

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1813

**PRINTER'S NO.** 4149

## **AMOUNT**

## **FUND**

\$2 million  
(max potential transfer FY 2013-14)

General Fund

(\$2 million)  
(max potential transfer FY 2013-14)

Surface Mining Conservation & Reclamation Fund

\$500,000 (max potential transfer)

Surface Mining Conservation & Reclamation Fund

(\$500,000) (max potential transfer)

Remining Financial Assurance Fund

## **DATE INTRODUCED**

## **PRIME SPONSOR**

August 22, 2011

Representative Tobash

## **HISTORY OF BILL**

Referred to ENVIRONMENTAL RESOURCES AND ENERGY, Aug. 22, 2011

Reported as committed, Dec. 7, 2011

First consideration, Dec. 7, 2011

Laid on the table, Dec. 7, 2011

Removed from table, Dec. 13, 2011

Second consideration, with amendments, Dec. 14, 2011

Re-committed to APPROPRIATIONS, Dec. 14, 2011

(Remarks see House Journal Page 2588-2589), Dec. 14, 2011

Re-reported as committed, Dec. 15, 2011

Third consideration and final passage, Dec. 19, 2011 (193-1)

(Remarks see House Journal Page 2720-2721), Dec. 19, 2011

In the Senate

Referred to ENVIRONMENTAL RESOURCES AND ENERGY, Dec. 21, 2011

Reported as committed, Feb. 7, 2012

First consideration, Feb. 7, 2012

Re-referred to APPROPRIATIONS, March 13, 2012

Re-reported as amended, Oct. 1, 2012

## **DESCRIPTION AND PURPOSE OF BILL**

House Bill 1813 establishes the land reclamation financial guarantee program by amending the Surface Mining Conservation and Reclamation Act. The bill allows a Land Reclamation Financial Guarantee (LRFG) to be used by a qualified operator to satisfy surface mine reclamation bonding obligations.

# SENATE APPROPRIATIONS COMMITTEE

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Under this program, the Department of Environmental Protection (DEP) shall assess and collect premiums for LRFGs from qualified operators who choose to obtain such guarantees. Premiums must be sufficient to assure the financial stability of the LRFG program and cover DEP's cost to administer it.

All premium payments shall be deposited in the newly-established Land Reclamation Financial Guarantee Account within the Surface Mining Conservation and Reclamation Fund. The account shall be used to pay the cost of reclamation in the event of operator forfeiture, as well as convert and cover existing guarantees previously issued by the department.

The department shall use all funds previously appropriated and collected for sum-certain financial guarantees for the LRFG program. The department may transfer up to \$500,000 of these funds into the Remining Financial Assurance Fund for use in supporting remining financial guarantees issued by the department.

DEP may transfer premiums or interest earned on funds in the LRFG Account to the Reclamation Fee Operation & Maintenance (O & M) Trust Account, which supports the operation and maintenance of mine drainage treatment facilities.

As amended, the bill allows for up to \$2 million collected from the Gross Receipts Tax to be appropriated by the General Assembly to the department for transfer to the Reclamation Fee O & M Trust Account, beginning in FY 2013-14. The authority to transfer these funds expires June 30, 2039.

The bill sets forth eligibility standards for operators to qualify for an LRFG.

The LRFG program may be discontinued if 25% or greater of the outstanding bond obligations are subject to forfeiture.

The act takes effect in 60 days.

### **FISCAL IMPACT:**

Funding for the Land Reclamation Financial Guarantee program is provided by premiums collected by qualified operators who choose to participate in the program. Additional funding for the LRFG program is provided by funds previously appropriated and collected for the sum-certain financial guarantees. The bill allows \$500,000 of the previously-appropriated funds to be transferred to the Remining Financial Assurance Fund. Premiums collected and deposited into the LRFG Account may also be transferred by the department to the Reclamation Fee O & M Trust Account.

Beginning in FY 2013-14, up to \$2 million collected from the Gross Receipts Tax may be appropriated by the General Assembly to the department for transfer into the Reclamation Fee O & M Trust Account. This authority expires June 30, 2039. Each year such a transfer occurs would decrease revenue to the General Fund by the amount of the transfer.