1	Senate Bill No. 370
2	(By Senators Green, Beach, Klempa, Palumbo and Plymale)
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4	[Introduced February 1, 2011; referred to the Committee on
5	Energy, Industry and Mining; and then to the Committee on
6	Finance.]
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11	A BILL to amend and reenact $\$22-3-7$, $\$22-3-8$ and $\$22-3-19$ of the
12	Code of West Virginia, 1931, as amended, all relating to
13	environmental resources; Surface Coal Mining and Reclamation
14	Act; and fees assessed to coal mining operators by the
15	Division of Mining and Reclamation.
16	Be it enacted by the Legislature of West Virginia:
17	That $$22-3-7$, $$22-3-8$ and $$22-3-19$ of the Code of West
18	Virginia, 1931, as amended, be amended and reenacted, all to read
19	as follows:
20	ARTICLE 3. SURFACE COAL MINING AND RECLAMATION ACT.
21	§22-3-7. Notice of intention to prospect, requirements therefor;
22	bonding; secretary's authority to deny or limit;
23	<pre>postponement of reclamation; prohibited acts;</pre>

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exceptions.

(a) Any person intending to prospect for coal in an area not 2 3 covered by a surface-mining permit, in order to determine the 4 location, quantity or quality of a natural coal deposit, making 5 feasibility studies or for any other purpose, shall file with the 6 director secretary, at least fifteen days prior to commencement of 7 any disturbance associated with prospecting, a notice of intention 8 to prospect, which notice shall include a description of the 9 prospecting area, the period of supposed prospecting and such any 10 other information as required by rules promulgated pursuant to this 11 section: Provided, That prior to the commencement of such 12 prospecting, the director secretary may issue an order denying or 13 limiting permission to prospect where the director secretary finds 14 that prospecting operations will damage or destroy a unique natural 15 area, or will cause serious harm to water quality, or that the 16 operator has failed to satisfactorily reclaim other prospecting 17 sites, or that there has been an abuse of prospecting by previous 18 prospecting operations in the area.

(b) Notice of intention to prospect shall be made in writing on forms prescribed by the <u>director</u> <u>secretary</u> and shall be signed and verified by the applicant. The notice shall be accompanied by: (1) A United States Geological Survey topographic map showing by proper marking the crop line and the name, where known, of the seam or seams to be prospected; and (2) a bond, or cash, or collateral

1 securities or certificates of the same type and form and in the 2 same manner as provided in section eleven of this article, in the 3 amount of five hundred dollars per acre or fraction thereof for the 4 total estimated disturbed area. If such the bond is used, it shall 5 be payable to the State of West Virginia and conditioned that the 6 operator faithfully perform the requirements of this article as 7 they relate to backfilling and revegetation of the disturbed area. 8 (c) Any person prospecting under the provisions of this 9 section shall ensure that such the prospecting operation is 10 conducted in accordance with the performance standards in section 11 thirteen of this article for all lands disturbed in explorations, 12 including excavations, roads, drill holes, and the removal of 13 necessary facilities and equipment.

14 (d) Information submitted to the <u>director secretary</u> pursuant 15 to this section as confidential, concerning trade secrets or 16 privileged commercial or financial information, which relates to 17 the competitive rights of the person or entity intended to prospect 18 the described area, is not available for public examination.

(e) Any person who conducts any prospecting activities which 20 substantially disturb the natural land surface in violation of this 21 section or rules issued pursuant thereto is subject to the 22 provisions of sections sixteen and seventeen of this article.

23 (f) <u>No An</u> operator shall <u>may not</u> remove more than two hundred 24 fifty tons of coal without the specific written approval of the

1 director <u>secretary</u>. Such approval shall be requested by the 2 operator on forms prescribed by the <u>director secretary</u>. The 3 <u>director secretary</u> shall promulgate rules governing such operations 4 and setting forth information required in the application for 5 approval. Each such application shall be accompanied by a \$2000 6 filing fee.

7 (g) The bond accompanying said notice of intention to prospect 8 shall be released by the <u>director</u> <u>secretary</u> when the operator 9 demonstrates that a permanent species of vegetative cover is 10 established.

(h) In the event <u>If</u> an operator desires to mine the area currently being prospected, and has requested and received an appropriate surface mine application (S.M.A.) number, the director <u>secretary</u> may permit the postponement of the reclamation of the secretary may permit of a prospecting operation, where have a prospected. Any part of a prospecting operation, where reclamation has not been postponed as provided above, shall be reclaimed within a period of three months from disturbance.

18 (i) For the purpose of this section, the word "prospect" or 19 "prospecting" does not include core drilling related solely to 20 taxation or highway construction.

21 §22-3-8. Prohibition of surface mining without a permit; permit 22 requirements; successor in interest; duration of 23 permits; proof of insurance; termination of permits; 24 permit fees.

1 <u>(a)</u> No person may engage in surface mining operations unless 2 he or she has first obtained a permit from the director secretary 3 in accordance with the following:

(1) All permits issued pursuant to the requirements of this 4 5 article shall be issued for a term not to exceed five years: 6 Provided, That if the applicant demonstrates that a specified 7 longer term is reasonably needed to allow the applicant to obtain 8 necessary financing for equipment and the opening of the operation, 9 and if the application is full and complete for the specified 10 longer term, the director secretary may extend a permit for a 11 longer term: Provided, however, That subject to the prior approval 12 of the director secretary, with the approval being subject to the 13 provisions of subsection (c), section eighteen of this article, a 14 successor in interest to a permittee who applies for a new permit, 15 or transfer of a permit, within thirty days of succeeding to the 16 interest and who is able to obtain the bond coverage of the 17 original permittee, may continue surface mining and reclamation 18 operations according to the approved mining and reclamation plan of 19 the original permittee until the successor's permit application or 20 application for transfer is granted or denied.

21 (2) Proof of insurance is required on an annual basis.

(3) A permit terminates if the permittee has not commenced the
surface mining operations covered by the permit within three years
of the date the permit was issued: *Provided*, That the director

1 secretary may grant reasonable extensions of time upon a timely
2 showing that the extensions are necessary by reason of litigation
3 precluding commencement, or threatening substantial economic loss
4 to the permittee, or by reason of conditions beyond the control and
5 without the fault or negligence of the permittee: Provided,
6 however, That with respect to coal to be mined for use in a
7 synthetic fuel facility or specific major electric-generating
8 facility, the permittee shall be considered to have commenced
9 surface mining operations at the time the construction of the
10 synthetic fuel or generating facility is initiated.

11 (4) Each application for a new surface mining permit filed 12 pursuant to this article shall be accompanied by a fee of \$1,000 13 <u>\$3,000.</u> All permit fees and renewal fees provided in this section 14 or elsewhere in this article shall be collected by the director 15 <u>secretary</u> and deposited with the Treasurer of the State of West 16 Virginia to the credit of the Operating Permit Fees Fund and shall 17 be used, upon requisition of the <u>director</u> <u>secretary</u>, for the 18 administration of this article.

19 (5) Prior to the issuance of any permit, the director 20 <u>secretary</u> shall ascertain from the Commissioner of the Division of 21 Labor whether the applicant is in compliance with section fourteen, 22 article five, chapter twenty-one of this code. Upon issuance of 23 the permit, the <u>director secretary</u> shall forward a copy to the 24 Commissioner of the Division of Labor, who shall assure continued

1 compliance under the permit.

2 (6)(A) Prior to the issuance of any permit the director 3 secretary shall ascertain from the Executive Director of Workforce 4 West Virginia and the Insurance Commissioner whether the applicant 5 is in compliance with the provisions of section six-c, article two, 6 chapter twenty-one-a of this code and section five, article two, 7 chapter twenty-three of this code with regard to any required 8 subscription to the Unemployment Compensation Fund or to the 9 Workers' Compensation Fund, the payment of premiums and other 10 charges to the fund, the timely filing of payroll reports and the 11 maintenance of adequate deposits. If the applicant is delinquent 12 or defaulted, or has been terminated by the executive director or 13 the Insurance Commissioner, the permit may not be issued until the 14 applicant returns to compliance or is restored by the executive 15 director or the Insurance Commissioner under a reinstatement 16 agreement: Provided, That in all inquiries the Executive Director 17 of Workforce West Virginia and the Insurance Commissioner shall 18 make response to the Department of Environmental Protection within 19 fifteen calendar days; otherwise, failure to respond timely is 20 considered to indicate the applicant is in compliance and the 21 failure will not be used to preclude issuance of the permit.

(B) It is a requirement of this article that each operator maintain continued compliance with the provisions of section five, article two, chapter twenty-three of this code and section six-c,

1 article two, chapter twenty-one-a of this code and provide proof of 2 compliance to the <u>director</u> <u>secretary</u> on a quarterly basis.

3 §22-3-19. Permit revision and renewal requirements; incidental
boundary revisions; requirements for transfer;
assignment and sale of permit rights; and operator
reassignment; and procedures to obtain inactive
status.

(1) Any valid permit issued pursuant to this article 8 (a) 9 carries with it the right of successive renewal upon expiration 10 with respect to areas within the boundaries of the existing permit. 11 The holders of the permit may apply for renewal and the renewal 12 shall be issued: Provided, That on application for renewal, the 13 burden is on the opponents of renewal, unless it is established 14 that and written findings by the director secretary are made that: 15 (A) The terms and conditions of the existing permit are not being 16 satisfactorily met: Provided, however, That if the permittee is 17 required to modify operations pursuant to mining or reclamation 18 requirements which become applicable after the original date of 19 permit issuance, the permittee shall be provided an opportunity to 20 submit a schedule allowing a reasonable period to comply with such 21 revised requirements; (B) the present surface-mining operation is 22 not in compliance with the applicable environmental protection 23 standards of this article; (C) the renewal requested substantially

1 jeopardizes the operator's continuing responsibility on existing 2 permit areas; (D) the operator has not provided evidence that the 3 bond in effect for said operation will continue in effect for any 4 renewal requested as required pursuant to sections eleven or twelve 5 of this article; or (E) any additional revised or updated 6 information as required pursuant to rules promulgated by the 7 <u>director secretary</u> has not been provided.

8 (2) If an application for renewal of a valid permit includes 9 a proposal to extend the surface-mining operation beyond the 10 boundaries authorized in the existing permit, that portion of the 11 application for renewal which addresses any new land area is 12 subject to the full standards of this article, which includes, but 13 is not limited to: (A) Adequate bond; (B) a map showing the 14 disturbed area and facilities; and (C) a reclamation plan.

(3) Any permit renewal shall be for a term not to exceed the l6 period of time for which the original permit was issued. 17 Application for permit renewal shall be made at least one hundred 18 twenty days prior to the expiration of the valid permit.

(4) Any renewal application for an active permit shall be on forms prescribed by the director secretary and shall be accompanied by a filing fee of two thousand dollars <u>\$2,500</u>. The application shall contain such information as the director secretary requires pursuant to rule.

24 (b) (1) During the term of the permit, the permittee may submit

1 to the director <u>secretary</u> an application for a revision of the 2 permit, together with a revised reclamation plan.

3 (2) An application for a significant revision of a permit is 4 subject to all requirements of this article and rules promulgated 5 pursuant thereto <u>and shall be accompanied by a filing fee of \$500.</u>

6 (3) Any extension to an area already covered by the permit, 7 except incidental boundary revisions, shall be made by application 8 for another permit. If the permittee desires to add the new area 9 to his or her existing permit in order to have existing areas and 10 new areas under one permit, the <u>director secretary</u> may so amend the 11 original permit: *Provided*, That the application for the new area 12 is subject to all procedures and requirements applicable to 13 applications for original permits under this article <u>and a filing</u> 14 fee of \$500.

15 (c) The director <u>secretary</u> shall review outstanding permits of 16 a five-year term before the end of the third year of the permit. 17 Other permits shall be reviewed within the time established by 18 rules. The <u>director secretary</u> may require reasonable revision or 19 modification of the permit following review: *Provided*, That such 20 revision or modification shall be based upon written findings and 21 shall be preceded by notice to the permittee of an opportunity for 22 hearing.

23 (d) No transfer, assignment or sale of the rights granted 24 under any permit issued pursuant to this article shall may be made

1 without the prior written approval of the director secretary, 2 application for which shall be accompanied by a filing fee of 3 \$1,500 for transfer or \$1,000 for assignment. 4 (e) Each request for inactive status shall be submitted on 5 forms prescribed by the secretary, shall be accompanied by a filing 6 fee of \$500, and shall be granted in accordance with the procedure 7 established in the Surface Mining and Reclamation Rule.

NOTE: The purpose of this bill is to authorize the Division of Mining and Reclamation to assess certain fees to coal mine operators.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.