

Calendar No. 65

103D CONGRESS
1ST SESSION

S. 775

[Report No. 103-45]

A BILL

To modify the requirements applicable to locatable minerals on public lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

MAY 19 (legislative day, APRIL 19), 1993

Reported without amendment

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IN THE SENATE OF THE UNITED STATES

APRIL 5 (legislative day, MARCH 3), 1993

Mr. CRAIG (for himself, Mr. WALLOP, Mr. MURKOWSKI, Mr. BENNETT, Mr. BURNS, Mr. HATCH, Mr. STEVENS, Mr. SIMPSON, Mr. BRYAN, Mr. REID, Mr. BROWN, Mr. THURMOND, and Mr. GORTON) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

MAY 19 (legislative day, APRIL 19), 1993

Reported by Mr. JOHNSTON, without amendment

A BILL

To modify the requirements applicable to locatable minerals on public lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLES.**

2 (a) IN GENERAL.—This Act may be cited as the
3 “Hardrock Mining Reform Act of 1993”.

4 (b) SURFACE RESOURCES ACT OF 1955.—The Act
5 of July 23, 1955 (69 Stat. 367, chapter 375; 30 U.S.C.
6 611 et seq.) is amended by adding at the end the following
7 new section:

8 **“SEC. 8. SHORT TITLE.**

9 “This Act may be cited as the ‘Surface Resources Act
10 of 1955’.”.

11 (c) MATERIALS ACT OF 1947.—The Act of July 31,
12 1947 (61 Stat. 681, chapter 406; 30 U.S.C. 601 et seq.)
13 is amended by adding at the end the following new section:

14 **“SEC. 5. SHORT TITLE.**

15 “This Act may be cited as the ‘Materials Act of
16 1947’.”.

17 **SEC. 2. FINDINGS AND PURPOSE.**

18 (a) FINDINGS.—Congress finds and declares that—

19 (1) a secure and reliable supply of nonfuel min-
20 erals is essential to the industrial base of the United
21 States, national security, and balance of trade;

22 (2) many of the deposits of nonfuel hard min-
23 erals that may be commercially developed are on
24 Federal public lands, and are difficult and expensive
25 to discover and process;

1 (3) the national need for nonfuel hard minerals
2 will continue to expand and the demand for the min-
3 erals will exceed domestic sources of supply without
4 a strong mining industry;

5 (4) mining of nonfuel hard minerals is an ex-
6 tremely high-risk, capital-intensive endeavor, which,
7 to attract necessary investment, requires certainty
8 and predictability in access to public lands, estab-
9 lishment of mining titles, and the rights of claimants
10 to develop minerals;

11 (5) it is in the national interest to foster and
12 encourage private enterprise in the development of a
13 domestic minerals industry to maintain and create
14 high paying jobs in the United States;

15 (6) mining activities on public lands should be
16 consistent with applicable Federal land use plans
17 and should be conducted in compliance with all ap-
18 plicable Federal and State environmental regulations
19 and standards, including standards governing mined
20 land reclamation;

21 (7) the diversity in terrain, climate, biological,
22 chemical, and other physical conditions, and vari-
23 ation among the minerals mined and the methods of
24 mining and processing, require that reclamation

1 standards should be tailored to local and regional
2 conditions; and

3 (8) changes in the general mining laws of the
4 United States to provide more direct economic re-
5 turn to the United States and greater protection for
6 public resources are desirable, so long as the
7 changes do not adversely affect employment in the
8 mining industry or in industries that provide goods
9 and services required for mining activities, interfere
10 with a secure and reliable supply of minerals, or ad-
11 versely affect the balance of trade of the United
12 States.

13 (b) PURPOSE.—It is the purpose of this Act to—

14 (1) provide for increased Federal revenue from
15 the location and production of ores and nonfuel hard
16 minerals through increased fees and royalties;

17 (2) provide for the payment of fair market
18 value for the surface of any land patented under the
19 general mining laws of the United States;

20 (3) ensure that all public lands affected by
21 nonfuel minerals mining activities under the general
22 mining laws are reclaimed, in concert with State and
23 local reclamation authorities; and

24 (4) establish a program to help reclaim nonfuel,
25 hardrock mineral abandoned mines.

1 **SEC. 3. DEFINITIONS.**

2 (1) LOCATABLE MINERAL.—The term “locatable
3 mineral” means any mineral not subject to disposition
4 under—

5 (A) the Mineral Leasing Act (30 U.S.C. 181 et
6 seq.);

7 (B) the Geothermal Steam Act of 1970 (30
8 U.S.C. 1001 et seq.);

9 (C) the Materials Act of 1947 (30 U.S.C. 601
10 et seq.); or

11 (D) the Mineral Leasing Act for Acquired
12 Lands (30 U.S.C. 351 et seq.).

13 (2) MOUTH OF THE MINE.—The term “mouth of the
14 mine” means the portal of an underground mine, the point
15 of exit of ore from an open pit mine, or the wellhead of
16 a solution mine.

17 (3) VALUE.—

18 (A) IN GENERAL.—The term “value” means
19 the fair market value of the ore or solutions as they
20 emerge from the mine or well, less the direct and in-
21 direct costs of mining, including related mine explo-
22 ration and development expenses, determined in ac-
23 cordance with generally accepted accounting prin-
24 ciples.

25 (B) NO MARKET AT MOUTH OF MINE.—

1 (i) If there is no market for ore in its raw
2 or crude state, the term “value” means the
3 gross income (computed in accordance with
4 subparagraph (C)) from the mining of the ore
5 or the production of the solutions, less the di-
6 rect and indirect costs associated with the min-
7 ing or production, determined in accordance
8 with generally accepted accounting principles.

9 (C) GROSS INCOME FROM THE MINING OF THE
10 ORE OR THE PRODUCTION OF THE SOLUTIONS.—
11 Gross income from the mining of the ore or the pro-
12 duction of the solutions shall be computed by mul-
13 tiplying—

14 (i) gross sales (actual or, where there are
15 no sales, constructive) of the minerals or metals
16 contained in the ore or solutions by a fraction
17 whose numerator is the sum of all direct and
18 indirect mining costs incurred to bring the ore
19 or solutions to the mouth of the mine (exclud-
20 ing in-pit crushing), and whose denominator is
21 the total of all mining and nonmining costs in-
22 curred to produce, sell, and transport the prod-
23 uct.

1 (4) SECRETARY.—Unless the context otherwise re-
2 quires, the term “Secretary” means the Secretary of the
3 Interior.

4 **SEC. 4. LOCATION AND MAINTENANCE REQUIREMENTS.**

5 (a) LOCATION FEE.—For each claim located after
6 date of enactment of this Act, a claimant shall pay the
7 Secretary a location fee of \$25.00 not later than 90 days
8 after the date of location.

9 (b) ANNUAL MAINTENANCE FEE.—Commencing the
10 first calendar year after the date of enactment of this Act,
11 a claimant shall pay the Secretary on or before December
12 31 of each year, a maintenance fee of \$100 per claim to
13 maintain the claim for the following calendar year.

14 (c) INDEXING.—

15 (1) IN GENERAL.—The Secretary shall adjust
16 the fees required by this section to reflect changes
17 in the Consumer Price Index published by the Bu-
18 reau of Labor Statistics of the Department of Labor
19 every 5 years after the date of enactment of this
20 Act, or more frequently if the Secretary determines
21 an adjustment to be reasonable.

22 (2) NOTICE.—The Secretary shall provide
23 claimants notice of any adjustment made under this
24 subsection not later than July 1 of any year in
25 which the adjustment is made.

1 (3) EFFECTIVE DATE OF ADJUSTMENT.—A fee
2 adjustment under this subsection shall begin to
3 apply the calendar year following the calendar year
4 in which it is made.

5 (d) FAILURE TO PAY FEE.—Failure to timely pay
6 the location fee or maintenance fee required by this section
7 for a claim shall be deemed an abandonment of the claim.
8 The claim shall be deemed null and void by operation of
9 law effective at noon on the date that is 30 days after
10 the date upon which the payment was due.

11 (e) EXCEPTION FOR HOLDERS OF FEWER THAN 50
12 CLAIMS.—

13 (1) ELIGIBILITY.—The claim maintenance fees
14 required under this section shall be waived or re-
15 duced in accordance with paragraph (3) for a claim-
16 ant who certifies in writing to the Secretary that on
17 the date the payment was due the claimant—

18 (A) was the holder (as defined in para-
19 graph (2)) of not more than 50 mining claims
20 on public lands; and

21 (B) has performed assessment work suffi-
22 cient to maintain the mining claims held by the
23 claimant for the assessment year ending on
24 noon of September 1 of the calendar year in
25 which the maintenance fee payment was due.

1 (2) HOLDER.—As used in paragraph (1), the
2 term “holder” includes—

3 (A) the claimant;

4 (B) the spouse and dependent children (as
5 defined in section 152 of the Internal Revenue
6 Code of 1986), of the claimant; and

7 (C) a person affiliated with the claimant,
8 including—

9 (i) a person controlled by, controlling,
10 or under common control with the claim-
11 ant; and

12 (ii) a subsidiary or parent company or
13 corporation of the claimant.

14 (3) WAIVED OR REDUCED MAINTENANCE
15 FEES.—

16 (A) 10 OR FEWER CLAIMS.—The mainte-
17 nance fee shall be waived in its entirety for 10
18 or fewer claims held by a claimant eligible
19 under paragraph (1).

20 (B) 11 OR MORE CLAIMS.—

21 (i) IN GENERAL.—Subject to clause
22 (ii), the maintenance fee shall be reduced
23 to \$25 per claim for each claim in excess
24 of 10.

1 (ii) LIMITATION.—The reduction in
2 this subparagraph shall be available for no
3 more than 50 claims held by a claimant
4 who is eligible under paragraph (1).

5 (g) EXISTING REQUIREMENTS.—

6 (1) PAYMENT IN LIEU OF ANNUAL LABOR RE-
7 QUIREMENTS.—The third sentence of 2324 of the
8 Revised Statutes (30 U.S.C. 28) is amended by in-
9 serting after “On each claim located after the 10th
10 day of May, 1872,” the following: “that is eligible
11 for a waiver or reduced fee under section 4(e) of the
12 Hardrock Mining Reform Act of 1993,”.

13 (2) FEDERAL FILING REQUIREMENTS.—Section
14 314 of the Federal Land Policy and Management
15 Act of 1976 (43 U.S.C. 1744) is amended—

16 (A) by striking subsection (a);

17 (B) by redesignating subsections (b), (c),
18 and (d) as subsections (a), (b), and (c), respec-
19 tively; and

20 (C) in subsection (b) (as so redesignated)
21 by striking “subsections (a) and (b)” and in-
22 serting “subsection (a)”.

23 (3) CONFORMING AMENDMENT.—Section
24 2511(e) of the Energy Policy Act of 1992 (30

1 U.S.C. 242(e) is amended by striking the second
2 sentence.

3 **SEC. 5. ROYALTY.**

4 (a) IN GENERAL.—The production and sale of
5 locatable minerals (including associated minerals) from
6 any mining claim located after the date of enactment of
7 this Act shall be subject to a royalty of 2 percent of the
8 value of the minerals measured at the mouth of the mine.

9 (b) PAYMENT OF ROYALTY.—Royalty payments shall
10 be made not later than 45 days after the end of each cal-
11 endar quarter during which the minerals are sold. The
12 payments shall be subject to adjustment, if required, at
13 the end of each calendar year.

14 (c) AUDIT.—The Secretary may audit the payments
15 under this section at any time upon notice to the claimant.

16 (d) ROYALTY DEDUCTION.—The Secretary may re-
17 duce the royalties under this section whenever the Sec-
18 retary determines it is necessary to promote development
19 or whenever the claims cannot be successfully operated
20 under the terms of this section.

21 (e) HARDROCK MINING ROYALTY REVIEW COMMIS-
22 SION.—

23 (1) ESTABLISHMENT.—There is established the
24 Hardrock Mining Royalty Review Commission (re-
25 ferred to in this section as the “Commission”).

1 (2) MEMBERSHIP.—The Commission shall be
2 comprised of 9 members appointed by the Secretary
3 who have experience in the economics of the
4 hardrock mining industry.

5 (3) CHAIRPERSON.—The Secretary shall des-
6 ignate 1 member to serve as a Chairperson of the
7 Commission.

8 (4) COMPENSATION.—Members of the Commis-
9 sion shall serve without compensation but shall be
10 reimbursed for travel expenses, including per diem in
11 lieu of subsistence, at rates authorized for employees
12 of agencies under subchapter I of chapter 57 of title
13 5, United States Code, while away from their homes
14 or regular places of business in the performance of
15 services for the Commission.

16 (5) DUTIES OF COMMISSION.—Not later than
17 18 months after the date of enactment of this sec-
18 tion, the Commission shall review the effect of the
19 royalty provisions under this section on the domestic
20 hardrock mining industry and present its findings
21 and recommendations to the Secretary and to the
22 Committee on Energy and Natural Resources of the
23 Senate and the Committee on Natural Resources of
24 the House of Representatives. In conducting its re-
25 view, the Commission shall—

1 (A) consider the economic effect of dif-
2 ferent royalty rates on the domestic hardrock
3 mining industry, employment, local and regional
4 economics, the balance of trade, national secu-
5 rity, and strategic supplies;

6 (B) determine whether there are sufficient
7 differences between various minerals or means
8 of production to support different royalty rates
9 for specific minerals or means of production;

10 (C) estimate the long-term effect of dif-
11 ferent royalty rates on competition within the
12 industry and between domestic and foreign pro-
13 duction; and

14 (D) consider the multiplier effect of dif-
15 ferent royalty rates.

16 (6) POWERS OF THE COMMISSION.—The Com-
17 mission may—

18 (A) hold such hearings, sit and act at such
19 times and places, take such testimony, and re-
20 ceive such evidence as the Commission consid-
21 ers advisable;

22 (B) use the United States mails in the
23 same manner and under the same conditions as
24 other departments and agencies of the Federal
25 Government;

1 (C) enter into contracts or agreements for
2 studies and surveys with public and private or-
3 ganizations and transfer funds to Federal agen-
4 cies to carry out such functions of the Commis-
5 sion as the Commission determines to be nec-
6 essary; and

7 (D) incur such necessary expenses and ex-
8 ercise such other powers as are consistent with,
9 and reasonably required to perform, the func-
10 tions of the Commission under this section.

11 (7) SUPPORT.—The Secretary shall provide
12 such office space, furnishings, and equipment as
13 may be required to enable the Commission to carry
14 out this section. The Secretary shall also furnish the
15 Commission with such staff, including clerical sup-
16 port, as the Commission may require.

17 (8) OTHER FEDERAL AGENCIES.—

18 (A) IN GENERAL.—Upon request of the
19 Commission, the Secretary may request the
20 head of any Federal department or agency—

21 (i) to assist the Commission in carry-
22 ing out this section; and

23 (ii) to provide such information as the
24 Commission requires.

1 (B) DETAIL OF GOVERNMENT EMPLOY-
2 EES.—Any Federal Government employee may
3 be detailed to the Commission. The detail shall
4 be without interruption or loss of privilege, se-
5 niority, pay, or other employee status. The
6 Commission shall reimburse the cooperating
7 Federal agency for the detail of an employee.

8 (9) FINANCIAL AND ADMINISTRATIVE SERV-
9 ICES.—The Secretary of the Interior shall provide fi-
10 nancial and administrative services (including those
11 related to budgeting, accounting, financial reporting,
12 personnel, and procurement) to the Commission.

13 (10) APPROPRIATIONS.—There are authorized
14 to be appropriated such sums as are necessary to
15 carry out this section.

16 **SEC. 6. LIMITATIONS ON PATENTS.**

17 (a) IN GENERAL.—After the date of enactment of
18 this Act, a patent issued by the United States for any
19 claim shall be subject to the requirements of subsection
20 (b) unless the Secretary determines that—

21 (1) a mineral survey application has been filed
22 with the Secretary or patent application was filed
23 with the Secretary within six months of date of en-
24 actment of this Act; and

1 (2) the claimant has made a discovery of valu-
2 able minerals and has met or can meet all require-
3 ments applicable to vein, lode, or placer claims and
4 all requirements applicable to mill site claims, as ap-
5 propriate.

6 (b) LIMITATIONS ON PATENTED ESTATE.—A patent
7 issued by the United States after the date of enactment
8 of this Act shall be issued only—

9 (1) upon payment by the claimant of the fair
10 market value for the interest in the land owned by
11 the United States exclusive of and without regard to
12 the mineral deposits in the land; and

13 (2) upon reservation by the United States of a
14 royalty as provided in section 5.

15 **SEC. 7. PLANS OF OPERATION AND RECLAMATION RE-**
16 **QUIREMENTS.**

17 (a) IN GENERAL.—Except as otherwise provided in
18 this subsection, no person may engage in mineral activities
19 on Federal land that cause more than a minimal disturb-
20 ance of surface resources (as defined in subsection (b))
21 unless the person has filed a plan of operations with, and
22 received approval of the plan from, the Secretary.

23 (b) MINIMAL DISTURBANCE OF SURFACE RE-
24 SOURCES.—As used in this section, “minimal disturbance
25 of surface resources” means minor, short-term alteration

1 of surface resources. The Secretary may establish cat-
2 egories of activities that do not constitute minimal disturb-
3 ance of surface resources.

4 (c) ENVIRONMENTAL, LAND USE, AND RECLAMA-
5 TION REQUIREMENTS.—All operations conducted under a
6 plan of operations referred to in subsection (a) shall be
7 conducted in accordance with all applicable Federal and
8 State environmental laws, including—

9 (1) the Atomic Energy Act of 1954 (42 U.S.C.
10 2011 et seq.);

11 (2) the Clean Air Act (42 U.S.C. 7401 et seq.);

12 (3) the Comprehensive Environmental Re-
13 sponse, Compensation, and Liability Act of 1980 (42
14 U.S.C. 9601 et seq.);

15 (4) the Endangered Species Act of 1973 (16
16 U.S.C. 1531 et seq.);

17 (5) the Federal Land Policy and Management
18 Act of 1976 (43 U.S.C. 1701 et seq.);

19 (6) the Federal Mine Safety and Health Act of
20 1977 (30 U.S.C. 801 et seq.);

21 (7) the Federal Water Pollution Control Act
22 (commonly referred to as the “Clean Water Act”)
23 (33 U.S.C. 1251 et seq.);

1 (8) the Forest and Rangeland Renewable Re-
2 sources Planning Act of 1974 (16 U.S.C. 1600 et
3 seq.);

4 (9) the Migratory Bird Treaty Act (16 U.S.C.
5 703 et seq.);

6 (10) the National Environmental Policy Act of
7 1969 (42 U.S.C. 4321 et seq.);

8 (11) the National Historic Preservation Act (16
9 U.S.C. 470 et seq.);

10 (12) title XIV of the Public Health Service Act
11 (commonly referred to as the “Safe Drinking Water
12 Act”) (42 U.S.C. 300f et seq.);

13 (13) the Solid Waste Disposal Act (42 U.S.C.
14 6901 et seq.);

15 (14) the Toxic Substances Control Act (15
16 U.S.C. 2601 et seq.); and

17 (15) the Uranium Mill Tailings Radiation Con-
18 trol Act of 1978 (42 U.S.C. 7901 et seq.).

19 (c) INSPECTION AND ENFORCEMENT.—

20 (1) INSPECTIONS.—The Secretary shall inspect
21 an operation conducted under a plan of operations
22 once each calendar quarter to ensure compliance
23 with the terms of an approved plan of operations.
24 The Secretary may, at the discretion of the Sec-

1 retary, conduct inspections more frequently than
2 once each calendar quarter.

3 (2) ENFORCEMENT.—

4 (A) IN GENERAL.—Subject to subpara-
5 graphs (B) and (C), a claimant who fails to ob-
6 tain a plan of operations required by this sec-
7 tion, engages in unauthorized occupancy under
8 section 9, or who fails to comply with the terms
9 of an approved plan of operations, shall be sub-
10 ject to a fine of not more than \$2,000 per day
11 per violation.

12 (B) CORRECTIVE ACTION.—A claimant
13 shall not be assessed a fine under subparagraph
14 (A) if the violation is corrected, or a means to
15 correct the violation is in place, within 30 days
16 after the date on which the claimant is notified
17 in writing of a violation.

18 (C) HEARING.—No fine shall be assessed
19 under this paragraph unless the claimant has
20 been given an opportunity for a hearing on the
21 record before the Secretary.

22 (d) RECLAMATION OF LAND PATENTED AFTER EN-
23 ACTMENT.—

24 (1) APPLICABLE LAW.—Land patented after
25 the date of enactment of this Act shall be subject to

1 the mining reclamation laws of the State in which
2 the land is located.

3 (2) ABSENCE OF APPLICABLE STATE LAW.—In
4 the absence of applicable State mining reclamation
5 laws, land patented after the date of enactment of
6 this Act shall be subject to the Federal mining re-
7 clamation laws that would have applied had the land
8 remained in Federal ownership.

9 (3) RECITATION.—Each patent issued after the
10 date of enactment of this Act shall recite that as a
11 condition of the patent, the land patented shall be
12 subject to the requirements of this subsection.

13 (4) RECLAMATION.—Public lands disturbed by
14 operations approved by the Secretary shall be re-
15 claimed as required by applicable Federal and State
16 laws concerning mined land reclamation.

17 **SEC. 8. FINANCIAL ASSURANCES.**

18 (a) FINANCIAL ASSURANCES REQUIRED.—Prior to
19 the commencement of any operations on a claim that re-
20 quires a plan of operation, a claimant shall—

21 (1) furnish evidence of a bond, surety, or other
22 financial guarantee in an amount determined by the
23 Secretary that is not less than the estimated cost to
24 complete reclamation of the land disturbed by oper-

1 ations as required by this Act and other applicable
2 mining laws; or

3 (2) provide evidence satisfactory to the Sec-
4 retary that the area to be affected is covered by a
5 bonding pool that will provide for reclamation of the
6 land disturbed by operations as required by this Act
7 and other applicable mining laws.

8 (b) REVIEW.—Not later than 5 years after an assur-
9 ance is provided under subsection (a), and at least each
10 5 years thereafter, the Secretary shall, after consultation
11 with representatives of the affected States, review the fi-
12 nancial assurances.

13 (c) PHASED GUARANTEES.—The Secretary may ad-
14 just the amount of the financial guarantee provided under
15 subsection (a) upon a determination by the Secretary that
16 a portion of reclamation is completed as required by this
17 Act and other applicable mining laws.

18 (d) RELEASE.—Prior to any reduction in, or final re-
19 lease of, a bond or other financial guarantee, the Secretary
20 shall provide for public notice and comment.

21 **SEC. 9. OCCUPANCY AND RESIDENCY OF CLAIMS.**

22 (a) PROHIBITION.—Subject to the other provisions of
23 this section and valid existing rights, full- or part-time res-
24 idential occupancy of a mining claim, including the con-
25 struction, presence, or maintenance of a temporary or per-

1 manent structure that may be used for residential occu-
2 pancy purposes, shall be prohibited.

3 (b) TRANSITORY OCCUPANCY.—Residential occu-
4 pancy of a claim for purposes reasonably incident to
5 prospecting, mining, or processing that does not involve
6 surface disturbance extending beyond the period of occu-
7 pancy shall be permitted for a duration of no more than
8 14 days upon notice to the Secretary.

9 (c) TEMPORARY OCCUPANCY.—The Secretary may
10 approve residential occupancy of a claim for a period in
11 excess of 14 days as part of a plan of operations required
12 under applicable law, if the Secretary determines that the
13 occupancy is reasonably required to accomplish such plan.
14 Occupancy under this subsection shall of no greater dura-
15 tion or extent than is necessary to accomplish the
16 prospecting, mining, or processing incident to the plan.

17 **SEC. 10. MINERAL MATERIALS.**

18 (a) DETERMINATIONS.—Section 3 of the Surface Re-
19 sources Act of 1955 (30 U.S.C. 611) is amended—

20 (1) by striking “SEC. 3. No deposit” and insert-
21 ing the following:

22 **“SEC. 3 MINERAL MATERIALS.**

23 “(a) VARIETIES OF MINERALS NOT DEEMED VALU-
24 ABLE MINERAL DEPOSITS.—No deposit”;

1 (2) in the first sentence, by striking “or cin-
2 ders” and inserting “cinders, or clay”; and

3 (3) by adding at the end the following new sub-
4 section:

5 “(b) DISPOSAL.—

6 “(1) IN GENERAL.—Subject to valid existing
7 rights (as defined in paragraph (2)), after the date
8 of enactment of this section, deposits of minerals re-
9 ferred to in subsection (a) (except deposits of ben-
10 tonite and gypsum) shall be subject to disposal
11 under the terms and conditions of the Materials Act
12 of 1947 (30 U.S.C. 601 et seq.).

13 “(2) VALID EXISTING RIGHTS DEFINED.—As
14 used in paragraph (1), the term ‘valid existing
15 rights’ means a mining claim located for a mineral
16 material that—

17 “(A) has some property that gives the
18 claim distinct and special value as described in
19 subsection (a), including so-called ‘block pum-
20 ice’ as described in subsection (a);

21 “(B) was properly located and maintained
22 under the general mining laws on the date of
23 enactment of this subsection;

24 “(C) was supported by a discovery of a val-
25 uable mineral deposit within the meaning of the

1 general mining law on the date of enactment of
2 this subsection; and

3 “(D) continues to be valid.”.

4 (b) MINERAL MATERIALS SUBJECT TO RIGHT OF
5 THE UNITED STATES FOR DISPOSAL AND SEVERANCE.—
6 Subsections (b) and (c) of section 4 of the Surface Re-
7 sources Act of 1955 (30 U.S.C. 612) is amended by insert-
8 ing “and mineral material” after “vegetative” both places
9 it appears .

10 (c) CONFORMING AMENDMENT.—The first sentence
11 of section 1 of the Materials Act of 1947 (30 U.S.C. 601)
12 is amended by striking “common varieties of”.

13 **SEC. 11. RECEIPTS.**

14 Two-thirds of the receipts from location and mainte-
15 nance fees required by section 4, royalties required by sec-
16 tion 5, and payments required by section 6 shall be paid
17 into the Treasury of the United States and deposited as
18 miscellaneous receipts. One-third of the receipts from any
19 claim, patent, or millsite shall be paid by the Secretary
20 of the Treasury to the treasury of the State in which such
21 claim, patent, or millsite is located.

22 **SEC. 12. ABANDONED HARDROCK MINE RECLAMATION**
23 **PROGRAM.**

24 (a) ESTABLISHMENT.—There is established a pro-
25 gram to be known as the Abandoned Hardrock Mine Rec-

1 lamation Program (referred to in this section as the “Pro-
2 gram”). The Program shall be administered by the Sec-
3 retary of the Interior acting through the Director of the
4 Bureau of Land Management.

5 (b) DESCRIPTION OF PROGRAM.—

6 (1) IN GENERAL.—The Secretary is authorized
7 to make grants to eligible States (as defined in sub-
8 section (e)) for the reclamation and restoration of
9 land and water resources adversely affected by past
10 hardrock mining (other than coal and fluid known
11 minerals). The grants may be used for—

12 (A) the reclamation and restoration of
13 abandoned surface mined areas;

14 (B) the reclamation and restoration of
15 abandoned milling and processing areas;

16 (C) the sealing, filling, and grading of
17 abandoned deep mine entries;

18 (D) the planting of land adversely affected
19 by past mining to prevent erosion and sedi-
20 mentation;

21 (E) the prevention, abatement, treatment,
22 and control of water pollution created by aban-
23 doned mine drainage;

24 (F) the control of surface subsidence due
25 to abandoned deep mines; and

1 (G) such other projects as may be nec-
2 essary to accomplish this Act.

3 (2) PRIORITIES.—Expenditure of grant funds
4 by the Secretary shall reflect the following priorities
5 in the order stated:

6 (A) The protection of public health, safety,
7 and general welfare from the adverse effects of
8 past hardrock mining practices.

9 (B) The restoration of land and water re-
10 sources previously degraded by the adverse ef-
11 fects of past minerals and mineral materials
12 mining practices.

13 (c) ELIGIBLE AREAS.—

14 (1) ELIGIBILITY IN GENERAL.—Subject to
15 paragraph (2), land and water eligible for reclama-
16 tion expenditures under this section shall be those—

17 (A) that were mined or processed for min-
18 erals and mineral materials or abandoned or
19 left in an inadequate reclamation status prior to
20 the date of enactment of this section;

21 (B) for which the Secretary (or State)
22 makes a determination that there is no continu-
23 ing reclamation responsibility under Federal or
24 State laws; and

1 (C) for which it can be established that the
2 land does not contain minerals that could eco-
3 nomically be extracted through the reprocessing
4 or remining, unless the consideration is in con-
5 flict with the priorities set forth under subpara-
6 graphs (A) and (B) of subsection (b)(2).

7 (2) SPECIFIC SITES AND AREAS NOT ELIGI-
8 BLE.—Areas designated for remedial action pursu-
9 ant to the Uranium Mill Tailing Radiation Control
10 Act of 1978 (42 U.S.C. 7901 et seq.) or that have
11 been listed for remedial action pursuant to the Com-
12 prehensive Environmental Response, Compensation,
13 and Liability Act of 1980 (42 U.S.C. 9601 et seq.)
14 shall not be eligible for expenditure under this sec-
15 tion.

16 (d) ALLOCATION AND EXPENDITURES.—

17 (1) ALLOCATIONS.—

18 (A) IN GENERAL.—Funds available for ex-
19 penditure by the Secretary shall be allocated on
20 an annual basis in the form of grants to eligible
21 States, or in the form of expenditures under
22 subsection (d)(2), to carry out this Act.

23 (B) DISTRIBUTION.—The Secretary shall
24 distribute the funds equitably to eligible States,

1 giving due consideration to the priorities stated
2 in subsection (b)(2).

3 (2) DIRECT FEDERAL EXPENDITURES.—The
4 Secretary makes grants to States not eligible under
5 subsection (e) based on the greatest need for the
6 funds pursuant to the priorities stated in subsection
7 (b)(2).

8 (e) STATE RECLAMATION PROGRAMS.—

9 (1) ELIGIBLE STATES.—For the purpose of
10 subsection (d), the term “eligible States” are States
11 that the Secretary determines meets each of the fol-
12 lowing requirements:

13 (A) Within the State there are mined
14 lands, waters, and facilities eligible for reclama-
15 tion under subsection (c).

16 (B) The State has developed an inventory
17 of affected areas following the priorities estab-
18 lished under subsection (b)(2).

19 (C) The State has established, and the
20 Secretary has approved, a State abandoned
21 minerals and mineral materials mine reclama-
22 tion program for the purpose of receiving and
23 administering grants under this section.

1 (2) MONITORING.—The Secretary shall monitor
2 the expenditure of State grants to ensure that the
3 grants are being utilized to carry out this Act.

4 (3) STATE PROGRAMS.—The Secretary shall ap-
5 prove any State abandoned minerals mine reclama-
6 tion program submitted to the Secretary by a State
7 under this section if the Secretary finds that the
8 State has the means and necessary State legislation
9 to implement the program and that the program
10 complies with this section.

11 (f) AUTHORIZATION OF APPROPRIATIONS.—

12 (1) IN GENERAL.—Subject to paragraph (2),
13 there are authorized to be appropriated such sums
14 as are necessary to carry out this section.

15 (2) LIMITATION.—The amount annually au-
16 thorized to be appropriated under this subsection
17 shall not exceed the sums paid into the Treasury of
18 the United States, and deposited as miscellaneous
19 receipts, pursuant to section 11 for the fiscal year
20 preceding the authorization.

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