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## HOUSE BILL 681

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

### INTRODUCED BY

James Roger Madalena

#### AN ACT

RELATING TO MINING; ENACTING THE CONSTRUCTION MATERIALS MINING ACT; PROVIDING PENALTIES; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Construction Materials Mining Act".

Section 2. PURPOSE. -- The purpose of the Construction Materials Mining Act is to promote responsible utilization and reclamation of lands affected by exploration, mining or the extraction of construction materials that are vital to the welfare of New Mexico.

Section 3. DEFINITIONS.--As used in the Construction Materials Mining Act:

A. "commission" means the mining commission established pursuant to the Mining Act;

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- B. "construction materials" means any rock that is typically excavated or quarried for use in construction or road building, including clay, silt, sand, gravel, limestone, dimension stone, marble, shale, flagstone, scoria or base course, but not including coal or caliche;
- C. "director" means the director of the division or his designee;
- D. "division" means the mining and minerals division of the energy, minerals and natural resources department;
  - E. "Mining Act" means the New Mexico Mining Act;
- F. "mining operation" means an operation that engages in the process of obtaining construction materials from the earth's crust or from previously disposed or abandoned mining wastes, including exploration, open-cut mining and surface operation, and any on-site transportation or processing activities, but does not include:
- (1) transportation, concentrating, milling, cleaning, preparation and other off-site processing activities not conducted on the permit area;
- (2) the excavation or grading of construction materials by the owners of the property, or the lessees or permittees of the owner, solely for on-site purposes not associated with a mining operation; or
  - (3) any operation regulated under the Mining

Act;

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- G. "permit area" means the geographical area defined in the permit for a mining operation on which mining is conducted or is expected to cause a disturbance;
- II. "reclamation" means the employment during and after a mining operation of measures designed to mitigate the disturbance caused by the mining operation and to create a post-mining land use as approved by the director; and
- "secretary" means the secretary of energy,
   minerals and natural resources.

## Section 4. MINING OPERATION PERMITS REQUIRED. --

- A. After December 31, 2003, no person shall conduct a mining operation without a permit issued by the director. For good cause shown, the director may allow a mining operation to operate without a permit for a period of no more than twelve months after December 31, 2003 if the director has received a timely and complete permit application, including the permit application fee, for the mining operation.
- B. The secretary may establish by rule a schedule for the submission of permit applications. Prior to receiving a permit for a mining operation, an applicant shall submit an application to the director that includes:
- (1) disclosure of ownership and controlling interests in the mining operation or submission of the

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applicant's most recent form 10K required by the federal securities exchange commission;

- a map showing the location of the mining operation, a description of the type and method of mining, a description of the mining deposit, overburden and topsoil and how the mining operation will be designed and operated to meet reclamation requirements;
- the anticipated starting and termination (3) dates of each phase of the mining operation, the anticipated life of the mining operation and the number of acres of land to be disturbed:
- **(4)** the location of surface waters within one-half mile of the permit area and the estimated depth to ground water;
- a reclamation plan that includes a **(5)** detailed description of the proposed post-mining land use and how that use is to be achieved, assurances for the protection of human health and safety and the environment and that provi des:
- that the land will be reclaimed to (a) a post-mining land use that is consistent with local ordinances, approved by the director and accompanied by a copy of the comments concerning the proposed use by the legal or equitable owner of record of the surface of the proposed permit area;

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		(b)	a final	topograph	y that	will t	ake
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- (c) that to accomplish practical utilization of soil materials, the topsoil or suitable material will be salvaged, and a description of how the topsoil will be salvaged during mining operations and the depth of topsoil or suitable material to be placed on disturbed areas:
- (d) that metal and other mine-generated waste will be removed, or buried in accordance with the Solid Waste Act;
- (e) that reclamation will support the post-mining land use and will stabilize the site and control erosion and, where revegetation is necessary for the post-mining land use, there must be an effective and long-lasting vegetative cover that is capable of self-regeneration; and
- $\mbox{ (f)} \quad \mbox{a schedule of when reclamation} \\ \mbox{operations will begin and end;}$
- (6) evidence that other applicable local, state and federal permits and land use approvals required to be obtained by the mining operation have been issued and that the applicant has the right to enter the permit area to conduct mining and reclamation; and
  - (7) the permit application fee.

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- C. The director shall issue the permit for a mining operation if the director finds that:
  - (1) the permit application is complete;
- (2) the financial assurance is adequate and has been provided;
- (3) the proposed reclamation plan conforms to the requirements imposed by the Construction Materials Mining Act and the rules adopted pursuant to that act and is economically and technically feasible;
- (4) the proposed mining operation, or any part thereof, is not contrary to the requirements imposed by the Construction Materials Mining Act, the rules adopted pursuant to that act or any applicable federal, state or local laws or regulations;
- (5) the mining operation is designed to meet without perpetual care all requirements imposed by the Construction Materials Mining Act and rules adopted pursuant to that act following closure; and
- (6) the applicant, the operator or owner of the mining operation or any persons or entities directly controlled by the applicant, operator, owner or any persons or entities that directly control the applicant, operator or owner:
- (a) are not currently charged under the terms of another permit issued by the division with a

violation that is unabated and is not under appeal, and have not forfeited or had forfeited financial assurance required for any mining, reclamation or exploration permit in the United States, unless the violation occurred prior to the initiation of a legal relationship between the permit applicant and the violator; and

- (b) have not demonstrated a pattern of willful violations of the Construction Materials Mining Act, the Mining Act or other New Mexico environmental statutes, unless the violations occurred prior to the initiation of a legal relationship between the permit applicant and the violator.
- D. The director shall establish a streamlined permit application review process for:
- (1) mining operations to be conducted on less than five acres; and
- (2) mining operations to be conducted on less than ten acres when the operation is conducted solely to obtain materials for road, utility or similar construction purposes under a federal, state or local government contract that requires work to commence within a specified short period of time.
- E. No mining operation located within a one-half mile radius of another mining operation operated by the same entity shall receive a streamlined permit application review

process, and the secretary shall exclude from the streamlined process any proposed facility or portion of a facility that is located in an inhabited or an environmentally sensitive area as defined by rule.

F. Permits shall be issued for a term not to

- exceed five years. Each permit may be subject to an annual review by the director.
- G. Each permit holder shall submit an annual report to the director that contains the information on the status of the mining operation required by rule of the secretary, including information on annual production, disturbed acreage and reclaimed acreage.
- H. A permit may be revoked or suspended by order of the director for violation of its terms or conditions, a rule of the secretary or a provision of the Construction Materials Mining Act.

Section 5. SECRETARY--DUTIES.--The secretary shall, within one year after the effective date of the Construction Materials Mining Act, adopt rules consistent with the purposes of the Construction Materials Mining Act to implement that act, including rules:

A. for the permit application process that may provide different application requirements for different categories of mining operations, and rules for the streamlined permit application review process that may include:

- (1) a requirement that the director issue or deny the permit within sixty days after submittal of a completed application unless a public hearing is conducted;
- (2) a simplified application and public notification process, but every application shall include a reclamation plan and financial assurance;
- (3) a schedule for calculating financial assurance amounts that shall not be less than two thousand five hundred dollars (\$2,500) per acre; and
- (4) a requirement that the director develop standardized forms and instructions for applications, public notices, financial assurance instruments, reclamation plans and permits to simplify the process for both the applicants and the division;
- mining operations that require reclamation be conducted concurrently with the mining operation, to the extent practicable, and that shall commence no later than one year after the cessation of mining activity and be completed within five years after the completion of the mining operation or of each phase of the mining operation. The director may approve a suspension of reclamation requirements for a period of not greater than two years to allow for the resumption of mining and may require the operator to take actions to stabilize the site and control erosion during any period of suspension. The

rules shall establish reclamation performance standards that address erosion control, site stability, vegetation standards and establishment of the post-mining land use;

C. that ensure the public receives notice of each application for issuance, renewal or revision of a permit for a mining operation, for a variance or for release of financial assurance. If the director determines that there is substantial public interest in the application, no action shall be taken on the application until a public hearing is held in the locality of the operation at which all interested persons shall be given a reasonable chance to submit data, views or arguments orally or in writing. These rules shall require at a minimum that the applicant shall provide to the director, at the time of filing the application, proof that notice has been provided to:

- (1) the owners of all properties located within one-quarter mile of the permit area;
- (2) all municipalities, counties and Indian nations, tribes and pueblos within a ten-mile radius of the property on which the mining operation is or will be located;
- (3) the public by publishing in a newspaper of general circulation in each county in which the property on which the mining operation is or will be located and by posting a notice in at least four publicly accessible and conspicuous places; and

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(4) all persons who have made a written request to the director for notice concerning this operation or for notice of all applications pursuant to the Construction Materials Mining Act;

D. that the applicant file with the director, prior to the issuance of a permit, financial assurance sufficient to assure the completion of the performance requirements of the permit, including closure and reclamation, if the work had to be performed by the director or a third-party contractor, and including periodic review to account for any inflationary increases and anticipated changes in reclamation or closure costs. The rules shall specify that financial assurance requirements shall neither duplicate nor be less comprehensive than applicable federal financial The form and amount of the financial assurance requirements. assurance shall be subject to the approval of the director as part of the permit application;

E. that the permittee may file an application with the director for the release of all or part of the permittee's financial assurance. The application shall describe the reclamation measures completed and shall contain an estimate of the costs of reclamation measures that have not been completed. Prior to release of any portion of the permittee's financial assurance, the director shall conduct an inspection and evaluation of the reclamation work involved and shall

coordinate with other agencies that have issued permits or required financial assurance for the operation. The director may release in whole or in part the financial assurance if the reclamation covered by the financial assurance meets the requirements of the Construction Materials Mining Act; provided that the director shall retain financial assurance at least equal to the approved estimated costs of completing reclamation measures that have not been completed; and provided further that for revegetated areas, the director shall retain the amount of financial assurance necessary for a third party to reestablish vegetation for a period of three years after the last year of augmented seeding, fertilizing, irrigation or other work;

- F. establishing a schedule of annual administrative and permit fees that cover no less than one-half the estimated costs of administration, implementation, enforcement, investigation and permitting pursuant to the provisions of the Construction Materials Mining Act. The size of the operation, anticipated inspection frequency and other factors deemed relevant by the secretary shall be considered in the determination of the fees. The fees established pursuant to this subsection shall be deposited in the Construction Materials Mining Act fund;
- G. that provide for permit modifications, including criteria to determine which significant permit

modifications shall require public notice and an opportunity for public hearing pursuant to the Construction Materials Mining Act;

- H. that govern the granting of variances by the director, including provisions for public notice and an opportunity for a hearing in the locality where the variance will be operative, and requiring the petitioner to prove that failing to grant a variance will impose an undue economic burden and that granting the variance will not result in a significant threat to human health, safety or the environment; and
- I. necessary and appropriate to carry out the purposes and provisions of the Construction Materials Mining Act.

### Section 6. RULES--ADOPTION PROCESS.--

- A. No rule shall be adopted, amended or repealed without a public hearing before the secretary or a hearing officer appointed by the secretary.
- B. Any person may submit proposed rules to the secretary for adoption, amendment or repeal. The secretary shall determine within sixty days of submission of a proposed rule whether to hold a hearing. If the secretary determines not to hold a hearing, the determination shall not be subject to review.
- C. The public hearing shall be held in Santa Fe,
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and a verbatim record shall be maintained of all proceedings.

Notice of the subject, time and place of the hearing, the manner in which interested persons may present their views and the method by which copies of the proposed rule or amendment may be obtained shall be:

- (1) published at least thirty days prior to the hearing date in a newspaper of general circulation in the state and in the New Mexico register, if published; and
- (2) mailed at least thirty days prior to the hearing date to all persons who have made a written request to the secretary for advance notice of hearings.
- D. The secretary shall allow all interested persons a reasonable opportunity to submit data or arguments orally or in writing and to examine witnesses testifying at the hearing. A person appearing or represented at the hearing shall, upon a written request, be given written notice of the secretary's action on the proposed rule.
- E. No rule, its amendment or repeal adopted by the secretary shall become effective except as provided by the State Rules Act.
  - Section 7. DIRECTOR--DUTIES.--The director shall:
- A. exercise all powers of enforcement and administration arising under the Construction Materials Mining Act not otherwise expressly delegated to the secretary or the commission, execute and administer the secretary's rules and

coordinate the review and issuance of permits for construction materials mining operations with all other state or federal permit processes applicable to the proposed operations;

- B. have the right to enter any lands, without prior notice, where a mining or reclamation operation is being conducted for the purposes of enforcing applicable requirements of the Construction Materials Mining Act, rules adopted pursuant to that act and permit conditions for mining operations and reclamation. The director shall conduct inspections, on an irregular basis and without prior notice to the permittee, when a mining operation is conducting significant reclamation activities and following completion of all significant reclamation activities, but prior to release of financial assurance;
- C. enter into agreements with appropriate federal and state agencies for coordinating the review and issuance of all necessary permits to conduct mining operations in New Mexico; and
- D. create an advisory committee, the membership of which shall balance the interests of affected government entities, the mining industry, environmental groups, regulatory agencies and other persons as determined by the director to represent a constituency that will be affected by the provisions of the Construction Materials Mining Act.

Section 8. ENFORCEMENT--CIVIL PENALTIES. --

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Α. When the director determines that a condition or practice exists that violates a requirement of the Construction Materials Mining Act, a rule adopted pursuant to that act or a permit issued pursuant to that act, and the condition, practice or violation also creates an imminent danger to the health or safety of the public or will cause significant imminent environmental harm, the director shall immediately order a cessation of the mining operation or the portion of that operation relevant to the condition, practice A cessation order issued by the director shall or violation. remain in effect until the director determines that the condition, practice or violation has been abated or until modified, vacated or terminated by the director or the commission.

B. When the director determines that an owner or operator is in violation of a requirement of the Construction Materials Mining Act, a rule adopted pursuant to that act or a permit issued pursuant to that act and the violation does not create an imminent danger to the health or safety of the public or will not cause significant imminent environmental harm, the director shall issue a notice to the owner or operator fixing a reasonable time, not to exceed sixty days, for the abatement of the violation. If, upon expiration of the period of time as originally fixed or subsequently extended for good cause shown, the director finds that the

violation has not been abated, he shall immediately order a cessation of the mining operation or the portion thereof relevant to the violation. The cessation order of the director shall remain in effect until the director determines that the violation has been abated.

- C. When the director determines that a pattern of violations of the requirements of the Construction Materials Mining Act or of the rules adopted pursuant to that act or the permit required by that act exists or has existed and, if the director also finds that such violations are caused by the unwarranted failure of the owner or operator to comply with the requirements of that act, rule or permit or that such violations are willfully caused by the owner or operator, the director shall immediately issue an order to the owner or operator to show cause as to why the permit should not be suspended or revoked.
- D. A civil penalty, not to exceed ten thousand dollars (\$10,000) per day of noncompliance for each violation, may be assessed by the director or the commission for violations of the Construction Materials Mining Act, a rule of the secretary, an order of the director, a permit condition or an order resulting from a hearing.
- E. Circumstances to be considered by the commission or the director in determining the amount of the penalty to be assessed shall be the seriousness of the

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violation, efforts to comply with the requirements of the Construction Materials Mining Act, recent history of violations and other relevant factors provided in rules adopted by the secretary.

- F. Any order or penalty imposed by the director may be appealed to the commission.
- G. In determining whether significant imminent environmental harm may occur, the director may consider:
- (1) whether the condition, practice or violation creates a reasonable probability of serious or widespread adverse environmental impact;
- (2) whether the condition, practice or violation threatens important habitat, important wildlife or domestic animals: or
- (3) whether mining that requires a permit is conducted either:
  - (a) without a permit;
  - (b) outside of a permit area; or
- (c) on previously undisturbed land within a permit area where mining is not authorized by the permit.
- H. In addition to the remedies provided in this section, whenever the director determines that a person has violated or is violating a requirement of the Construction Materials Mining Act, a rule adopted pursuant to that act or a . 135513.1

permit or order issued pursuant to that act, the director may commence a civil action in the district court of Santa Fe county for appropriate relief to compel compliance, including injunctive relief.

#### Section 9. ADMINISTRATIVE REVIEW. --

- A. A person who is adversely affected by an order, penalty assessment or issuance or denial of a permit by the director pursuant to the Construction Materials Mining Act may file a written petition for review before the commission. The director's decision shall become final unless the petition for review is filed with the commission within thirty days from the date notice is given of the director's decision.
- B. The commission shall hold a hearing no later than sixty days after receipt of the petition. The commission shall ensure that the public receives notice of the date, time and place of the hearing. The chairman of the commission may issue subpoenas to compel attendance of witnesses and for documents relevant to the action to be heard before the commission. The commission may designate a hearing officer to take evidence at the hearing and may request that the hearing officer provide a recommendation to the commission.
- C. Based upon the record made before the commission, the commission shall affirm, reverse, modify or remand the decision of the director. Within sixty days after the close of the hearing record, the commission shall issue

findings of fact and a final decision in the proceedings.

Section 10. JUDICIAL REVIEW. --

- A. A person who is affected by a rule adopted by the secretary may appeal the action of the secretary by filing a notice of appeal with the court of appeals within thirty days from the filing date of the rule with the state records center. All appeals of rules shall be taken on the record made before the secretary.
- B. A person who is affected by a final decision of the commission may appeal the decision of the commission by filing a notice of appeal with the district court pursuant to the provisions of Section 39-3-1.1 NMSA 1978.
- C. After a hearing and a showing of good cause by the appellant, a stay of the action being appealed may be granted:
- (1) by the commission or the secretary,whichever took the action being appealed; or
- (2) by the court if the commission or the secretary denies a stay or fails to act upon an application for a stay within sixty days after receipt.

# Section 11. CITIZEN SUITS. --

A. A person having an interest that is or may be adversely affected may commence a civil action on his own behalf to compel compliance with the Construction Materials Mining Act. Such action may be brought against:

- (1) an entity or a person other than the director, the division, the secretary or the commission who is alleged to be in violation of a rule, order or permit issued pursuant to the Construction Materials Mining Act; or
- (2) the director, the division, the secretary or the commission only when there is alleged a failure to perform any nondiscretionary act under the Construction Materials Mining Act.
- B. No action pursuant to this section shall be commenced if the director, the division, the secretary or the commission has commenced and is diligently prosecuting a civil action in a court of this state or an administrative enforcement proceeding to require compliance with the Construction Materials Mining Act. In an administrative or court action commenced by the director, the division, the secretary or the commission, a person whose interest may be adversely affected and who has provided notice pursuant to this section prior to the initiation of the action may intervene as a matter of right.
- C. No action shall be commenced pursuant to this section prior to sixty days after the plaintiff has given written notice to the secretary, the division, the commission, the attorney general and the alleged violator of the Construction Materials Mining Act; provided, however, when the violation or order complained of constitutes an immediate

threat to the health or safety of the plaintiff or would immediately and irreversibly impair a legal interest of the plaintiff, an action pursuant to this section may be brought immediately after notification of the proper parties.

- D. An action brought pursuant to this section alleging a violation of the Construction Materials Mining Act or the rules adopted pursuant to that act other than suits against the director, the division, the secretary or the commission shall be brought in the district court of the judicial district in which the mining operation complained of is located. Suits against the director, the division, the secretary or the commission shall be brought in the district court of Santa Fe.
- E. In an action brought pursuant to this section, the director, the division, the secretary or the commission, if not a party, may intervene as a matter of right.
- F. The district court, in issuing a final order in an action brought pursuant to this section, may award costs of litigation, including attorney and expert witness fees, to a party whenever the court determines such award is appropriate. The court may, if a temporary injunction or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the rules of civil procedure.

Section 12. CRIMINAL PENALTIES. --

A. Any person who knowingly or willfully violates the Construction Materials Mining Act, rules adopted by the secretary or a condition of a permit issued pursuant to the Construction Materials Mining Act or fails or refuses to comply with a final decision or order of the commission or the director is guilty of a misdemeanor and is subject to a fine not to exceed ten thousand dollars (\$10,000) per day of violation or imprisonment of up to one year, or both.

- B. Cases seeking criminal penalties shall be brought in the district court in Santa Fe.
- C. Circumstances to be considered by the district court in determining the sentence shall be the seriousness of the violation, the efforts taken to comply with the requirements of the Construction Materials Mining Act and the recent history of violations of the defendant.

Section 13. FUND CREATED.--The "Construction Materials Mining Act fund" is created within the state treasury. All money received by the state pursuant to the Construction Materials Mining Act from permit applicants, permit holders, the federal government, other state agencies or legislative appropriations shall be delivered to the state treasurer and deposited in the fund. Disbursements from the fund shall be made upon warrants drawn by the secretary of finance and administration pursuant to vouchers signed by the secretary of energy, minerals and natural resources. Money in the fund is

appropriated to the energy, minerals and natural resources department to carry out the purposes of the Construction Materials Mining Act. Any unexpended or unencumbered balance remaining in the fund at the end of a fiscal year shall not revert to the general fund but shall remain and accrue to the benefit of the fund.

#### Section 14. LIMITATIONS. --

- A. Nothing in the Construction Materials Mining
  Act shall supersede current or future requirements and
  standards of any other applicable federal or state law.
- B. Nothing in the Construction Materials Mining Act preempts the authority of political subdivisions to regulate mining operations under the zoning and land use authority of the local subdivisions, or to regulate the offsite impacts of mining operations not regulated under that act, including the impacts of dust, noise and vehicular traffic.
- C. Nothing in the Construction Materials Mining
  Act shall limit any right that a person or class of persons
  may have pursuant to a statute or common law to seek
  enforcement of the Construction Materials Mining Act and the
  rules adopted pursuant to that act, or to seek any other
  relief.

Section 15. APPROPRIATION. -- Two hundred fifty thousand dollars (\$250,000) is appropriated from the general fund to .135513.1

the Construction Materials Mining Act fund for expenditure in fiscal year 2002 for use by the energy, minerals and natural resources department in carrying out the purposes of the Construction Materials Mining Act. Any unexpended or unencumbered balance remaining at the end of the fiscal year 2002 shall not revert.

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