

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Mine reclamation bonding-voluntary assigned trusts.

Sponsored by: Joint Minerals, Business & Economic
Development Interim Committee

A BILL

for

1 AN ACT relating to environmental quality; authorizing and
2 requiring the environmental quality council to establish a
3 voluntary assigned trust option for reclamation bonds;
4 specifying requirements for voluntary assigned trusts;
5 specifying that any voluntary assigned trust proceeds are
6 held in trust by the state on behalf of the operator for
7 fulfilling any reclamation requirements; requiring
8 rulemaking; and providing for effective dates.

9

10 *Be It Enacted by the Legislature of the State of Wyoming:*

11

1 Section 1. W.S. 35-11-417 by creating a new subsection
2 (h) is amended to read:

3

4 *****
5 *****
6 STAFF COMMENT

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8 The figures and percentages used in this bill draft are
9 based on those that the Department of Environmental Quality
10 provided to the Committee at the June meeting. They are
11 meant as placeholders as the Committee considers this bill.

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16 35-11-417. Bonding provisions.

17

18 (h) The council shall promulgate rules for a voluntary
19 assigned trust program for operators to cover the cost of
20 reclamation. This subsection shall not become operative
21 until the governor has signed rules that the council
22 promulgates for a voluntary assigned trust program that
23 require that the protection provided by voluntary assigned
24 trusts be consistent with the objectives and purposes of
25 this act. Any rules promulgated under this subsection shall
26 be in accordance with the following:

27

1 (i) Participation in an assigned trust program
2 shall be voluntary on the part of an operator. An operator
3 seeking to participate in a voluntary assigned trust as the
4 operator's bonding option shall elect to create an assigned
5 trust as required by rule of the council;

6
7 (ii) The amount necessary for an operator to fund
8 the voluntary assigned trust shall be determined by the
9 administrator in accordance with the provisions of this
10 article;

11
12 (iii) Any payment plan for a voluntary assigned
13 trust shall:

14
15 (A) Not exceed ten (10) years for the
16 assigned trust to be fully funded and sufficient to cover
17 the cost of reclamation;

18
19 (B) Require an initial payment to the
20 assigned trust of not less than fifty percent (50%) of the
21 amount determined by the administrator under paragraph (ii)
22 of this subsection;

23

1 (C) Require annual payments of not less than
2 five percent (5%) until the assigned trust is fully funded
3 and sufficient to cover the cost of reclamation.

4
5 (iv) The funds received for a voluntary assigned
6 trust shall be invested by the state treasurer as
7 authorized by law and in a manner to obtain the highest net
8 return possible consistent with the preservation of the
9 corpus of the assigned trust. All earnings from investment
10 of the corpus of the assigned trust shall be credited by
11 the state treasurer to the balance of the voluntary
12 assigned trust;

13
14 (v) The administrator shall manage any voluntary
15 assigned trust that an operator elects to create. The
16 assets of an assigned trust shall be held in trust by the
17 state for the benefit of the operator providing the funds
18 to the assigned trust and shall be expended only on
19 expenses related to the operator's obligation for
20 reclaiming the affected land on which mining operations are
21 conducted;

22

1 (vi) Any remaining amounts within an assigned
 2 trust shall be released to the operator in the manner
 3 provided for bonds in accordance with the provisions of
 4 W.S. 35-11-423 after funds are applied to cover all costs
 5 of reclaiming the affected land.

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7 *****
 8 *****

9 **STAFF COMMENT**

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11 **The Committee may wish to consider whether: (1) the Land**
 12 **Quality Administrator can retain any fees for managing the**
 13 **voluntary assigned trust; and (2) the state treasurer can**
 14 **retain any portion of the earnings for investing the trust**
 15 **funds.**

16

17 *****
 18 *****

19

20 **Section 2.** The environmental quality council shall
 21 promulgate any rules necessary to implement this act.

22

23 **Section 3.**

24

25 (a) Except as provided in subsection (b) of this
 26 section, this act is effective immediately upon completion
 27 of all acts necessary for a bill to become law as provided
 28 by Article 4, Section 8 of the Wyoming Constitution.

29

1 (b) Section 1 of this act is effective July 1, 2022.

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3

(END)