GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 550*

Committee Substitute Favorable 4/22/93 Committee Substitute #2 Favorable 5/6/93

Short Title: Minin	ng Act Improvements. (Public)
Sponsors:	
Referred to:	
	March 25, 1993
	A BILL TO BE ENTITLED
AN ACT TO INC	REASE THE EFFECTIVENESS OF PUBLIC PARTICIPATION IN
AND ENFORCEMENT OF THE MINING ACT OF 1971.	
The General Assembly of North Carolina enacts:	
Section	1. G.S. 74-49 reads as rewritten:
"§ 74-49. Definiti	ons.
Wherever use	d or referred to in this Article, unless a different meaning clearly
appears from the c	context:
(1)	'Affected land' means the surface area of land that is mined, the
	surface area of land associated with a mining activity so that soil is
	exposed to accelerated erosion, the surface area of land on which
	overburden and waste is deposited, and the surface area of land
	used for processing or treatment plant, stockpiles, <u>nonpublic roads</u> ,
	and settling ponds.
<u>(1a)</u>	'Affiliate' means a person that directly, or indirectly through one or
	more intermediaries, controls, is controlled by, or is under common
	control with another person.
(2)	'Borrow pit' means an area from which soil or other unconsolidated
	materials are removed to be used, without further processing, for
	highway construction and maintenance.
(3)	'Commission' means the Mining Commission created by G.S.

143B-290.

(4) 'Department' means the Department of Environment, Health, and 1 2 Natural Resources. Whenever in this Article the Department is 3 assigned duties, they may be performed by the Secretary or by such of his subordinates as he may designate. 4 5 (5) 'Land' shall include submerged lands underlying any river, stream, 6 lake, sound, or other body of water and shall specifically include. 7 among others, estuarine and tidal lands. 'Minerals' means soil, clay, coal, stone, gravel, sand, phosphate, 8 (6) 9 rock, metallic ore, and any other solid material or substance of 10 commercial value found in natural deposits on or in the earth. **(7)** 'Mining' means 11 12 The breaking of the surface soil in order to facilitate or a. accomplish the extraction or removal of minerals, ores, or other 13 14 solid matter, 15 b. Any activity or process constituting all or part of a process for 16 the extraction or removal of minerals, ores, soils, and other solid matter from its original location, 17 18 The preparation, washing, cleaning, or other treatment of c. minerals, ores, or other solid matter so as to make them suitable 19 20 for commercial, industrial, or construction use. 21 It shall not include those aspects of deep mining not having significant effect on the surface, where the affected land does 22 23 not exceed one acre in area. It shall not include mining 24 operations where the affected land does not exceed one acre in area. It shall not include plants engaged in processing minerals 25 produced elsewhere and whose refuse does not affect more than 26 27 one acre of land. It shall not include excavation or grading 28 when conducted solely in aid of on-site farming or of on-site 29 construction for purposes other than mining. 30 overburden and mining of limited amounts of any ores or mineral solids shall not be considered mining when done only 31 32 for the purpose and to the extent necessary to determine the 33 location, quantity, or quality of any natural deposit, provided that no ores or mineral solids removed during such exploratory 34 35 excavation or mining are sold, processed for sale, or consumed 36 in the regular operation of a business, and provided further that 37 the affected land resulting from any such exploratory 38 excavation does not exceed one acre in area. 39 (8) 'Neighboring' means in close proximity, in the immediate vicinity, or in actual contact. 40 41 (9) 'Operator' means any person or persons, any partnership, limited 42 partnership, or corporation, or any association of persons, engaged 43 in mining operations, whether individually, jointly, or through

subsidiaries, agents, employees, or contractors.

- 1 (16a) 'Subsidiary' means an affiliate that is directly, or indirectly through one or more intermediaries, controlled by another person.
 - (17) 'Termination of mining' means cessation of mining operations with intent not to resume, or cessation of mining operations as a result of expiration or revocation of the permit of the operator. Whenever the Department shall have reason to believe that a mining operation has terminated, it shall give the operator written notice of its intention to declare the operation terminated, and he shall have an opportunity to appear within 30 days and present evidence that the operation is continuing; where the Department finds that such evidence is satisfactory, it shall not make such a declaration."

Sec. 2. G.S. 74-50 reads as rewritten:

"§ 74-50. Permits – General.

 After July 1, 1972, no operator shall engage in mining without having first obtained from the Department an operating permit which covers the affected land and which has not terminated, been revoked, been suspended for the period in question, or otherwise become invalid. An operating permit may be modified from time to time to include land neighboring the affected land, in accordance with procedures set forth in G.S. 74-52. A separate permit shall be required for each mining operation that is not on land neighboring a mining operation for which the operator has a valid permit.

No permit shall be issued except in accordance with the procedures set forth in G.S. 74-51, nor modified or renewed except in accordance with the procedures set forth in G.S. 74-52.

An appeal from the Department's denial of a permit may be taken to the Mining Commission, as provided by G.S. 74-61.

Prior to the issuance of a new mining permit, At the time of the application for a new mining permit or permit modifications that add owners of record of lands adjoining the permit boundaries, the operator shall make a reasonable effort, satisfactory to the Department, to notify all owners of record of land adjoining the proposed site, and to notify the chief administrative officer of the county or municipality in which the site is located that he intends to conduct a mining operation on the site in question. The notice shall inform the owners of record and chief administrative officers of the opportunity to submit written comments to the Department regarding the proposed mining operation and the opportunity to request a public hearing regarding the proposed mining operation. Requests for public hearing shall be made within 30 days of issuance of the notice.

No permit shall become effective until the operator has deposited with the Department an acceptable performance bond or other security pursuant to G.S. 74-54. If at any time said bond or other security, or any part thereof, shall lapse for any reason other than a release by the Department, and said lapsed bond or security is not replaced by the operator within 30 days after notice of the lapse, the permit to which it pertains shall automatically become void and of no further effect.

An operating permit shall be granted for a period not exceeding 10 years. If the mining operation terminates and the reclamation required under the approved

1 reclamation plan is completed prior to the end of said period, the permit shall terminate.

2 Termination of a permit shall not have the effect of relieving the operator of any obligations which he has incurred under his approved reclamation plan or otherwise.

Where the mining operation itself has terminated, no permit shall be required in order to carry out reclamation measures under the reclamation plan.

An operating permit may be <u>modified or renewed</u> from time to time, pursuant to procedures set forth in G.S. 74-52.

An operating permit may be suspended or revoked for cause, pursuant to procedures set forth in G.S. 74-58."

Sec. 3. G.S. 74-51 reads as rewritten:

"§ 74-51. Permits – Application, granting, conditions.

Any operator desiring to engage in mining shall make written application to the Department for a permit. Such application shall be upon a form furnished by the Department and shall fully state the information called for; in addition, the applicant may be required to furnish such other information as may be deemed necessary by the Department in order adequately to enforce this Article.

The application shall be accompanied by a reclamation plan which meets the requirements of G.S. 74-53. No permit shall be issued until such plan has been approved by the Department.

The application shall be accompanied by a signed agreement, in a form specified by the Department, that in the event a bond forfeiture is ordered pursuant to G.S. 74-59, the Department and its representatives and its contractors shall have the right to make whatever entries on the land and to take whatever actions may be necessary in order to carry out reclamation which the operator has failed to complete.

Before deciding whether to grant a new permit, the Department shall circulate copies of a notice of application for review and comment as it deems advisable. The Department shall grant or deny the permit requested as expeditiously as possible, but in no event later than 60 days after the application form and any relevant and material supplemental information reasonably required shall have been filed with the Department, or if a public hearing is held, within 30 days following the hearing and the filing of any relevant and material supplemental information reasonably required by the Department. Priority consideration shall be given to applicants who submit evidence that the mining proposed will be for the purpose of supplying materials to the Board of Transportation.

Upon its determination that significant public interest exists, exists based on public comment relevant to the provisions of this Article, the Department shall conduct a public hearing on any application for a new mining permit. permit or for permit modifications that add owners of record of lands adjoining the permit boundaries. Such hearing shall be held before the Department reaches a final decision on the application, and in making its determination, the Department shall give full consideration to all comments submitted at the public hearing. Such public hearing shall be held within 60 days of the filing of the application, end of the 30-day period within which any requests for the public hearing shall be made.

The Department may deny such permit upon finding:

That any requirement of this Article or any rule promulgated 1 **(1)** 2 hereunder will be violated by the proposed operation; 3 **(2)** That the operation will have unduly adverse effects on potable groundwater supplies, on wildlife or on fresh water, estuarine, or 4 5 marine fisheries: 6 (3) That the operation will violate standards of air quality, surface water 7 quality, or groundwater quality which have been promulgated by the 8 Department: 9 (4) That the operation will constitute a direct and substantial physical 10 hazard to public health and safety or to a neighboring dwelling house, school, church, hospital, commercial or industrial building, public road 11 12 or other public property; property, excluding hazards relating to increased traffic on a public road; 13 14 (5) That the operation will have a significantly adverse effect on the 15 purposes of a publicly owned park, forest or recreation area; That previous experience with similar operations indicates a 16 (6) 17 substantial possibility that the operation will result in substantial 18 deposits of sediment in stream beds or lakes, landslides, or acid water pollution: or 19 20 That the operator-applicant or any parent, subsidiary, or other affiliate **(7)** 21 of the applicant or parent has not been in substantial compliance with this Article or its rules or other laws or rules of this State for the 22 23 protection of the environment or has not corrected all violations which 24 he may have committed under any prior permit this Article or its rules and which resulted in, 25 Revocation of his permit. 26 a. Forfeiture of part or all of his bond or other security, 27 b. Conviction of a misdemeanor under G.S. 74-64, or 28 c. 29 Any other court order issued under G.S. 74-64. G.S. 74-64, or d. 30 Final assessment of a civil penalty under G.S. 74-64. 31 In the absence of any such findings, findings or if adverse effects are mitigated by the 32 applicant as determined necessary by the Department, a permit shall be granted. 33 34 35

Any permit issued shall be expressly conditioned upon compliance with all

requirements of the approved reclamation plan for the operation and with such further reasonable and appropriate requirements and safeguards as may be deemed necessary by the Department to assure that the operation will comply fully with the requirements and objectives of this Article. Such conditions may, among others, include a requirement of visual screening, vegetative or otherwise, so as to screen the view of the operation from public highways, public parks, or residential areas, where the Department finds such screening to be feasible and desirable. Violation of any such conditions shall be treated as a violation of this Article and shall constitute a basis for suspension or revocation of the permit.

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Any operator wishing any modification of the terms and conditions of his permit or of the approved reclamation plan shall submit a request for modification in accordance with the provisions of G.S. 74-52.

If the Department denies an application for a permit, it shall notify the operator in writing, stating the reasons for its denial and any modifications in the application which would make it acceptable. The operator may thereupon modify <u>and resubmit</u> his application—application, or file an appeal as provided in G.S. 74-61, but no such appeal shall be taken more than 60 days after notice of disapproval has been mailed to him at the address shown on his application.—G.S. 74-61.

Upon approval of an application, the Department shall set the amount of the performance bond or other security which is to be required pursuant to G.S. 74-54. The operator shall have 60 days following the mailing of such notification in which to deposit the required bond or security with the Department. The operating permit shall not be issued until receipt of this deposit.

When one operator succeeds to the interest of another in any uncompleted mining operation, by virtue of a sale, lease, assignment, or otherwise, the Department may release the first operator from the duties imposed upon him by this Article with reference to such operation and transfer the permit to the successor operator; provided, that both operators have complied with the requirements of this Article and that the successor operator assumes the duties of the first operator with reference to reclamation of the land and posts a suitable bond or other security."

Sec. 4. G.S. 74-52 reads as rewritten:

"§ 74-52. Permits – Modification, renewal.

Any operator engaged in mining under an operating permit may apply at any time for modification of said permit, and at any time during the two years prior to its expiration date for renewal of the permit. Such The application shall be in writing upon forms furnished by the Department and shall fully state the information called for; in for. The applicant must provide the Department with any additional information necessary to satisfy the Department's current application requirements. The applicant is not required to resubmit information that remains unchanged since the time of the prior application. In addition, the applicant may be required to furnish such other information as may be deemed necessary by the Department in order adequately to enforce the Article. However, it shall not be necessary to resubmit information which has not changed since the time of a prior application, where the applicant states in writing that such information has not changed.

The procedure to be followed and standards to be applied in renewing a permit shall be the same as those for issuing a permit; provided, however, that in the absence of any changes in legal requirements for issuance of a permit since the date on which the prior permit was issued, the only basis for denying a renewal permit shall be an uncorrected violation of the type listed in G.S. 74-51(7), or failure to submit an adequate reclamation plan in light of conditions then existing.

A modification under this section may affect the land area covered by the permit, the approved reclamation plan coupled with the permit, or other terms and conditions of the permit. A permit may be modified to include land neighboring the affected land, but

not other lands. The reclamation plan may be modified in any manner, so long as the Department determines that the modified plan fully meets the standards set forth in G.S. 74-53 and that the modifications would be generally consistent with the bases for issuance of the original permit. Other terms and conditions may be modified only where the Department determines that the permit as modified would meet all requirements of G.S. 74-50 and 74-51. No modification shall extend the expiration date of any permit issued under this Article.

In lieu of a modification or a renewal, an operator may apply for a new permit in the manner prescribed by G.S. 74-50 and 74-51.

No modification or renewal of a permit shall become effective until any required changes have been made in the performance bond or other security posted under the provisions of G.S. 74-54, so as to assure the performance of obligations assumed by the operator under the permit and reclamation plan."

Sec. 5. G.S. 74-54 reads as rewritten:

"§ 74-54. Bonds.

 Each applicant for an operating permit, or for the renewal thereof, shall file with the Department following approval of his application and shall thereafter maintain in force a bond in favor of the State of North Carolina, executed by a surety approved by the Commissioner of Insurance, in the amount set forth below. The bond herein provided for must be continuous in nature and shall remain in force until cancelled by the surety. Cancellation by the surety shall be effectuated only upon 60 days written notice thereof to the Department and to the operator.

The applicant shall have the option of filing a separate bond for each operating permit or of filing a blanket bond covering all mining operations within the State for which he holds a permit. The amount of each bond shall be based upon the area of affected land to be reclaimed under the approved reclamation plan or plans to which it pertains, less any such area where reclamation has been completed and released from coverage by the Department, pursuant to G.S. 74-56, or based on such other criteria established by the Mining—Commission. The Department shall set the amount of the required bond in all cases, based upon a schedule established by the Mining—Commission.

The bond shall be conditioned upon the faithful performance of the requirements set forth in this Article and of the rules adopted pursuant thereto. <u>Upon filing the bond with the Department</u>, the operator shall lose all right, title, and interest in the bond while the bond is held by the Department. Liability under the bond shall be maintained as long as reclamation is not completed in compliance with the approved reclamation plan unless released only upon written notification from the Department. Notification shall be given upon completion of compliance or acceptance by the Department of a substitute bond. In no event shall the liability of the surety exceed the amount of the surety bond required by this section.

In lieu of the surety bond required by this section, the operator may file with the Department a cash deposit, negotiable securities, a mortgage of real property acceptable to the Department, or an irrevocable letter of credit, a guaranty of payment from an acceptable bank, an assignment of a savings account in a North Carolina an acceptable

 bank on an assignment form prescribed by the Department. Department, or other security acceptable to the Department. The security shall be subject to the release provisions of G.S. 74-56.

If the license to do business in North Carolina of any surety upon a bond filed pursuant to this Article should be suspended or revoked, the operator shall, within 60 days after receiving notice thereof, substitute for such surety a good and sufficient corporate surety authorized to do business in this State. Upon failure of the operator to make such substitution, his permit shall automatically become void and of no effect."

Sec. 6. G.S. 74-54.1 reads as rewritten:

"§ 74-54.1. Permit fees.

The Commission may establish a fee schedule for the processing of permit applications and permit renewals and modifications. The fees may vary on the basis of the acreage, size, and nature of the proposed or permitted operations or modifications. In establishing the fee schedule, the Commission shall consider the administrative and personnel costs incurred by the Department for processing applications for permits and permit renewals and modifications and for related compliance activities and safeguards to prevent unusual fee assessments that would impose a serious economic burden on an individual applicant or a class of applicants.

The total amount of permit fees collected for any fiscal year may not exceed one-third of the total personnel and administrative costs incurred by the Department for processing applications for permits and permit renewals and modifications and for related compliance costs in the prior fiscal year. A fee for an application for a new permit may not exceed two thousand five hundred dollars (\$2,500), and a fee for an application to renew or modify a permit may not exceed five hundred dollars (\$500.00). The Mining Account is established as a nonreverting account within the Department. Fees collected under this section shall be credited to the Account and shall be applied to the costs of administering this Article.

The Department shall make an annual report to the Joint Legislative Commission on Governmental Operations and the Director of the Fiscal Research Division on the cost of the State's mining permit program. The report shall include the fees established, collected, and disbursed under this section and any other information requested by the General Assembly or the Commission."

Sec. 7. G.S. 74-56 reads as rewritten:

"§ 74-56. Inspection and approval of reclamation; bond release or forfeiture.

The Department may direct investigations as it may reasonably deem necessary to carry out its duties as prescribed by this Article, and for this purpose to enter at reasonable times upon any mining operation for the purpose of determining compliance with this Article and any rules adopted pursuant to this Article and for determining compliance with the terms and conditions of a mining permit, but for no other purpose. No person shall refuse entry or access to any authorized representative of the Department who enters the mining operation for purposes of inspection or other official duties and who presents appropriate credentials; nor shall any person obstruct, hamper, or interfere with the representative while in the process of carrying out his official duties. Upon arriving at the site, the representative of the Department shall make every

reasonable effort to notify the operator or the operator's agent that he intends to inspect the site. If there is no person on the site or if the site is not permitted pursuant to this Article, the representative of the Department may inspect the site. Upon receipt of the operator's annual report or report of completion of reclamation and at any other reasonable time the Department may elect, the Department shall cause the permit area to be inspected to determine whether the operator has complied with the reclamation plan. the requirements of this Article, any rules promulgated hereunder, adopted pursuant to this Article, and the terms and conditions of his permit. Accredited representatives of the Department shall have the right at all reasonable times to enter upon the land subject to the permit for the purpose of making such inspection and investigation.

The operator shall proceed with reclamation as scheduled in the approved reclamation plan. Following its inspection, the Department shall give written notice to the operator of any deficiencies noted. The operator shall thereupon commence action within 30 days to rectify these deficiencies and shall diligently proceed until they have been corrected. The Department may extend performance periods referred to in this section and in G.S. 74-53 for delays clearly beyond the operator's control, but only in cases where the Department finds that the operator is making every reasonable effort to comply.

Upon completion of reclamation of an area of affected land, the operator shall notify the Department. The Department shall make an inspection of the area, and if it finds that reclamation has been properly completed, it shall notify the operator in writing and release him from further obligations regarding such affected land. At the same time it shall release all or the appropriate portion of any performance bond or other security which he has posted under G.S. 74-54.

If at any time the Department finds that reclamation of the permit area is not proceeding in accordance with the reclamation plan and that the operator has failed within 30 days after notice to commence corrective action, or if the Department finds that reclamation has not been properly completed in conformance with the reclamation plan within two years, or longer if authorized by the Department, after termination of mining on any segment of the permit area, it shall initiate forfeiture proceedings against the bond or other security filed by the operator under G.S. 74-59. In addition, such failure shall constitute grounds for suspension or revocation of the operator's permit, as provided in G.S. 74-58."

Sec. 8. G.S. 74-58 reads as rewritten:

"§ 74-58. Suspension or revocation of permit.

Whenever the Department shall have reason to believe that a violation of (i) this Article, (ii) any rules promulgated hereunder, or (iii) the terms and conditions of a permit, including the approved reclamation plan, has taken place, it shall serve written notice of such fact upon the operator, specifying the facts constituting such apparent violation and informing the operator of his right to a hearing. an informal conference with the Department. The date for such hearing-an informal conference shall be not less than 30-15 nor more than 60-30 days after the date of the notice, unless the Department and the operator shall-mutually agree on another date. The operator may appear at the hearing, either personally or through counsel, and present such evidence as he may desire in

order to prove that no violation has taken place or exists. If the operator or his representative does not appear at the hearing, informal conference, or if the Department following the hearing-informal conference finds that there has been a violation, the Department may suspend the permit until such time as the violation is corrected or may revoke the permit where the violation appears to be willful.

The effective date of any such suspension or revocation shall be 30 days following the date of the decision. An appeal to the Mining Commission-The filing of a petition for a contested case under G.S. 74-61 shall stay such effective date until the Commission's decision. A further appeal to superior court under G.S. 74-61 shall stay such effective date until the date of the superior court judgment. If the Department finds at the time of its initial decision that any delay in correcting a violation would result in imminent peril to life or danger to property or to the environment, it shall promptly initiate a proceeding for injunctive relief under G.S. 74-64 hereof and Rule 65 of the Rules of Civil Procedure. The pendency of any appeal from a suspension or revocation of a permit shall have no effect upon such action.

Any operator whose permit has been suspended or revoked shall be denied a new permit or a renewal of the old permit to engage in mining until he gives evidence satisfactory to the Department of his ability and intent to fully comply with the provisions of this Article and rules promulgated hereunder, and the terms and conditions of his permit, including the approved reclamation plan, and that he has satisfactorily corrected all previous violations."

Sec. 9. G.S. 74-61 reads as rewritten:

"§ 74-61. Administrative and judicial review of decisions.

Any affected person may contest a decision of the Department to deny, suspend, modify, or revoke a permit or a reclamation plan, to refuse to release part or all of a bond or other security, or to assess a civil penalty by filing a petition for a contested case under G.S. 150B-23 within 60-30 days after the Department makes the decision. The Commission shall make the final decision in a contested case under this section. Article 4 of Chapter 150B of the General Statutes governs judicial review of a decision of the Commission."

Sec. 10. This act is effective upon ratification and applies to any applications for new permits or for modifications or renewals filed on or after that date.