

114TH CONGRESS  
2D SESSION

# H. R. 5500

To protect taxpayers from liability associated with the reclamation of surface coal mining operations, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2016

Mr. CARTWRIGHT (for himself, Mr. GRIJALVA, Mrs. DINGELL, Mr. BEYER, Ms. MCCOLLUM, Ms. NORTON, Mrs. WATSON COLEMAN, Mr. ELLISON, Mr. HUFFMAN, Mr. POCAN, Ms. SLAUGHTER, Mr. TONKO, Ms. LEE, Ms. TSONGAS, Mrs. CAPPS, Mr. CONNOLLY, Mr. BLUMENAUER, Mr. LANGEVIN, Mr. LOWENTHAL, Mr. POLIS, Mr. FARR, Mrs. NAPOLITANO, Mr. VAN HOLLEN, Mr. HONDA, Mr. TED LIEU of California, Ms. EDWARDS, Ms. CLARK of Massachusetts, Mr. MCGOVERN, Mrs. LAWRENCE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCDERMOTT, Mr. FATTAH, Ms. BROWNLEY of California, Mr. MOULTON, and Mr. CÁRDENAS) introduced the following bill; which was referred to the Committee on Natural Resources

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## A BILL

To protect taxpayers from liability associated with the reclamation of surface coal mining operations, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Coal Cleanup Taxpayer  
5 Protection Act”.

1 **SEC. 2. SURFACE COAL MINING BONDING.**

2 Section 509 of the Surface Mining Control and Rec-  
3 lamation Act of 1977 (30 U.S.C. 1259) is amended—

4 (1) by striking subsection (c) and inserting the  
5 following:

6 “(c) **ALTERNATIVE BONDING SYSTEM.**—The Sec-  
7 retary may approve as part of a State or Federal program  
8 an alternative system that will—

9 “(1) achieve the objectives and purposes of the  
10 bonding program pursuant to this section; and

11 “(2) result in no greater risk of financial liabil-  
12 ity to the Federal Government or a State govern-  
13 ment than the bonding program under this section.”;  
14 and

15 (2) by adding at the end the following:

16 “(f) **SELF-BONDING.**—

17 “(1) **FEDERAL PROGRAMS.**—

18 “(A) **IN GENERAL.**—Effective on the date  
19 of enactment of this subsection, the Secretary—

20 “(i) may not accept the bond of the  
21 applicant itself (referred to in this sub-  
22 section as a ‘self-bond’); but

23 “(ii) may accept a separate surety or  
24 collateral bond, consistent with the terms  
25 under subsection (b).

1           “(B) EXISTING SELF-BONDS.—For coal  
2 mining operations covered by a self-bond ac-  
3 cepted by the Secretary prior to the date of en-  
4 actment of this subsection, the permittee shall  
5 replace the self-bond with another form of bond  
6 acceptable to the Secretary under this section  
7 by not later than the earlier of—

8                   “(i) the date of renewal of the permit  
9                   under section 506(d); and

10                   “(ii) the date of any major permit  
11                   modification under section 506.

12           “(2) STATE PROGRAMS.—

13           “(A) IN GENERAL.—Not later than 90  
14 days after the date of enactment of this sub-  
15 section, the Secretary shall notify all State reg-  
16 ulatory authorities that allow applicants to self-  
17 bond that the approved regulatory programs of  
18 the State regulatory authority must be amend-  
19 ed—

20                   “(i) to remove the authority for appli-  
21                   cants to self-bond; and

22                   “(ii) to require coal mining operations  
23 covered by a self-bond accepted by the  
24 State regulatory authority prior to the date  
25 of enactment of this subsection to replace

1 the self-bond with another form of bond  
2 acceptable under this section by not later  
3 than the earlier of—

4 “(I) the date of renewal of the  
5 permit under section 506(d); and

6 “(II) the date of any major per-  
7 mit modification under section 506.

8 “(g) BONDS ISSUED BY SURETY.—

9 “(1) IN GENERAL.—Not later than 1 year after  
10 the date of enactment of this subsection, the Sec-  
11 retary shall issue rules establishing limitations on  
12 surety bonds accepted under this section to minimize  
13 the risk of financial liability to the Federal Govern-  
14 ment or a State government, including rules regard-  
15 ing—

16 “(A) the maximum quantity of corporate  
17 surety bonds issued by any 1 corporate surety  
18 as a percentage of the total quantity of coal  
19 mine reclamation bonds in any 1 State;

20 “(B) the minimum percentage of surety  
21 bonds unrelated to activities regulated pursuant  
22 to this Act required to reinsure corporate surety  
23 bonds;

24 “(C) the minimum collateralization re-  
25 quired for corporate surety bonds; and

1           “(D) the minimum amount of cash assets  
2           required to be held by a corporate surety as a  
3           percentage of coal mine reclamation bonds  
4           issued by the corporate surety.

5           “(2) EXISTING CORPORATE BONDS.—Corporate  
6           surety bonds in existence on the date of enactment  
7           of this subsection must be modified or replaced as  
8           necessary by not later than 1 year after the date on  
9           which the rule is issued under paragraph (1).

10          “(h) COLLATERAL REQUIREMENTS.—Real property  
11         posted as collateral for a bond may not include—

12           “(1) coal;

13           “(2) a coal mine;

14           “(3) land that includes a coal mine;

15           “(4) land that is located above a coal mine;

16           “(5) a coal processing facility;

17           “(6) a coal waste disposal site;

18           “(7) coal mining equipment unlikely to retain  
19         salvage or resale value; or

20           “(8) any other property determined by the Sec-  
21         retary.

22          “(i) EXECUTIVE COMPENSATION.—The Secretary  
23         may require the inclusion of executive compensation, in-  
24         cluding salaries and bonuses of officers and executives, of

1 an applicant under this section, and any affiliated com-  
2 pany, as collateral for a bond under this section.”.

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