whose responsibilities have been transferred pursuant to the provisions of this act to refer to the appropriate officer or agency.

2. Any reference in a bill or resolution passed by the 76th Session of the Nevada Legislature to an officer or agency whose name is changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer or agency



- 1 shall be deemed to refer to the officer or agency to which the
- 2 responsibility is transferred.
- 3 **Sec. 25.** This act becomes effective on July 1, 2011.

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**TEXT OF REPEALED SECTION**

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**513.025 Composition.** The Commission consists of:

1. The members of the Commission appointed pursuant to NRS 513.023; and
2. The Division.

