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Legislative Document

No. 1324

H.P. 948

House of Representatives, April 3, 2013

An Act To Protect Local Communities When a Mining Project Is Terminated

Reference to the Committee on Environment and Natural Resources suggested and ordered printed.

Millicent M. Mac Jailand

MILLICENT M. MacFARLAND Clerk

Presented by Representative KRUGER of Thomaston. Cosponsored by Representatives: CHAPMAN of Brooksville, EVANGELOS of Friendship, MITCHELL of the Penobscot Nation, STUCKEY of Portland, Senator: LANGLEY of Hancock.

1 Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §2861, sub-§6, as enacted by PL 1991, c. 883, §4 and amended
by PL 2011, c. 682, §38, is further amended to read:

6. Corrective action; oversight. The Treasurer of State, following the payment of
 excise tax revenues to municipalities pursuant to subsection 4, shall annually set aside
 25% of the remaining revenues from mining operations in municipalities not under the
 jurisdiction of the Maine Land Use Planning Commission to be deposited in the Mining
 Corrective Action Oversight Fund. Money in this fund is available to municipalities to
 fund corrective action and for oversight of mining activity as defined by rule by the
 Department of Environmental Protection in relation to metallic mineral exploration.

- Sec. 2. 36 MRSA §2866, as enacted by PL 1991, c. 883, §8 and amended by PL

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 2011, c. 682, §38, is further amended to read:
- 13 §2866. Mining Oversight Fund

14 **1. Creation of fund.** The Mining Corrective Action Oversight Fund, referred to in 15 this section as "the "fund," is established as a nonlapsing fund administered by the 16 Mining Excise Tax Trust Fund Board of Trustees, referred to in this section as "the 17 "board." The board shall oversee and authorize expenditures from the fund.

- 18 2. Investment. The Treasurer of State shall invest the money in the fund asauthorized by Title 5, section 138.
- 3. Scope of corrective action. The fund may be used only for corrective action for
 mining operations located in municipalities.
- 4. Uses of fund. Money from the fund may be used only to fund corrective action as
 defined in the mining rules adopted by the Department of Environmental Protection and
 the Maine Land Use Planning Commission and oversight of mining activity as provided
 in the mining rules adopted by the Department of Environmental Protection under the
 Maine Metallic Mineral Mining Act. Corrective action includes, but is not limited to,
 remedial action related to:
- A. Contaminated ground water;
- 29 B. Disposition of mining wastes;
- 30 C. Reclamation defects on or surrounding the site; and
- 31 D. Pollution control at the site.

5. Restrictions and liability. Money from the fund may be used only for corrective action necessary to address problems that occur at the site may only be used following termination of mining operations and closure of the mine. Corrective action necessary during the operation of a mine must be funded by the mining company. The existence of this fund does not relieve a mining company of any liability or responsibility arising from a corrective action following termination of its mining operation in a municipality. 6. Disposition of fund. When corrective action is necessary in accordance with this section, the board shall provide funds for remedial activities at the site on a pro rata basis to ensure that funds are available for any necessary corrective action at other sites. This determination is based on the amount of excise tax revenues generated at each site.

5 7. Depletion of fund. Following termination of mining operations, the mining company and, in the case of a mining company that is a subsidiary of a corporation, the 6 7 parent company remain liable for any corrective action determined necessary by the 8 board. If the contributions of the mining company to the fund are insufficient to fund 9 corrective action, the mining company or its successor, if the company has been sold, 10 remains liable for the costs of corrective action. If the mining company ceases to exist, the parent company, if any, is liable for any necessary corrective action. Any funds 11 12 expended for corrective action as provided in this section must be reimbursed in full by 13 the mining company, its successor or its parent corporation.

14 Sec. 3. 38 MRSA §352, sub-§4-A, as enacted by PL 1989, c. 874, §2, is repealed 15 and the following enacted in its place:

4-A. Fees for metallic mineral mining. Metallic mineral mining permit
 applications under chapter 3, subchapter 1, article 9 are subject to the following fees.
 Fees under this subsection must be deposited in the Mining Oversight Fund under Title
 36, section 2061.

A. The initial processing fee is \$500,000.

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- 21B. Preapplication and processing fees are special fees subject to subsection 3. The22maximum fee for processing an application must be discussed by the department and23the applicant during preapplication meetings. If the applicant does not agree to the24maximum fee as determined by the commissioner, the refund provisions of paragraph25F apply.
- 26 C. The costs associated with the department's preparation for and attendance at any
 27 application proceeding held by the board, including the costs associated with
 28 assistance to the board, must be paid by the applicant.
- 29D. The costs associated with the department's assistance to the board on an appeal by30the applicant before the board must be paid by the applicant and may be separately31charged to the applicant by the department. The costs associated with the32department's assistance to the board on an appeal by a person other than the applicant33before the board may not be charged to the applicant.
- 34E. The annual license fee must be at least \$20,000 and may not exceed \$50,000 and35must be set by the department prior to the issuance of the permit.
- F. If at any time the application is withdrawn by the applicant, the department shall
 calculate the portion of the processing fee that was expended or committed by the
 department or the department's agents or contractors for processing the application
 prior to the withdrawal and the remainder of the processing fee not expended or
 committed must be refunded to the applicant.
- 41 Sec. 4. PL 2011, c. 653, §§4, 5, 6, 9, 11, 28 and 32 are repealed.

1 **Sec. 5. Effective date.** This Act takes effect June 1, 2014, except that section 4 of 2 this Act takes effect 90 days after the adjournment of the First Regular Session of the 3 126th Legislature.

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SUMMARY

5 This bill returns to the Mining Oversight Fund the purposes of corrective action that 6 were removed in amendments to the laws governing the fund, which was originally called 7 the Mining Corrective Action Fund, that take effect in 2014, to assist municipalities 8 remediating environmental problems that occur at mine sites following termination of 9 mining operations.