ASSEMBLY BILL NO. 313-ASSEMBLYWOMAN PETERS

MARCH 16, 2023

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to mining reclamation. (BDR 46-590)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material] is material to be omitted.

AN ACT relating to mining; requiring an operator of a mining operation to submit a revised plan for reclamation under certain circumstances; revising provisions relating to the reclamation of exploration projects and mining operations; revising requirements relating to a plan for reclamation; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a person who applies for a permit for a mining operation to file a plan for reclamation with the Division of Environmental Protection of the State Department of Conservation and Natural Resources. (NRS 519A.210) **Section 3** of this bill requires an operator of a mining operation to submit a revised plan for reclamation if: (1) the operator is renewing a permit for the control of water pollution or requesting a major modification to a permit to engage in a mining operation; and (2) the renewal or modification will impact the plan for reclamation or, at the time of the renewal or modification, the plan is not consistent with the requirements for a plan for reclamation.

Section 4 of this bill requires that if an open pit will be excavated below the premining water table, a plan for reclamation must, with certain exceptions, provide for the backfilling of the open pit to a level where no pit lake will form and no seasonal or permanent wetland will exist. **Section 2** of this bill defines "pit lake." **Section 4** also provides that an operator may apply to the Division for an exception from this requirement.

Section 6 of this bill makes a conforming change to indicate the proper placement of **section 2** in the Nevada Revised Statutes.

Sections 14 and 15 of this bill make conforming changes to indicate that certain provisions governing violations and penalties relating to a plan for reclamation are applicable to the provisions of sections 2, 3 and 4.

Under existing law, a person who submits an application to engage in an exploration project or mining operation must agree to assume responsibility for the





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reclamation of any surface area or land, respectively, damaged as a result of the exploration project or mining operation. (NRS 519A.190, 519A.210) **Sections 9** and 10 of this bill require such a person to also agree to assume responsibility for the reclamation of any surface water and groundwater affected as a result of the exploration project or mining operation. **Section 12** of this bill requires a plan for reclamation to provide for the reclamation and restoration of affected surface water and groundwater.

Section 7 of this bill revises the definition of the term "affected" to include surface water and groundwater that is or will be used or disturbed by mining. **Section 8** of this bill revises the definition of the term "reclamation" to include actions performed during or after an exploration project or mining operation relating to surface water and groundwater.

Existing law requires the Division to develop a checklist to be completed by applicants for a permit to engage in a mining operation, which must include certain information relating to the plan for reclamation. (NRS 519A.220) **Section 11** of this bill requires the information relating to the plan for reclamation on the checklist to include: (1) the proposed subsequent use of any pit lake after the mining operation is completed; and (2) the monitoring and restoration of affected surface water and groundwater that will be performed by the operator.

Existing law authorizes an operator of a mining operation to request that the Division grant an exception from reclamation requirements for open pits and rock faces which may not be feasible to reclaim. (NRS 519A.230) **Section 12** provides that an operator may request an exception for open pits and rock faces only if no pit lake is anticipated to result from the mining operation.

Under existing law, with certain exceptions, if a pit lake will have a predicted filled surface area of more than 200 acres, the plan for reclamation must provide for at least one point of public nonmotorized access to the water level of the pit lake when the pit in which the pit lake is located reaches at least 90 percent of its predicted maximum capacity. (NRS 519A.230) **Section 12** instead provides that the plan for reclamation must provide for such public access if a pit lake will have a predicted filled surface area of more than 85 acres.

Existing law requires each operator of a mining operation or exploration project to submit an annual report to the Administrator of the Division relating to the status and production of all mining operations and exploration projects in which the operator has engaged and identifying each acre of land affected and land reclaimed by that mining operation or exploration project through the preceding calendar year. (NRS 519A.260) **Section 13** of this bill requires an operator to map each such acre and include in the map all disturbances by such mining operations and exploration projects to: (1) the water balance; and (2) the quality and quantity of the surface water and groundwater.

Consistent with the changes of **sections 2-13** of this bill pertaining to reclamation of surface water and groundwater, **section 5** of this bill makes a conforming change to revise the legislative declaration to provide that proper reclamation is necessary to prevent undesirable land, surface water and groundwater conditions.



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

- **Section 1.** Chapter 519A of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.
- Sec. 2. "Pit lake" means a body of water that has resulted from an open pit from a mining operation or exploration project that has penetrated the water table of the area in which the pit is located.
- Sec. 3. An operator of a mining operation must submit a revised plan for reclamation if:
 - 1. The operator:

- (a) Renews his or her permit for the control of water pollution issued pursuant to NRS 445A.300 to 445A.730, inclusive; or
- (b) Requests a major modification to his or her permit to engage in a mining operation issued pursuant to NRS 519A.210; and
- 2. At the time of the renewal or modification of the permit, the plan for reclamation is:
 - (a) Impacted by the renewal or modification; or
- (b) Not consistent with the requirements for a plan for reclamation set forth in NRS 519A.010 to 519A.280, inclusive, and sections 2, 3 and 4 of this act.
- Sec. 4. 1. In addition to the requirements of NRS 519A.230, if an open pit will be excavated below the premining water table, a plan for reclamation must, except as otherwise provided in subsection 2, provide for the backfilling of the open pit to a level where no pit lake will form and no seasonal or permanent wetland will exist.
- 2. An operator of a mining operation may apply to the Division for an exception to the requirement of subsection 1. In submitting an application for an exception, the operator must demonstrate:
- (a) For a new permit to engage in a mining operation or a request for a major modification to an existing permit to engage in a mining operation, by clear and convincing evidence that backfilling the open pit is technically not possible without indefinite long-term management to avoid groundwater degradation; and
- (b) If submitted at the time of a renewal of a permit for the control of water pollution pursuant to section 3 of this act:
- (1) By clear and convincing evidence, that backfilling the open pit is technically not possible without indefinite long-term management to avoid groundwater degradation; or





- (2) By a preponderance of the evidence, that backfilling the open pit would result in undue hardship on the operator.
- 3. In considering an application for an exemption pursuant to subsection 2, the Division:
- (a) Shall hold at least one public hearing on the application; and
- (b) May not take the economics of the operator into consideration when determining whether to approve or deny the application.
 - **Sec. 5.** NRS 519A.010 is hereby amended to read as follows: 519A.010 1. The Legislature hereby finds that:
- (a) The extraction of minerals by mining is a basic and essential activity making an important contribution to the economy of the State of Nevada;
- (b) Proper reclamation of mined land, areas of exploration and former areas of mining or exploration is necessary to prevent undesirable land, [and] surface water and groundwater conditions detrimental to the ecology and to the general health, welfare, safety and property rights of the residents of this state; and
- (c) The success of reclamation efforts in this state is dependent upon cooperation among state and federal agencies.
- 2. The Legislature hereby directs that all agencies and political subdivisions of the State of Nevada which are involved in or whose work is related to the administration or enforcement of the provisions of this chapter shall cooperate fully with all other state and federal agencies in any related matter.
 - **Sec. 6.** NRS 519A.020 is hereby amended to read as follows:
- 519A.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 519A.030 to 519A.130, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.
 - **Sec. 7.** NRS 519A.040 is hereby amended to read as follows:
- 519A.040 "Affected" means that the surface of the land, surface water or groundwater is or will be disturbed by mining, or that the land or water will be used:
- 1. As an evaporation or settling pond, leach dump, placer area or tailings pond or dump; or
- 2. In conjunction with any structure, facility, equipment, machine, tool, material or property incident to mining.
 - **Sec. 8.** NRS 519A.100 is hereby amended to read as follows:
 - 519A.100 "Reclamation" means actions performed during or after an exploration project or mining operation to shape, stabilize, revegetate or otherwise treat the land , *surface water and groundwater* in order to return it to a safe, stable condition consistent with the establishment of a productive postmining use of





the land, *surface water and groundwater* and the abandonment of a facility in a manner which ensures the public safety, as well as the encouragement of techniques which minimize the adverse visual effects.

- **Sec. 9.** NRS 519A.190 is hereby amended to read as follows:
- 519A.190 1. A person who desires to engage in an exploration project must:
- (a) File with the Division, upon a form approved by it, an application for a permit. The application must include:
- (1) The name and address of the applicant and, if the applicant is a corporation or other business entity:
- (I) The name and address of each person who has a controlling interest in the corporation or business entity; and
- (II) The name and address of the registered agent of the corporation or business entity for service of process;
- (2) An exploration map or sketch in sufficient detail to enable the Division to locate the area to be explored and to determine whether significant environmental problems are likely to result;
- (3) The kinds of prospecting and excavation techniques that will be used in the exploration project;
- (4) An affidavit stating whether or not the applicant and, if applicable, each person who has a controlling interest in the corporation or business entity is in good standing with all agencies of other states and federal agencies in relation to the reclamation of exploration projects outside of this State; and
- (5) Any other information required by the regulations adopted by the Commission pursuant to NRS 519A.160.
- (b) Pay to the Division the application fee established in the regulations adopted by the Commission pursuant to NRS 519A.160.
- (c) Agree in writing to assume responsibility for the reclamation of any surface area [damaged], surface water and groundwater affected as a result of the exploration project.
- (d) File with the Division a bond or other surety in a form approved by the Administrator and in an amount required by the regulations adopted by the Commission pursuant to NRS 519A.160.
- 2. Except as otherwise provided in subsections 3 and 4, the Division shall not issue a permit to engage in an exploration project pursuant to this section to an applicant if:
- (a) The applicant has defaulted on any obligation relating to reclamation pursuant to this chapter, including, without limitation, by forfeiting a surety or failing to pay the full costs of reclamation or any penalty assessed pursuant to NRS 519A.280;
- (b) For an applicant who is a corporation or other business entity, any person who has a controlling interest in the corporation





or business entity has or previously had a controlling interest in another corporation or business entity that defaulted on any obligation relating to reclamation pursuant to this chapter, including, without limitation, by forfeiting a surety or failing to pay the full costs of reclamation or any penalty assessed pursuant to NRS 519A.280; or

- (c) The applicant or, if the applicant is a corporation or other business entity, a person who has a controlling interest in the corporation or business entity is not in good standing with an agency of another state or a federal agency in relation to the reclamation of an exploration project outside of this State.
- 3. The Division may issue a permit to engage in an exploration project pursuant to this section to an applicant described in paragraph (a) or (b) of subsection 2 if the applicant:
- (a) Pays to the Division the full amount of the defaulted obligation described in paragraph (a) or (b) of subsection 2, as applicable, or provides evidence of satisfaction of that defaulted obligation; and
- (b) Demonstrates to the Division that any conditions which led to the default have been remedied and that such conditions no longer exist.
- 4. The Division may issue a permit to engage in an exploration project pursuant to this section to an applicant described in paragraph (c) of subsection 2 if the applicant demonstrates to the Division that the applicant or person who has a controlling interest in the corporation or business entity has remedied all issues related to the reclamation of the exploration project outside of this State and becomes in good standing with all agencies of the other state and federal agencies in relation to the reclamation of the exploration project.
- 5. As used in this section, "person who has a controlling interest" means:
- (a) The president, secretary, treasurer or equivalent thereof of the corporation or business entity;
- (b) A partner, director or trustee of the corporation or business entity; or
- (c) A person who, directly or indirectly, possesses the power to direct the management or determine the policy of the corporation or business entity resulting from, without limitation, his or her ownership of voting stock in the corporation or business entity, a contract or any other circumstance.
- → The term does not include a person designated to act as a proxy, including, without limitation, an agent, bank, broker, nominee or custodian, for one or more persons who own voting stock unless the





proxy otherwise has the power to direct the management or determine the policy of the corporation or business entity.

Sec. 10. NRS 519A.210 is hereby amended to read as follows: 519A.210 1. A person who desires to engage in a mining

operation must:

- (a) 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:
- (1) The name and address of the applicant and, if the applicant is a corporation or other business entity:
- (I) The name and address of each person who has a controlling interest in the corporation or business entity; and
- (II) The name and address of the registered agent of the corporation or business entity for service of process;
- (2) A completed checklist developed by the Division pursuant to NRS 519A.220;
- (3) An affidavit stating whether or not the applicant and, if applicable, each person who has a controlling interest in the corporation or business entity is in good standing with all agencies of other states and federal agencies in relation to the reclamation of mining operations outside of this State; and
- (4) Any other information required by the regulations adopted by the Commission pursuant to NRS 519A.160.
- (b) Pay to the Division the application fee established in the regulations adopted by the Commission pursuant to NRS 519A.160.
- (c) Agree in writing to assume responsibility for the reclamation of any land [damaged], surface water and groundwater affected as a result of the mining operation.
- (d) 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.
- (e) File with the Division of Minerals of the Commission on Mineral Resources a copy of the plan for reclamation which is filed with the application pursuant to paragraph (a), on the same day the application is filed with the Division.
- 2. Except as otherwise provided in subsections 3 and 4, the Division shall not issue a permit to engage in a mining operation pursuant to this section to an applicant if:
- (a) The applicant has defaulted on any obligation relating to reclamation pursuant to this chapter, including, without limitation, by forfeiting a surety or failing to pay the full costs of reclamation or any penalty assessed pursuant to NRS 519A.280;
- (b) For an applicant who is a corporation or other business entity, any person who has a controlling interest in the corporation or business entity has or previously had a controlling interest in





another corporation or business entity that defaulted on any obligation relating to reclamation pursuant to this chapter, including, without limitation, by forfeiting a surety or failing to pay the full costs of reclamation or any penalty assessed pursuant to NRS 519A.280; or

- (c) The applicant or, if the applicant is a corporation or other business entity, a person who has a controlling interest in the corporation or business entity is not in good standing with an agency of another state or a federal agency in relation to the reclamation of a mining operation outside of this State.
- 3. The Division may issue a permit to engage in a mining operation pursuant to this section to an applicant described in paragraph (a) or (b) of subsection 2 if the applicant:
- (a) Pays to the Division the full amount of the defaulted obligation described in paragraph (a) or (b) of subsection 2, as applicable, or provides evidence of satisfaction of that defaulted obligation; and
- (b) Demonstrates to the Division that any conditions which led to the default have been remedied and that such conditions no longer exist.
- 4. The Division may issue a permit to engage in a mining operation pursuant to this section to an applicant described in paragraph (c) of subsection 2 if the applicant demonstrates to the Division that the applicant or person who has a controlling interest in the corporation or business entity has remedied all issues related to the reclamation of the mining operation outside of this State and becomes in good standing with all agencies of the other state and federal agencies in relation to the reclamation of the mining operation.
- 5. As used in this section, "person who has a controlling interest" means:
 - (a) The president, secretary, treasurer or equivalent thereof of the corporation or business entity;
 - (b) A partner, director or trustee of the corporation or business entity; or
 - (c) A person who, directly or indirectly, possesses the power to direct the management or determine the policy of the corporation or business entity resulting from, without limitation, his or her ownership of voting stock in the corporation or business entity, a contract or any other circumstance.
 - → The term does not include a person designated to act as a proxy, including, without limitation, an agent, bank, broker, nominee or custodian, for one or more persons who own voting stock unless the proxy otherwise has the power to direct the management or determine the policy of the corporation or business entity.





- **Sec. 11.** NRS 519A.220 is hereby amended to read as follows: 519A.220 The Division shall develop a checklist to be completed by applicants for a permit to engage in a mining operation. The information requested by the checklist must include:
 - 1. Information relating to the plan for reclamation, including:
- (a) The proposed subsequent use of the land *and*, *if applicable*, *pit lake*, after the mining operation is completed;
 - (b) The proposed schedule of reclamation that will be followed;
- (c) The proposed topography of the land after the mining operation is completed;
- (d) The treatment of slopes created or affected by the mining operation;
 - (e) The proposed use of impoundments;
- (f) The kinds of access roads to be built and the manner of reclamation of road sites;
- (g) The methods of drainage that will be used during the mining operation and reclamation;
 - (h) The revegetation of the land;
- (i) The monitoring and maintenance of the reclaimed land that will be performed by the operator;
- (j) The monitoring and restoration of affected surface water and groundwater that will be performed by the operator;
- (k) The reclamation that will be necessary as a result of instream mining;
- [(k)] (1) The effect that reclamation will have on future mining in that area; and
 - (m) The effect of the reclamation on public safety.
- 2. Information relating to the mining operation and maps of the area which is required by the regulations adopted by the Commission pursuant to NRS 519A.160.
- 3. Other information as requested by the Administrator which the Administrator determines is pertinent to the reclamation activities of the mining operation.
 - **Sec. 12.** NRS 519A.230 is hereby amended to read as follows:
 - 519A.230 1. A plan for reclamation must provide:
- (a) That reclamation activities, particularly those relating to the control of erosion, must be conducted simultaneously with the mining operation to the extent practicable, and otherwise must be initiated promptly upon the completion or abandonment of the mining operation in any area that will not be subject to further disturbance. Reclamation activities must be completed within the time set by the regulations adopted by the Commission pursuant to NRS 519A.160.
- (b) For vegetative cover if appropriate to the future use of the land.





- (c) For the reclamation of all land disturbed by the exploration project or mining operation to a stability comparable to that of adjacent areas.
- (d) For the reclamation and restoration of affected surface water and groundwater.
- 2. [The] If an operator does not anticipate a pit lake will be created, the operator may request the Division to grant an exception for open pits and rock faces which may not be feasible to reclaim. If an exception is granted, other than for a pit lake for which public access is provided in a plan for reclamation pursuant to subsection 3, the Division shall require the operator to take sufficient measures to ensure public safety.
- 3. Except as otherwise provided in this subsection, for a pit lake that will have a predicted filled surface area of more than [200] 85 acres, a plan for reclamation must provide, in consultation with the operator and each landowner, including any federal land manager, and, if feasible, for at least one point of public nonmotorized access to the water level of the pit lake when the pit in which the pit lake is located reaches at least 90 percent of its predicted maximum capacity. This subsection:
- (a) Must not be construed to impede the ability of any landowner, including any federal land manager, of any premises on which a pit lake is located to determine the final and ultimate use of those premises;
- (b) Does not require any landowner, including any federal land manager, who is consulted pursuant to this subsection to agree to allow access to any pit lake; and
- (c) Does not alter any contract or agreement entered into before October 1, 2013, between an operator and a landowner, including any federal land manager.
- 4. A protected person with respect to any premises for which public access to a pit lake is provided in a plan for reclamation pursuant to subsection 3 owes no duty to keep the premises, including, without limitation, the access area and the pit lake and its surroundings, safe for entry or use by any other person for participation in any activity, or to give a warning of any hazardous condition, activity or use of the premises to any person entering the premises.
- 5. If a protected person gives permission to another person to access or engage in any activity with respect to any premises specified in subsection 4, the protected person does not thereby extend any assurance that the premises are safe for that activity or any other purpose or assume responsibility for or incur any liability for any injury to any person or property caused by any act of a person to whom the permission is granted. The provisions of this





subsection do not confer any liability upon a protected person for any injury to any other person or property, whether actual or implied, or create a duty of care or ground of liability for any injury to any person or property.

- 6. Except in the case of an emergency, an operator shall not depart from an approved plan for reclamation without prior written approval from the Division.
- 7. Reclamation activities must be economically and technologically practicable in achieving a safe and stable condition suitable for the use of the land.
 - 8. As used in this section :

- (a) "Pit lake" means a body of water that has resulted, after the completion of an exploration project or mining operation, from an open pit that has penetrated the water table of the area in which the pit is located.
 - (b) "Protected], "protected person" means any past or present:
- (1) (a) Owner of any estate or interest in any premises for which public access to a pit lake is provided in a plan for reclamation pursuant to subsection 3;
- [(2)] (b) Operator of all or any part of the premises, including, without limitation, any entity that has conducted or is conducting a mining operation or any reclamation activity with respect to the premises;
- [(3)] (c) Lessee or occupant of all or any part of the premises; or
- [(4)] (d) Contractor, subcontractor, employee or agent of any such owner, operator, lessee or occupant.
- **Sec. 13.** NRS 519A.260 is hereby amended to read as follows: 519A.260 1. Each operator shall, on or before April 15 of each year [, submit]:
- (a) Submit to the Administrator a report relating to the status and production of all mining operations and exploration projects in which the operator has engaged and identifying [each] and mapping for such mining operations and exploration projects through the preceding calendar year:
- (1) Each acre of land affected and land reclaimed [by that mining operation or exploration project through the preceding calendar year,];
- (2) All disturbances to the prevailing water balance; and [shall pay]
- (3) All disturbances to the quality and quantity of the surface water and groundwater; and
 - **(b) Pay** to the Division a fee of:
- [(a)] (1) One dollar and fifty cents for each acre of public land administered by a federal agency; and





[(b)] (2) Five dollars and fifty cents for each acre of privately owned land,

which has been disturbed by mining operations or exploration projects engaged in by the operator and not reclaimed.

- 2. All money received by the State Treasurer pursuant to *subparagraph* (1) *of* paragraph [(a)] (b) of subsection 1 together with three-elevenths of all money received by the State Treasurer pursuant to *subparagraph* (2) *of* paragraph (b) of subsection 1, up to a maximum of \$100,000 annually, must be distributed directly to the Bureau of Mines and Geology of the State of Nevada to be used to carry out the provisions of NRS 514.060. Any money in excess of the maximum and the balance collected pursuant to *subparagraph* (2) *of* paragraph (b) of subsection 1 must be credited to the appropriate account for the Division and used to administer the provisions of this chapter.
- **Sec. 14.** NRS 519A.270 is hereby amended to read as follows: 519A.270 If the Division has reason to believe that any provision of NRS 519A.010 to 519A.280, inclusive, *and sections 2, 3 and 4 of this act,* a plan for reclamation, any condition placed on a plan for reclamation or any regulation adopted by the Commission pursuant to NRS 519A.160, has been violated, the Division shall serve a notice of noncompliance upon the holder of the permit. The notice must:
- 1. Be served personally or by registered mail addressed to the holder of the permit at his or her address as shown on the records of the Division;
 - 2. Specify each violation; and
- 3. Set a date and time for a hearing and inform the person that the person's permit may be suspended or revoked and the person's bond or other surety forfeited upon completion of the hearing or if the person fails to attend the hearing.
- **Sec. 15.** NRS 519A.280 is hereby amended to read as follows: 519A.280 1. Except as otherwise provided in NRS 445C.010 to 445C.120, inclusive, a person who violates any provision of NRS 519A.010 to 519A.280, inclusive, *and sections 2, 3 and 4 of this act* or any regulation adopted by the Commission pursuant to NRS 519A.160, is guilty of a misdemeanor and, in addition to any criminal penalty, is subject to a civil penalty imposed by the Division at a hearing for which notice has been given, in an amount determined pursuant to the schedule adopted by the Commission pursuant to NRS 519A.160.
- 2. Any money received by the Division pursuant to subsection 1 must be deposited with the State Treasurer for credit to the appropriate account of the Division. All interest earned on the





money credited pursuant to this section must be credited to the account to which the money was credited.

3. In addition to any other remedy provided by this chapter, the Division may compel compliance with any provision of NRS 519A.010 to 519A.280, inclusive, *and sections 2, 3 and 4 of this act* or of any regulation adopted or permit or order issued pursuant to those sections, by injunction or other appropriate remedy. The Division may institute and maintain in the name of the State of Nevada any such enforcement proceedings.





