

**ADOPTED REGULATION OF THE DIVISION OF MINERALS OF
THE COMMISSION ON MINERAL RESOURCES**

LCB File No. R108-13

Effective October 24, 2014

EXPLANATION – Matter in *italics* is new; matter in brackets ~~is material to be omitted~~ is material to be omitted.

AUTHORITY: §1, NRS 519A.290.

A REGULATION relating to mining; revising provisions related to the program for the pooling of reclamation performance bonds; providing for certain administrative expenses of the program to be transferred to the Account for the Division of Minerals; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Division of Minerals of the Commission on Mineral Resources administers the program for the pooling of reclamation performance bonds. (NRS 519A.290)

Under existing regulations, all money held in the bond pool for the program must be held in trust by the State Treasurer. Further, the State Treasurer may release money from the bond pool only under certain conditions. (NAC 519A.600)

This regulation removes those provisions relating to the State Treasurer and provides for the transfer of administrative expenses from the bond pool, under certain circumstances. Specifically, this regulation provides that administrative expenses, calculated at 3 percent of the average total active bond amount held in the bond pool at the end of each of the 4 immediately preceding fiscal quarters, may be transferred annually from the bond pool to the Account for the Division of Minerals. The amount transferred must be based on the actual administrative expenses incurred by the Division and may not exceed the amount resulting from the calculation described above.

Section 1. NAC 519A.600 is hereby amended to read as follows:

519A.600 1. All money held in the bond pool must be ~~held in trust by the State Treasurer~~ and used only for the purposes of the bond pool, including administrative expenses. ~~The State Treasurer may release money to a participant, the responsible regulatory authority or the Division only upon receipt of a written request from the Administrator or his or her designee.~~

2. All interest earned on money held in the bond pool must be added to the bond pool and be used solely for the purposes of the bond pool. Participants are not entitled to receive any interest on deposits or premiums paid into the pool.

3. Except as otherwise provided in this subsection, administrative expenses, calculated at a rate of 3 percent of the average total active bond amount held in the bond pool at the end of each of the 4 immediately preceding fiscal quarters, may be transferred annually from the bond pool to the Account for the Division of Minerals created pursuant to NRS 513.103. The amount transferred must be based on the actual administrative expenses incurred by the Division and may not exceed the amount resulting from the calculations made pursuant to this subsection.

4. As used in this section, "total active bond amount" means the total amount of money held in the bond pool that has not been requested to be returned to a participant.