
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 401 Session of
2001

INTRODUCED BY SOLOBAY, DeWEESE, ALLEN, BELARDI, BELFANTI,
CALTAGIRONE, COSTA, DeLUCA, FAIRCHILD, FRANKEL, GEORGE,
GRUCELA, HARHAI, HENNESSEY, JOSEPHS, LaGROTTA, LAUGHLIN,
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READSHAW, ROONEY, SAINATO, SHANER, STABACK, STEELMAN, STERN,
SURRA, TIGUE, TRELLO, TRICH, WALKO, C. WILLIAMS, WANSACZ,
WOJNAROSKI, YOUNGBLOOD, YUDICHAK AND DALEY, JANUARY 31, 2001

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, NOVEMBER 27, 2002

AN ACT

1 Amending the act of August 23, 1961 (P.L.1068, No.484),
2 entitled, as reenacted and amended, "An act to provide for
3 the creation and administration of a Coal and Clay Mine
4 Subsidence Insurance Fund within the Department of
5 Environmental Resources for the insurance of compensation for
6 damages to subscribers thereto; declaring false oaths by the
7 subscribers to be misdemeanors; providing penalties for the
8 violation thereof; and making an appropriation," further
9 providing for purpose, ~~for definitions~~, for disbursements, <—
10 for inflation protection, for audits and for subrogation;
11 ~~establishing the Mine Subsidence Assistance Program;~~ <—
12 PROVIDING FOR DEPARTMENT REPORT; providing for subsidence <—
13 insurance; and making editorial changes.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The title and sections 1, ~~2~~, 3, 4, 5, 7 and 9 of <—
17 the act of August 23, 1961 (P.L.1068, No.484), entitled, as
18 reenacted and amended, "An act to provide for the creation and
19 administration of a Coal and Clay Mine Subsidence Insurance Fund
20 within the Department of Environmental Resources for the

1 insurance of compensation for damages to subscribers thereto;
2 declaring false oaths by the subscribers to be misdemeanors;
3 providing penalties for the violation thereof; and making an
4 appropriation," reenacted and amended November 27, 1972
5 (P.L.1243, No.278), are amended to read:

6 AN ACT

7 To provide for the creation and administration of a Coal and
8 Clay Mine Subsidence Insurance Fund within the Department of
9 Environmental [Resources] Protection for the insurance of
10 compensation for damages to subscribers thereto; declaring
11 false oaths by the subscribers to be misdemeanors; providing
12 penalties for the violation thereof; and making an
13 appropriation.

14 Section 1. Purposes.--Whereas, the anthracite and bituminous
15 coal and clay mine areas have been faced with the grave problem
16 of subsidence for many years, and

17 Whereas, these problems are becoming more widespread, and

18 Whereas, these conditions cause undue hardship upon a
19 multitude of persons, and

20 [Whereas, studies reveal that the subsidence is traceable
21 primarily to mining of thirty or more years ago and not
22 necessarily to present day mining so that effective measures
23 cannot readily be taken at this late date for the elimination of
24 the problem, and]

25 Whereas, it would be to the advantage of residents of the
26 anthracite and bituminous coal and clay mining regions to form a
27 common bond to combat distress resulting from subsidence;

28 Now therefore, there shall be established a Coal and Clay
29 Mine Subsidence Insurance Fund and a Coal and Clay Mine
30 Subsidence Insurance Board with the powers and duties as herein

1 set out.

2 ~~Section 2. [Terms. The Coal and Clay Mine Subsidence~~ <—
3 ~~Insurance Board is hereinafter called the board, the Coal and~~
4 ~~Clay Mine Subsidence Insurance Fund is hereinafter called the~~
5 ~~fund, and the Department of Environmental Resources is~~
6 ~~hereinafter called the department.] Definitions. The following~~
7 ~~words and phrases when used in this act shall have the meanings~~
8 ~~given to them in this section unless the context clearly~~
9 ~~indicates otherwise:~~

10 ~~"Abandoned underground mining area." An area determined by~~
11 ~~the Department of Environmental Protection to be either above or~~
12 ~~in close proximity to abandoned underground mine workings and~~
13 ~~periodically published in the Pennsylvania Bulletin.~~

14 ~~"Board." The Coal and Clay Mine Subsidence Insurance Board~~
15 ~~established in section 3.~~

16 ~~"Department." The Department of Environmental Protection of~~
17 ~~the Commonwealth.~~

18 ~~"Dwelling." A single family structure the primary purpose of~~
19 ~~which is residential.~~

20 ~~"Fund." The Coal and Clay Mine Subsidence Insurance Fund~~
21 ~~established in section 4.~~

22 ~~"Mine subsidence." The lateral or vertical movement of the~~
23 ~~earth resulting from past or present underground coal or clay~~
24 ~~mining operations.~~

25 ~~"Mine subsidence emergency." A condition in which a dwelling~~
26 ~~sustains mine subsidence damage sufficient to render the~~
27 ~~structure unsafe for human occupancy as determined by the~~
28 ~~department.~~

29 ~~"Mine subsidence insurance policy." An insurance agreement,~~
30 ~~as defined by department regulation, which is issued by the~~

1 ~~department.~~

2 ~~"Owner of structure." A person, corporation, organization or~~
3 ~~association holding title to a structure within the anthracite~~
4 ~~or bituminous coal or clay mine regions as defined by the board.~~

5 ~~"Program." The Mine Subsidence Assistance Program~~
6 ~~established in section 20.~~

7 ~~"Secretary." The Secretary of Environmental Protection of~~
8 ~~the Commonwealth.~~

9 ~~"Structure." A complete building which contains a roof,~~
10 ~~walls and a foundation which firmly attaches the structure to~~
11 ~~the earth.~~

12 Section 3. The Coal and Clay Mine Subsidence Insurance
13 Board.--The Coal and Clay Mine Subsidence Insurance Board is
14 hereby created consisting of the [Secretary of Environmental
15 Resources] secretary, as chairman, and the [Commissioner of] <—
16 Insurance COMMISSIONER and the State Treasurer. <—

17 Section 4. The Coal and Clay Mine Subsidence Insurance
18 Fund.--The premiums to be paid by owners of structures, as
19 hereinafter described, are hereby constituted a Coal and Clay
20 Mine Subsidence Insurance Fund, [hereinafter called fund,] for
21 the purpose of insuring from the moneys in the fund such owners
22 against the damages resulting from subsidence, of coal or clay
23 mines. Such fund shall be administered by a board without
24 liability on the part of the State except as hereinafter
25 provided beyond the amount thereof and shall be applied to the
26 payment of such damages.

27 Section 5. The Initial Source of Fund.--The expenses of the
28 administration of the fund shall after July 1, 1972, be paid out
29 of the general appropriation of the [Department of Environmental
30 Resources] department.

1 Section 7. Schedule of Premiums.--At any time during each
2 year, the [said] board shall prepare and publish a schedule of
3 premiums or rates of insurance for subscribers, which schedule
4 shall be printed and distributed free of charge to such persons
5 who shall make application therefor, and any such subscriber
6 may, at his option as hereinafter provided, pay to the fund the
7 amount of premium appropriate, and upon payment thereof, shall
8 be insured, as hereinafter provided, for the year for which such
9 premium is paid, and such insurance shall cover all payments
10 becoming due for which said premium is paid. The premium is
11 fixed and shall be adequate to enable payment of all sums which
12 may become due and payable under the provisions of this act, and
13 adequate reserve sufficient to carry all policies and claims to
14 maturity. In fixing the premiums payable by any subscriber, the
15 board may take into account the condition of the premises of
16 such subscriber in respect to the possibility of subsidence as
17 shown by the report of any inspector appointed by the board or
18 by the department, and they may from time to time change the
19 amount of premiums payable by any of the subscribers as
20 circumstances may require and the condition of the premises of
21 such subscribers in respect to the possibility of subsidence may
22 justify, and they may increase the premiums of any subscriber
23 whose loss experience warrants such change. The insurance of any
24 subscriber shall not be effective until he shall have paid in
25 full the premium so fixed and determined.

26 Section 9. Investment of Surplus.--The [said] board may
27 invest any of the surplus or reserve belonging to the fund in
28 such securities and investments as are authorized for investment
29 by savings banks. All such securities or evidences of
30 indebtedness shall be placed in the hands of the State Treasurer

1 who shall be the custodian thereof. He shall collect the
2 principal and interest thereof when due and pay the same into
3 the fund. The State Treasurer shall pay for all such securities
4 or evidences of indebtedness by check issued upon requisition of
5 the board. All such payments shall be made only upon delivery of
6 such securities or evidences of indebtedness to the State
7 Treasurer. To all requisitions calling upon the State Treasurer
8 to pay for any securities or evidences of indebtedness, there
9 shall be attached a certified copy of the resolution of the
10 board authorizing the investment. The [said] board may upon like
11 resolution sell any of such securities.

12 Section 2. Section 10 of the act, amended November 20, 1981
13 (P.L.350, No.127), is amended to read:

14 Section 10. Disbursements from Fund.--(a) Moneys from the
15 general appropriation of the [Department of Environmental
16 Resources] department are hereby made available for the expense
17 of administering the fund including the purchase through the
18 Department of General Services of surety bonds for such officers
19 or employees of the board as may be required to furnish them
20 supplies, materials, motor vehicles, workmen's insurance
21 covering the officers and employees of the board, and liability
22 insurance covering vehicles operated by the officers and
23 employees of the board.

24 (b) Moneys from the general appropriation of the [Department
25 of Environmental Resources] department shall also be available
26 [for payment, to the Insurance Department, of the cost incurred
27 by that department in examining and auditing the fund in such
28 amounts as the Insurance Department shall determine, and] for
29 payment, to the Treasury Department, of the cost of making
30 disbursements out of the fund on behalf of the fund at such

1 amounts as the Treasury Department, with the approval of the
2 Executive Board, shall determine.

3 (c) The board shall keep an accurate account of the money
4 paid in premiums by the subscribers and the disbursements on
5 account of damages to the premises thereof, and if at the
6 expiration of any year there shall be a balance remaining after
7 deducting such disbursements, the unearned premiums on
8 undetermined risks and the percentage of premiums paid or
9 payable to create or maintain the surplus provided herein, and
10 after setting aside an adequate reserve, so much of the balance
11 as the board may determine to be safely distributable may either
12 be allocated to the cost of administering the fund or be
13 distributed among the subscribers in proportion to the premiums
14 paid by them and the proportionate share of such subscribers as
15 shall remain subscribers to the fund shall be credited to the
16 installment of premiums next due by them and the proportionate
17 share of such subscribers as shall have ceased to be subscribers
18 in the fund shall be refunded to them out of the fund in the
19 manner hereinafter provided.

20 (D) MONEYS FROM THE GENERAL APPROPRIATION TO THE DEPARTMENT <—
21 SHALL ALSO BE AVAILABLE TO PAY A ONE-TIME COMMISSION AS
22 DETERMINED BY THE BOARD TO INSURANCE PRODUCERS WHO FORWARD
23 APPLICATIONS FOR MINE SUBSIDENCE INSURANCE TO THE BOARD PURSUANT
24 TO SECTION 12, IF A POLICY IS ISSUED PURSUANT TO AN APPLICATION
25 SUBMITTED BY AN INSURANCE PRODUCER. THE AMOUNT OF THE COMMISSION
26 SHALL BE DETERMINED BY THE BOARD ON AN ANNUAL BASIS.

27 Section 3. Sections 12 and 12.1 of the act, amended or added
28 July 10, 1984 (P.L.711, No.151), are amended to read:

29 Section 12. Application for Insurance; Terms of Insurance;
30 Penalty for False Statement; LIST OF MINING AREAS.--(a) Any <—

1 owner of a structure located within the anthracite or bituminous
2 coal or clay mine region and who desires to become a subscriber
3 to [said] the fund for the purpose of insuring such a structure
4 therein against damages from coal or clay mine subsidences,
5 shall make a [written request for an application for such <—
6 insurance to the {said} board or any of its agents. The board <—
7 shall then send to the owner of the structure an application in
8 which application the applicant shall state the name, address,
9 date of ownership of the premises to be insured, the condition
10 of the premises, prior subsidence experience, if any, nature of
11 title whether it includes any subsurface support, whether any
12 agreement exists concerning surface support.] COMPLETE <—
13 APPLICATION AS PRESCRIBED BY THE BOARD TO THE BOARD, ITS AGENTS
14 OR INSURANCE PRODUCERS. Thereupon, the board shall make such
15 investigation as may be necessary if such application complies
16 with the rules and regulations of the board and within sixty
17 days after the request for an application is received shall
18 issue a certificate showing the acceptance of the application
19 and the amount of premium payable by such applicant for the year
20 for which premium is sought. The amount of insurance coverage
21 shall not exceed the replacement cost of the insured structure
22 or the maximum amount of coverage established by the fund,
23 whichever is less. Policies may be issued for one year, for two
24 years or for three years as the board may establish. Except as
25 provided in subsection (b), no insurance shall become effective
26 until the premiums have been paid. All premiums shall be payable
27 to the State Treasurer whereupon a receipt shall be issued
28 therefor. The receipt for premium together with a certificate of
29 the board shall be evidence that the applicant has become a
30 subscriber to the fund and is insured.

1 (b) If the board fails to make the necessary investigations
2 or inspection and fails to approve or deny an application for
3 insurance within sixty days of receipt of the written request
4 for an application by the board or any of its agents, in
5 accordance with this section, the insurance requested by the
6 applicant shall be deemed granted. The insurance shall be
7 effective from the date the written request for an application
8 was received by the board or any of its agents, but the coverage
9 will be null and void if the applicant fails to remit the
10 premium payment within twenty days from the day the bill for the
11 premium was postmarked.

12 (1) The insurance may be subjected to later reductions, and
13 premiums adjusted accordingly, if the board determines that the
14 amount of insurance coverage requested is in excess of the
15 current [market value] replacement cost of the structure or
16 [current statutory limits] the maximum amount of coverage
17 established by the fund, whichever is less.

18 (2) The insurance shall be void if, upon inspection of the
19 structure, the board determines that either (i) mine subsidence
20 damage occurred prior to the request by the applicant for
21 insurance, or (ii) the applicant by his unreasonable actions or
22 in actions is responsible for the failure of the board to
23 inspect the structure within sixty days of receipt of the
24 written request for an application in accordance with this
25 section.

26 (c) Whoever shall knowingly furnish or make any false
27 certificate, application or statement herein required shall be
28 guilty of a misdemeanor, and upon conviction thereof, shall be
29 sentenced to pay a fine not exceeding one thousand five hundred
30 dollars (\$1,500) and shall undergo imprisonment not exceeding

1 one year.

2 (D) IN ORDER TO ASSIST INSURANCE PRODUCERS AND POTENTIAL
3 POLICYHOLDERS IN IDENTIFYING STRUCTURES THAT COULD BE AT RISK
4 FROM MINE SUBSIDENCE DAMAGE, THE BOARD SHALL PUBLISH AND UPDATE
5 IN THE PENNSYLVANIA BULLETIN A LIST OF AREAS IN THIS
6 COMMONWEALTH THAT ARE BELIEVED TO BE AT RISK FOR MINE SUBSIDENCE
7 DAMAGE.

<—

8 Section 12.1. Application for an Increase in Insurance.--(a)
9 Additions in the amount of insurance, up to the allowable
10 limits, may be made at any time by the subscriber by submitting
11 a written statement to the board or to any of its agents, except
12 during a period when a claim filed by the subscriber is open and
13 pending investigation by the department. Upon receipt of the
14 subscriber's written statement by the board or any of its
15 agents, the board shall have sixty days from the day the request
16 was received to reinspect the structure. If reinspection occurs
17 within the sixty-day period and the structure passes the
18 reinspection, the new amount of insurance shall be effective
19 from the date of premium payment after reinspection. If
20 reinspection does not occur within the sixty-day period, the new
21 amount of insurance shall be effective from the date the
22 subscriber's written request for additional insurance was
23 received by the board or any of its agents, but the additional
24 coverage will be null and void if the applicant fails to remit
25 the premium payment within twenty days from the day the bill for
26 additional premium is postmarked.

27 (b) The additional insurance may be subjected to later
28 reductions, and premiums adjusted accordingly, if the board
29 determines that the added insurance raises the total amount of
30 insurance in excess of the current [market value] replacement

1 cost of the structure or [current statutory limits] the maximum
2 amount of coverage established by the fund, whichever is less.

3 (c) The additional insurance shall be void if, upon
4 reinspection of the structure, the board determines that either:

5 (1) Mine subsidence damage occurred prior to the request of
6 the subscriber for additional insurance.

7 (2) The subscriber's unreasonable actions or inactions are
8 responsible for the board's failure to reinspect the insured
9 structure within sixty days of receipt of the written request
10 for an increase in the amount of coverage by the board or any of
11 its agents.

12 Section 4. Sections 13, 14, 15 and 17 of the act are amended
13 to read:

14 Section 13. Audit by Auditor General.--The Auditor General
15 through such agents as he may select shall, at least once each
16 year, make a complete examination and audit of the fund
17 including all receipts and expenditures, cash on hand and
18 securities, investments or property held representing cash or
19 cash disbursements, and for these purposes the Auditor General
20 is hereby authorized to employ such consultants, experts,
21 accountants or investigators as he may deem advisable.

22 The expense incurred in making said examination and audit
23 shall be certified to the fund by the Auditor General and shall
24 be paid from the general appropriation of the [Department of
25 Environmental Resources] department.

26 The first audit of such fund may, in the discretion of the
27 Auditor General, extend back to the creation of such fund or to
28 any other period in its life.

29 [Section 14. Audit by Insurance Department.--The Insurance
30 Department at least once each year shall make a complete

1 examination and audit of the affairs of the fund including all
2 receipts and expenditures, cash on hand and securities,
3 investments or property held representing cash or cash
4 disbursements to ascertain its financial condition and its
5 ability to fulfill its obligations, whether the board in
6 managing the fund has complied with the provisions of law
7 relating to the fund and the equity of the board's plans and
8 dealings with its policyholders.

9 For the purpose of any examination and audit authorized by
10 this act, the Commissioner of Insurance, his deputy or his
11 examiners shall have free access to all the books, records and
12 papers pertaining to the fund, and all persons charged with the
13 management of the fund or connected therewith as employees are
14 hereby directed and required to give to the Commissioner of
15 Insurance, his deputy or officers the means, facilities and
16 opportunity for such examination and audit.

17 The expenses incurred by the Insurance Department in making
18 any examination and audit under the provisions of this act shall
19 be ascertained by the department, certified to the fund, and
20 paid from the general appropriation of the Department of
21 Environmental Resources.]

22 Section 15. Claims against Fund.--Any subscriber to the fund
23 must file with the board a true statement of his claim for any
24 subsidence and shall give to the board an opportunity to
25 investigate and to determine whether the board will pay the
26 claim. ~~For any claim to be considered valid the department must~~ <—
27 ~~determine that a mine subsidence event occurred during the term~~
28 ~~of the mine subsidence insurance policy.~~

29 Section 17. Subrogation to Rights of Claimants.--Nothing
30 herein shall relieve any person, partnership, or corporation

otherwise liable therefor from any liability for damages sustained; and the fund ~~and the program~~ shall be subrogated to the rights of any property owners' insurance herein.

~~Section 5. The act is amended by adding sections to read:~~

~~Section 20. Program. (a) If a homeowner believes that the homeowner's dwelling has sustained mine subsidence damage, the homeowner may apply to the department for mine subsidence assistance. The application must be on a form prepared by the department and must provide for inspection of the dwelling to determine the nature, extent and time of the damage. Upon a determination that a dwelling has sustained mine subsidence damage and that an application for assistance was submitted to the department within forty five days of occurrence of the mine subsidence event, the department shall, to the extent funds are made available, grant assistance, as follows:~~

~~(1) Grants may be awarded only to persons whose dwellings are unsafe for occupancy as a result of a mine subsidence emergency and may be awarded to move and provide temporary housing for persons whose dwellings are destroyed or endangered until the homes are repaired, until there is no further danger of subsidence or until a new permanent residence is found, provided that grants shall not be used to pay for temporary housing for more than one year and the total amount of a grant shall not exceed twelve thousand dollars (\$12,000).~~

~~(2) Loans may be approved at an interest rate equal to the average rate of return earned by the fund during the previous five FISCAL years or six percent, whichever is lower for the repair or replacement of dwellings damaged by mine subsidence.~~

~~The loan shall be for a period of time not exceeding fifteen years in duration and shall be in an amount sufficient to cover~~

~~the cost of repairing the structural damage to the dwelling, but in no event shall be more than the market value of the dwelling as determined by an appraiser, or the maximum amount of coverage established by the fund, whichever is less, as provided for in regulations promulgated under this act. Loans shall be administered by the department pursuant to standard criteria utilized by the mortgage banking industry in issuing conventional mortgages, provided that the department may consider other equity interests in real property available to the borrower in addition to the equity in the dwelling for which the loan is applied and shall be secured by a lien upon the dwelling being repaired or replaced.~~

~~(3) In addition to repairing or replacing structural damage to a dwelling, loans may also be made to repair or replace dwelling related driveways, septic systems, sidewalks, fences, sewer laterals, water lines, gas lines, wells and inground pools, located on the property on which the dwelling is located, provided that the damage has been caused by the same mine subsidence event that damaged the dwelling.~~

~~(4) Loans shall be made for only the amount not covered by insurance or other sources of remuneration, including amounts for which a mine operator is liable under the act of April 27, 1966 (1st Sp. Sess., P.L.31, No.1), known as "The Bituminous Mine Subsidence and Land Conservation Act," unless it is determined that the operator is unable to meet his obligations under that act.~~

~~(5) Any homeowner who has carried mine subsidence insurance in the past on a dwelling for which assistance under this section is applied shall not be eligible for such assistance if the homeowner has failed to maintain the insurance and coverage~~

~~is not in effect at the time of the mine subsidence event that caused the damage for which assistance is applied. This paragraph does not apply to homeowners who may apply for assistance as a result of the failure of a mine operator to meet his obligations under "The Bituminous Mine Subsidence and Land Conservation Act."~~

~~(b) If a person receiving assistance under this section does not have mine subsidence insurance and is not ineligible to receive such assistance under subsection (a)(5), the person shall be required to purchase a mine subsidence insurance policy when the structural damage for which assistance was granted has been repaired. Persons receiving a loan under this section must maintain mine subsidence insurance coverage for the duration of the loan, and persons receiving a grant under this section must maintain mine subsidence insurance coverage for as long as it is determined by the department that the dwelling is in danger of further damage from mine subsidence. If a person receiving mine subsidence assistance fails to maintain the required mine subsidence insurance, the person shall immediately pay the fund the outstanding balance due on the loan or refund the grant proceeds provided under this section.~~

~~(c) Repairs for which loans are provided under this section must be completed within one year of the receipt of grant or loan assistance, unless an extension is approved by the department. If the department determines that repairs have not been made within one year and that no extension should be granted, the person who received the grant or loan assistance shall repay the fund for the amount of the grant or loan not expended on repairs for which the grant or loan was provided.~~

~~(d) Loans provided pursuant to this section are not~~

~~transferable. If a person receiving a loan under this section sells or transfers ownership of the dwelling for which loan assistance has been provided, the person shall pay the fund the outstanding balance due on the loan at the time title to the dwelling is transferred.~~

~~(c) Up to five percent of the money in the fund which is not committed to reserves, claims or other fund expenses, plus repayment of principal and interest on loans under this section, shall be used to fund assistance under this section.~~

~~Section 20.1. Notice of Risk of Subsidence and Availability of Subsidence Insurance. (a) Every mortgage lending institution doing business in an abandoned underground mining area shall provide every person applying for a loan for the purchase of a dwelling located within an abandoned underground mining area with notice of the risk of mine subsidence and of the availability of mine subsidence insurance.~~

~~(b) The department, with the assistance of the Department of Banking, shall notify mortgage lending institutions described in subsection (a) of abandoned underground mining areas and shall provide them with informational publications about mine subsidence insurance and applications for such insurance for distribution by the lender to every person applying for a mortgage loan if the loan applies to a dwelling located within an abandoned underground mining area.~~

~~(c) If a person applying for a mortgage loan for a dwelling located within an abandoned underground mining area declines to purchase mine subsidence insurance after being provided the notice, information and application required by subsections (a) and (b), then the person applying for the mortgage loan shall sign a statement acknowledging that he or she has received the~~

~~required notice, information and application regarding mine
subsidence insurance; has declined to purchase such insurance;
and by declining to purchase such insurance waives the right to
receive a grant or loan under the program until UNLESS mine
subsidence insurance is purchased PRIOR TO A MINE SUBSIDENCE
EVENT FOR WHICH A GRANT OR LOAN UNDER THE PROGRAM IS APPLIED.
The mortgage lending institution shall forward a copy of the
signed statement to the department.~~

~~(d) A mortgage lending institution that fails to provide the
required notice, information and signed statement required under
subsections (a), (b) and (c) shall compensate the mortgagor for
the reasonable cost of repairing any actual subsidence damage
not covered by subsidence insurance which may result from the
failure. It shall not be a defense to an action under this
subsection that the mortgage lending institution did not receive
the notice from the department under subsection (b).~~

~~(e) This section shall apply with respect to a mortgage loan
made, increased, extended or renewed on or after the effective
date of this section.~~

~~Section 21. Department Report. The department shall make an
annual report on the program and on experience with mine
subsidence insurance notice requirements to the Environmental
Resources and Energy Committee of the Senate and the
Environmental Resources and Energy Committee of the House of
Representatives.~~

SECTION 5. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

SECTION 20. DEPARTMENT REPORT.--THE DEPARTMENT SHALL MAKE AN
ANNUAL REPORT ON THE PROGRAM AND ON EXPERIENCE WITH MINE
SUBSIDENCE INSURANCE SALES THROUGH PRODUCERS TO THE
ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE SENATE AND

1 THE ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE HOUSE OF
2 REPRESENTATIVES.

3 Section 6. Sections 22 and 24.1 of the act are amended to
4 read:

5 Section 22. Employees of the Board to Be Part of the
6 Department [of Environmental Resources].--All employees of the
7 board shall be employed by and located in the [Department of
8 Environmental Resources] department and shall be subject to the
9 administrative jurisdiction and authority of the [Secretary of
10 Environmental Resources] secretary.

11 Section 24.1. Appeals.--Any party aggrieved by an action of
12 the board [hereunder] shall have the right to appeal to the
13 Environmental Hearing Board.

14 ~~Section 7. The addition of section 20 of the act shall apply~~ <—
15 ~~to mine subsidence damage incurred after December 31, 1998,~~
16 ~~provided that mine subsidence damage which occurred between~~
17 ~~January 1, 1999, and the effective date of this act and for~~
18 ~~which mine subsidence assistance is applied must have been~~
19 ~~reported to the department prior to the effective date of this~~
20 ~~act, and an application for assistance for such damage must be~~
21 ~~filed with the department within 90 days of the effective date~~
22 ~~of this act.~~

23 ~~Section 8. This act shall take effect as follows:~~

24 ~~(1) The addition of section 20.1 of the act shall take~~
25 ~~effect in 180 days.~~

26 ~~(2) The remainder of this act shall take effect~~
27 ~~immediately.~~

28 SECTION 8 7. THIS ACT SHALL TAKE EFFECT IN 180 DAYS. <—