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### HOUSE BILL 194

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

# INTRODUCED BY

Andy Nuñez

### AN ACT

RELATING TO MINING; ENACTING THE CONSTRUCTION MATERIALS MINING ACT; CREATING A FUND; PROVIDING PENALTIES; MAKING AN APPROPRI ATI ON.

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 use and reclamation of lands affected by exploration, mining or the extraction of construction materials that are vital to the welfare of New Mexico.

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

"commission" means the mining commission . 152134. 1

establ i shed	pursuant	to	the	New	Mexi co	Mi ni ng	Act;

- 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. "department" means the energy, minerals and natural resources department;
- D. "director" means the director of the division or the director's designee;
- E. "division" means the mining and minerals division of the department;
- 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 or lessees of the property solely for on-site purposes not associated with a mining operation; or
  - (3) any operation regulated under the New

# Mexico Mining Act;

- 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;
- H. "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. -- Except as otherwise provided in this section, no person shall conduct a mining operation after December 31, 2005 without a permit issued by the division. For good cause shown, the division may allow a mining operation to operate without a permit for a stated period not to exceed twelve months after December 31, 2005 if the division has received a timely and complete permit application for the mining operation prior to December 31, 2005.

Section 5. MINING OPERATION RULES.--Prior to October 1, 2005, the division shall adopt and promulgate, with the secretary's approval as required in Subsection E of Section 9-1-5 NMSA 1978, rules to carry out the provisions of the Construction Materials Mining Act, including rules:

A. for the permit application process, which may  $.\ 152134.\ 1$ 

provide different application requirements for different categories of mining operations, and rules for the streamlined permit application review process;

B. that provide for the issuance, renewal,

- B. that provide for the issuance, renewal, revision, suspension and revocation of mining operation permits;
- C. that ensure the public receives notice of each application for issuance, renewal or revision of a mining operation permit, for a variance or for release of financial assurance:
- D. establishing a schedule of annual administrative and permit fees that cover no less than one-half the estimated costs, and no more than the actual costs, of administration, implementation, enforcement, investigation and permitting pursuant to the provisions of the Construction Materials Mining Act. The size of the mining operation, anticipated inspection frequency and other factors deemed relevant by the division shall be considered in determining fees. The fees established pursuant to this subsection shall be deposited in the Construction Materials Mining Act fund;
- E. 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;
- F. that govern the granting of variances by the .152134.1

division, 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

G. necessary and appropriate to carry out the purposes and provisions of the Construction Materials Mining Act.

# Section 6. DIVISION--DUTIES. -- The division shall:

A. exercise all powers of administration and enforcement of the Construction Materials Mining Act or rules promulgated in accordance with that act not otherwise expressly delegated to the secretary or the commission;

- B. develop standardized forms and instructions for applications, public notices, financial assurance instruments, reclamation plans and permits to simplify the process for both applicants and the division;
- C. 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;
- D. have the right to enter any lands, without prior notice, where a mining or reclamation operation is being . 152134.1

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conducted to enforce applicable requirements of the Construction Materials Mining Act, rules promulgated in accordance with that act and permit conditions for mining The division shall conduct operations and reclamation. 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:

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

F. 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 division to represent a constituency that will be affected by the provisions of the Construction Materials Mining Act.

#### Section 7. PERMIT APPLICATIONS. --

- The division may establish by rule a schedule for the submission of permit applications.
- В. An applicant for a mining operation shall submit an application to the division that includes:
  - (1) disclosure of ownership and controlling

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interests in the mining operation or submission of the applicant's most recent form 10K required by the federal securities exchange commission;

- (2) 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;
- (3) the anticipated starting and termination 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 onehalf mile of the permit area, the estimated depth to ground water and proof of water rights necessary for the operation of the life of the mining operation;
  - (5) a reclamation plan;
- (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;
- (7) proof that the applicant has provided notice of the application to:
  - (a) the owners of all properties located

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within one-half mile of the permit area;

(b) 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:

the public, by publishing in a (c) 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

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

> the permit application fee. (8)

#### Section 8. FINANCIAL ASSURANCE. --

Prior to the issuance of a permit, an applicant shall file with the division financial assurance sufficient to ensure the completion of the performance requirements of the permit, including closure and reclamation, if the work had to be performed by the division or a third-party contractor. Financial assurance requirements shall not duplicate or be less comprehensive than applicable federal financial assurance The form and amount of the financial assurance requirements. shall be subject to the approval of the division prior to

issuance of a permit.

- B. The division shall periodically review the permittee's financial assurance to account for any inflationary increases and anticipated changes in reclamation or closure costs.
- C. When the permittee files an application with the division for the release of all or part of the permittee's financial assurance, the application shall describe the reclamation measures completed and 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 division 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.
- D. The division 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 and rules promulgated in accordance with that act; provided that the division 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 division shall retain the amount of financial assurance necessary for a third party to reestablish vegetation for a period of three years after the

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last year of augmented seeding, fertilizing, irrigation or other work.

# Section 9. RECLAMATION PLANS. --

A. Every reclamation plan shall include a 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 provides:

- (1) that the land will be reclaimed to a postmining land use that is consistent with local ordinances, approved by the division 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;
- (2) a final topography that will take into consideration the post-mining land use, surrounding areas and the pre- and post-mine watershed size and drainages;
- (3) that to accomplish practical use 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;
- (4) that metal and other mine-generated waste will be buried in compliance with the provisions of the Solid Waste Act or removed;
- (5) that reclamation will support the postmining land use and will stabilize the site and control erosion . 152134.1

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

(6) a schedule of when reclamation operation

- $\begin{tabular}{ll} (6) & a schedule of when reclamation operations \\ will begin and end. \\ \end{tabular}$
- B. Except as provided in Subsection C of this section, every reclamation plan shall provide for reclamation to be conducted concurrently with the mining operation to the extent practicable, but in no event shall reclamation commence any later than one year after the cessation of mining activity. All reclamation shall be completed within five years after the completion of the mining operation or of each phase of the mining operation.
- C. The division may suspend reclamation requirements for a period of not more 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.
- D. The division shall establish by rule reclamation performance standards that address erosion control, site stability, vegetation standards and establishment of the postmining land use.

Section 10. PUBLIC HEARINGS.--If the division determines that there is substantial public interest in an application, no action shall be taken on the application until a public hearing . 152134.1

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is held in the locality of the mining operation at which all interested persons shall be given a reasonable chance to submit data, views or arguments orally and in writing.

Section 11. STREAMLINED PERMIT APPLICATION REVIEW PROCESS. --

- A. The division 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.
- B. A mining operation located within a one-half mile radius of another mining operation operated by the same entity shall not receive a streamlined permit application review process and the division shall exclude from the streamlined review process any proposed mining operation or portion of a mining operation that is located in an inhabited or an environmentally sensitive area as defined by rule.
- C. The streamlined permit application process shall provide:
  - (1) for a simplified application and public

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- (2) that every application shall include a reclamation plan and financial assurance; and
- (3) a schedule for calculating financial assurance amounts that shall not be less than two thousand five hundred dollars (\$2,500) per acre.
- D. If the application qualifies for a streamlined review process, the division shall issue or deny the permit within sixty days after submittal of the completed application unless a public hearing is conducted.
- Section 12. PERMITS--ISSUANCE--SUSPENSION AND REVOCATION.--
- A. The division shall issue the permit for a mining operation if it 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 rules promulgated in accordance with that act and is economically and technically feasible;
- (4) the proposed mining operation, or any part of the mining operation, is not contrary to the requirements imposed by the Construction Materials Mining Act, the rules promulgated in accordance with that act or any applicable

federal, state or local laws or rules;

(5) the mining operate

- (5) the mining operation is designed to meet without perpetual care all requirements imposed by the Construction Materials Mining Act and rules promulgated in accordance with that act following closure;
- (6) public concerns expressed during public hearings are adequately addressed; and
- (7) the applicant; the operator or owner of the mining operation; any person or entity directly controlled by the applicant, operator or owner; and any person or entity that directly controls 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 New Mexico 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.

- B. Permits shall be issued for a term not to exceed five years. Each permit may be subject to an annual review by the division.
- C. Each permit holder shall submit an annual report to the division that contains the information on the status of the mining operation required by rules promulgated in accordance with the Construction Materials Mining Act, including information on annual production, disturbed acreage and reclaimed acreage.
- D. A permit may be revoked or suspended by order of the division for violation of its terms or conditions or violation of the provisions of the Construction Materials

  Mining Act or rules promulgated in accordance with that act.
- E. A person who is adversely affected by a decision to deny, suspend or revoke a permit may appeal to the commission as provided in Section 69-36-15 NMSA 1978. Appeals from final decisions of the commission shall be taken as provided in Section 39-3-1.1 NMSA 1978.

Section 13. FUND CREATED.--The "Construction Materials Mining Act fund" is created in the state treasury. The fund consists of appropriations, permit application and administrative fees and money from the federal government or other state agencies related to administration or enforcement of the Construction Materials Mining Act. The fund shall be administered by the division and money in the fund is

appropriated to the department to carry out the purposes of the Construction Materials Mining Act. Disbursements from the fund shall be made upon warrants drawn by the secretary of finance and administration pursuant to vouchers signed by the director or the director's authorized representative. Any unexpended or unencumbered balance remaining in the fund at the end of a fiscal year shall not be transferred to any other fund.

Section 14. ENFORCEMENT POWERS--ADMINISTRATIVE
PENALTIES--APPEAL TO COMMISSION.--

A. If the division determines that a condition or practice exists that violates a requirement of the Construction Materials Mining Act, a rule promulgated in accordance with that act or a permit issued in accordance with 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 division shall immediately order a cessation of the mining operation or that portion of the mining operation relevant to the condition, practice or violation. A cessation order issued by the division shall remain in effect until the division determines that the condition, practice or violation has been abated or until modified, vacated or terminated by the division or the commission.

B. If the division determines that an owner or operator is in violation of a requirement of the Construction . 152134.1

Materials Mining Act, a rule promulgated in accordance with that act or a permit issued in accordance with 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 division 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 division finds that the violation has not been abated, it shall immediately order a cessation of the mining operation or the portion of the mining operation relevant to the violation. The cessation order of the division shall remain in effect until the division determines that the violation has been abated.

C. If the division determines that a pattern of violations of the requirements of the Construction Materials Mining Act or of the rules promulgated in accordance with that act or the permit required by that act exists or has existed and, if the division 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 division 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. The division or the commission may assess an
administrative penalty not to exceed ten thousand dollars
(\$10,000) per violation for each day of noncompliance with the
provisions of the Construction Materials Mining Act, a rule
promulgated in accordance with that act, an order of the
division, a permit condition or an order resulting from a
heari ng.

- E. Circumstances to be considered by the division or the commission in determining the amount of the penalty to be assessed shall be the seriousness of the violation, efforts to comply with the requirements of the Construction Materials Mining Act, recent history of violations and other relevant factors provided in the rules promulgated in accordance with that act.
- F. In determining whether significant imminent environmental harm may occur, the division may consider whether:
- (1) the condition, practice or violation creates a reasonable probability of serious or widespread adverse environmental impact;
- (2) the condition, practice or violation threatens important habitat, important wildlife or domestic animals; or
- (3) mining that requires a permit is conducted either:

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- (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.
- G. In addition to the remedies provided in this section, whenever the division determines that a person has violated or is violating a requirement of the Construction Materials Mining Act, a rule promulgated in accordance with that act or a permit or order issued pursuant to that act, the division may commence a civil action in the district court of Santa Fe county for appropriate relief to compel compliance, including injunctive relief.
- A person who is adversely affected by a decision of the division, including the assessment of an administrative penalty, may appeal to the commission as provided in Section Appeals from final decisions of the 69-36-15 NMSA 1978. commission shall be taken as provided in Section 39-3-1.1 NMSA 1978.

#### Section 15. CITIZEN SUITS. --

- A person having an interest that is or may be adversely affected may commence a civil action on the person's own behalf to compel compliance with the Construction Materials Mining Act. Such action may be brought against:
  - (1) a person other than the department or

commission who is alleged to be in violation of a rule, order or permit issued in accordance with the Construction Materials Mining Act; or

- (2) the department or commission only when there is alleged a failure to perform a nondiscretionary act under the Construction Materials Mining Act.
- B. No action pursuant to this section shall be commenced if the department or 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 department or 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. An action shall not be commenced pursuant to this section prior to sixty days after the plaintiff has given written notice to the department, 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 promulgated pursuant to that act other than suits against the department or commission shall be brought in the district court of the judicial district in which the mining operation complained of is located. Suits against the department or commission shall be brought in the district court of Santa Fe.
- E. In an action brought pursuant to this section, the department or 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 16. CRIMINAL PENALTIES. --

A. Any person who knowingly or willfully violates the Construction Materials Mining Act, rules promulgated in accordance with that act or a condition of a permit issued pursuant to that act or who fails or refuses to comply with a .152134.1

final decision or order of the division or commission is guilty of a misdemeanor and may be punished by a fine not to exceed ten thousand dollars (\$10,000) per day of violation or imprisonment less than one year, or both.

B. 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 17. LIMITATIONS. --

- A. Nothing in the Construction Materials Mining Act shall supersede requirements and standards of 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 off-site 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 promulgated in accordance with that act, or to seek any other relief.
- Section 18. APPROPRIATION. -- Two hundred fifty thousand . 152134. 1

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dollars (\$250,000) is appropriated from the general fund to the Construction Materials Mining Act fund for expenditure in fiscal year 2006 and subsequent fiscal years for use by the mining and minerals division of the energy, minerals and natural resources department in carrying out the provisions of the Construction Materials Mining Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

Section 19. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2005.

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