

**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~~.

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.*

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS  
AS REQUIRED BY NRS 233B.066  
LCB FILE R108-13**

The following statement is submitted or adopted amendments to Nevada Administrative Code (NAC) Chapter 519A.

**1. A clear and concise explanation of the need for the adopted regulation.**

Current regulations in NAC 519A governing the operation of the reclamation performance bond pool do not address how the expenses for administering the bond pool should be calculated for the purpose of transferring this amount from the bond pool to the Division's general budget. The adopted regulation amendment establishes the criteria for calculating the administrative expense, and an amount not to exceed, which may be transferred annually.

**2. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.**

Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulation were sent by U.S. mail and email to 124 persons and/or companies who were current participants in the bond pool and to those in the minerals exploration and mining industry who might have an interest in the subject of reclamation bonds as well as any persons who had specifically requested such notice. These documents were also made available at the website of the Division of Minerals [www.minerals.state.nv.us](http://www.minerals.state.nv.us), mailed to all county libraries in Nevada and posted at the following locations:

Division of Minerals  
400 W. King St., Suite 106  
Carson City, NV 89703

Grant Sawyer Building  
555 E. Washington Blvd. Suite 4900  
Las Vegas, Nevada 89101

Legislative Building  
401 South Carson Street  
Carson City, Nevada 89710

A public workshop was held on April 21, 2014, and there was no attendance from the public nor were there any submitted written comments. The minutes of that meeting are attached.

The public hearing was held before the Commission on Mineral Resources on May 8, 2014. There was no attendance by the public, nor were there any submitted written comments. The minutes of that meeting are attached.

**3. The number persons who:**

**(a) Attended each hearing:** April 21, 2014 – 0; May 8, 2014 - 0

**(b) Testified at each hearing:** April 21, 2014 – 0; May 8, 2014 - 0

**(c) Submitted to the agency written comments:** No written comments were submitted.

- 4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3, as provided to the agency.**

No comments were received and there was no attendance from businesses or the public at workshops or hearings.

- 5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public. There were no comments received.

- 6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The permanent regulation was adopted on May 8, 2014 without changes from the proposed regulation as there were no changes recommended by the public, industry, the Division, or the Commission.

- 7. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:**

- (a) Both adverse and beneficial effects; and  
(b) Both immediate and long-term effects.**

- (a) Both adverse and beneficial effects

There will be no effect on businesses or the public, as the regulation only affects how the administrative expense is calculated and capped.

- (b) Both immediate and long-term effects

See response to 7(a).

- 8. The estimated cost to the agency for enforcement of the adopted regulation.**

There is no additional cost to the agency for enforcement of this regulation.

- 9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

There are no other state or government agency regulations that the proposed regulation duplicates.

- 10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

There are no federal regulations that apply.

- 11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

This regulation does not provide a new fee or increase an existing fee.