

CHAPTER 200

NATURAL RESOURCES

SENATE BILL 25-054

BY SENATOR(S) Simpson and Bridges, Pelton B., Amabile, Ball, Catlin, Cutter, Exum, Jodeh, Kipp, Snyder, Wallace, Winter F.; also REPRESENTATIVE(S) Martinez and McCormick, Winter T., Bacon, Caldwell, Clifford, Gonzalez R., Hamrick, Joseph, Keltie, Mauro, Ricks, Smith, Stewart K., Titone, McCluskie, Duran.

AN ACT

CONCERNING THE REGULATION OF MINING ACTIVITIES, AND, IN CONNECTION THEREWITH, CREATING A NEW PERMIT TYPE TO FACILITATE THE CLEANUP OF ABANDONED MINE WASTE PILES, UPDATING FORFEITURE AND WARRANTY PROCEDURES, RATIFYING COLORADO'S MEMBERSHIP IN THE "INTERSTATE MINING COMPACT" AND THE INTERSTATE MINING COMMISSION, AND MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Short title. This short title of this act is the "Legacy Mining and Modernization Act".

SECTION 2. Legislative declaration. (1) The general assembly finds and declares that:

- (a) The division of reclamation, mining, and safety within the department of natural resources estimates there are more than 23,000 abandoned mines across the state;
- (b) Many legacy mine features contribute heavy metals and acid mine drainage to Colorado watersheds, contaminating drinking water supplies, negatively impacting the health of aquatic ecosystems, and corroding essential infrastructure;
- (c) In addition to improvements in watershed health and water quality, a reclamation-only permitting system offers an opportunity to facilitate recovery of valuable metals, rare earths, and strategic minerals without impacts associated with new mining activity; establish ecosystem-appropriate vegetation, including pollinator-friendly and drought-tolerant plants, where no vegetation exists today; and return land to a beneficial use for local communities;

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(d) Financial warranties are required for all mining operations to ensure the completion of reclamation;

(e) Each financial warranty must be set and maintained at a level that reflects the actual current cost of fulfilling the requirements of the reclamation plan; and

(f) One hundred percent of the proceeds of all forfeited financial warranties must be deposited in a special account established by the mined land reclamation board for the purpose of reclaiming lands that were obligated to be reclaimed under the permits upon which such financial warranties have been forfeited.

(2) Therefore, the general assembly declares that a new permit type should be created to facilitate the removal of waste piles while providing regulatory oversight and ensuring lands are returned to a beneficial use.

SECTION 3. In Colorado Revised Statutes, 34-32-103, **amend** the introductory portion and (8); and **add** (2.5) and (5.9) as follows:

34-32-103. Definitions. As used in this ~~article~~ ARTICLE 32, unless the context otherwise requires:

(2.5) "CERCLA" MEANS THE FEDERAL "COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980", 42 U.S.C. SEC. 9601 ET SEQ.

(5.9) "LEGACY MINE" MEANS A MINE WHERE PRE-LAW MINING OPERATIONS HAVE OCCURRED OR THE MINING OPERATIONS HAVE BEEN ABANDONED, AND NO BOND OR OTHER FINANCIAL ASSURANCE OR RECLAMATION RESPONSIBILITY COVERING THE RECLAMATION OF THE LAND AFFECTED BY THE MINING OPERATIONS EXISTS.

(8) "Mining operation" means the development or extraction of a mineral from its natural occurrences OR WITHIN REFUSE on affected land. ~~The term~~ "Mining operation" includes, but is not limited to, open mining, in situ mining, in situ leach mining, surface operations, and the disposal of refuse from underground mining, in situ mining, and in situ leach mining. ~~The term~~ "Mining operation" also includes the following operations on affected lands: Transportation, concentrating, milling, evaporation, REMOVAL OF WASTE PILES AND REFUSE, and other processing. ~~The term~~ "Mining operation" does not include: The exploration and extraction of natural petroleum in a liquid or gaseous state by means of wells or pipe; the development or extraction of coal; the extraction of geothermal resources; smelting, refining, cleaning, preparation, transportation, and other off-site operations not conducted on affected land; or the extraction of construction material where there is no development or extraction of any mineral.

SECTION 4. In Colorado Revised Statutes, 34-32-110, **add** (9) as follows:

34-32-110. Limited impact operations - expedited process - reclamation-only permits - rules. (9) (a) AN OPERATOR DESIRING TO CONDUCT RECLAMATION-ONLY OPERATIONS AT A LEGACY MINE PURSUANT TO AN APPLICATION SUBMITTED AFTER SEPTEMBER 1, 2025, ON LESS THAN FIVE ACRES MAY APPLY FOR THE EXPEDITED PROCESSING OF THE OPERATOR'S PERMIT. IN ORDER TO OBTAIN A

RECLAMATION-ONLY PERMIT PURSUANT TO THIS SUBSECTION (9), AN OPERATOR SHALL FILE WITH THE OFFICE:

(I) EVIDENCE OF THE SOURCE OF THE OPERATOR'S LEGAL RIGHT TO ENTER AND INITIATE A RECLAMATION OPERATION ON THE AFFECTED LAND;

(II) A FINANCIAL WARRANTY AND FEE THAT COMPLIES WITH SUBSECTION (3) OF THIS SECTION;

(III) THE ADDRESS AND TELEPHONE NUMBER OF THE OPERATOR'S GENERAL OFFICE AND THE OPERATOR'S LOCAL ADDRESS OR ADDRESSES AND TELEPHONE NUMBER;

(IV) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE OWNER OF THE SURFACE OF THE AFFECTED LAND AND THE SOURCE OF THE OPERATOR'S LEGAL RIGHT TO ENTER AND INITIATE A RECLAMATION OPERATION ON THE AFFECTED LAND;

(V) A STATEMENT THAT THE OPERATOR WILL CONDUCT THE OPERATIONS PURSUANT TO THE TERMS AND CONDITIONS LISTED ON THE APPLICATION AND IN ACCORDANCE WITH THIS ARTICLE 32 AND THE RULES ADOPTED PURSUANT TO THIS ARTICLE 32 AND IN EFFECT AT THE TIME THE PERMIT WAS APPROVED OR AMENDED;

(VI) A MAP SHOWING INFORMATION SUFFICIENT TO DETERMINE THE LOCATION OF THE AFFECTED LAND AND EXISTING AND PROPOSED ROADS OR ACCESS ROUTES TO BE USED IN CONNECTION WITH THE RECLAMATION OPERATION;

(VII) THE APPROXIMATE SIZE OF THE AFFECTED LAND;

(VIII) INFORMATION SUFFICIENT TO DESCRIBE OR IDENTIFY THE TYPE OF RECLAMATION OPERATION PROPOSED, HOW THE OPERATOR INTENDS TO CONDUCT THE RECLAMATION OPERATION, AND THE NAME AND LOCATION OF THE MILL OR FACILITY ACCEPTING THE MATERIALS BEING EXCAVATED;

(IX) A STATEMENT THAT THE OPERATOR HAS APPLIED FOR NECESSARY LOCAL GOVERNMENT APPROVALS; AND

(X) A DESCRIPTION OF MEASURES TO BE TAKEN TO RECLAIM ANY AFFECTED LAND CONSISTENT WITH THE REQUIREMENTS OF SECTION 34-32-116.

(b) THE OFFICE SHALL NOT ISSUE A RECLAMATION-ONLY PERMIT TO A DESIGNATED MINING OPERATION.

(c) THE OFFICE SHALL NOT ISSUE A RECLAMATION-ONLY PERMIT FOR A PERIOD THAT EXCEEDS THREE YEARS FROM THE INITIATION OF EXCAVATION TO COMPLETION OF ALL RECLAMATION WORK.

(d) A RECLAMATION-ONLY PERMIT SHALL NOT BE CONVERTED INTO ANY OTHER TYPE OF PERMIT.

(e) NOTHING IN THIS SUBSECTION (9) RELIEVES A PERMITTEE OF THE DUTY TO COMPLY WITH APPLICABLE SURFACE WATER OR GROUNDWATER QUALITY OR RADIATION CONTROL REQUIREMENTS.

(f) NOTHING IN THIS SUBSECTION (9) APPLIES TO RESPONSE ACTIONS SUBJECT TO OR REQUIRED BY CERCLA.

(g) THE BOARD MAY ADOPT RULES THAT DEFINE WHAT TYPES OF RECLAMATION ACTIVITIES ARE PERMISSIBLE AND PROHIBITED UNDER THIS SECTION.

SECTION 5. In Colorado Revised Statutes, 34-32-112, **amend** (1) introductory portion; and **repeal** (1)(a) as follows:

34-32-112. Application for reclamation permit - changes in permits - fees - notice. (1) ~~Any~~ AN operator desiring to obtain a reclamation permit shall make written application to the board or to the office for a permit on forms provided by the board. The reclamation permit or the renewal of an existing permit, if approved, ~~shall~~ MUST authorize the operator to engage in such mining operation upon the affected land described in ~~such~~ THE application for the life of the mine. ~~Such~~ THE application shall ~~consist~~ BE FILED THROUGH BOARD-APPROVED METHODS AND CONSISTS of the following:

(a) ~~Five copies of the application;~~

SECTION 6. In Colorado Revised Statutes, 34-32-115, **amend** (2) as follows:

34-32-115. Action by board - appeals. (2) ~~Prior to the~~ BEFORE holding of ~~any~~ ~~such~~ A hearing AS DESCRIBED IN SUBSECTION (1) OF THIS SECTION, the board or the office shall provide notice to ~~any~~ A person WHO previously ~~filing~~ FILED a protest or petition for a hearing or statement in support of an application pursuant to section 34-32-114 and shall publish notice of the time, date, and location of the hearing ON THE DIVISION WEBSITE AND in a newspaper of general circulation in the locality of the proposed mining operation once a week for two consecutive weeks immediately prior to the hearing. The hearing shall be conducted ~~as a proceeding~~ pursuant to article 4 of title 24. ~~C.R.S.~~ A final decision on the application shall be made within one hundred twenty days after the receipt of the application. In the event of complex applications, serious unforeseen circumstances, or significant snow cover on the affected land that prevents a necessary on-site inspection, the board or the office may reasonably extend the maximum time FOR A FINAL DECISION BY sixty days. In the event of in situ leach mining operations, a final decision on the application ~~will~~ SHALL be made within two hundred forty days.

SECTION 7. In Colorado Revised Statutes, 34-32-116, **amend** (7)(e) as follows:

34-32-116. Duties of operators - reclamation plans. (7) Reclamation plans and the implementation of reclamation plans must conform to the following general requirements:

(e) In those areas where revegetation is part of the reclamation plan, land shall be revegetated in such a way as to establish a diverse, effective, and long-lasting vegetative cover that is capable of self-regeneration and at least equal in extent of cover to the natural vegetation of the surrounding area. Native PLANT species THAT ENCOURAGE POLLINATORS should receive first consideration, but introduced species may be used in the revegetation process when found desirable by the board.

SECTION 8. In Colorado Revised Statutes, 34-32-117, **amend** (3)(b), (3)(d)(II), (3)(f)(IV), (3)(f)(V)(A), (4)(c)(II), (6)(a), (6)(b)(I), (6)(c), (6)(e), (6)(f), and (6)(g); and **repeal** (3)(f)(V)(C), (3)(f)(V)(D), (3)(f)(V)(E), and (8) as follows:

34-32-117. Warranties of performance - warranties of financial responsibility - release of warranties - applicability. (3) (b) The board may accept interests in real and personal property as financial warranties to WHERE THE AMOUNT OF THE RECLAMATION LIABILITY EXCEEDS THIRTY MILLION DOLLARS. THE BOARD MAY DETERMINE the extent of a specified percentage of the ~~estimated~~ APPRAISED value of ~~any such~~ THE property, ~~Any~~ NOT TO EXCEED SEVENTY-FIVE PERCENT OF THE APPRAISED VALUE. A person offering such financial warranty shall submit THE information necessary to show clear title to and the value of ~~such~~ THE property.

(d) For nondesignated mining operations:

(II) This subsection (3) ~~shall be~~ is applicable on January 1, 1996, to:

(A) Deeds of trust existing as of July 1, 1993, and subsequent updates of ~~these same~~ THE deeds of trust used as collateral for financial warranties. ~~and~~

(B) ~~Any financial warranty completed before July 1, 1993, if the value of any such financial warranty includes any mineral value or if mineral value is used to update any such financial warranty. The value of any financial warranty described in this sub-subparagraph (B) shall include mineral value for the life of the warranty.~~

(f) Proof of financial responsibility may consist of any one or more of the following, subject to approval by the board:

(IV) A deed of trust or security agreement encumbering real or personal property and creating a first lien in favor of the state FOR LIABILITIES EXCEEDING THIRTY MILLION DOLLARS;

(V) Assurance, in such form as the board may require, that:

(A) Upon commencement of production OR WHEN SITE CONDITIONS AND LIABILITIES CHANGE, the operator will establish an individual reclamation fund, to be held by an independent trustee for the board, upon such terms and conditions as the board may prescribe, which trust fund shall be funded by periodic cash payments representing such fraction of receipts as will, in the opinion of the board, provide assurance that ~~funds~~ MONEY will be available for reclamation; AND

(C) ~~Project-related fixtures and equipment (excluding rolling stock) owned or to be owned by the financial warrantor within the permit area will have a salvage value at least equal to the amount of the financial warranty, or the appropriate portion thereof;~~

(D) ~~Existing liens and encumbrances applicable to said fixtures and equipment, other than liens in favor of the United States or this state, any other state, and any political subdivisions, will be subordinated to the lien described in section 34-32-118 (4)(b); and~~

(E) ~~Said fixtures and equipment will be maintained in good operating condition and will not be removed from the permit area without the prior consent of the board;~~

(4) (c) (II) ~~★ AN OPERATOR OR A financial warrantor shall have~~ HAS sixty days after the date of notice of ~~any such~~ AN adjustment to fulfill ~~all~~ THE new requirements.

(6) (a) Financial warranties shall be maintained in good standing for the entire life of any permit issued under this ~~article. Financial warrantors~~ ARTICLE 32. AN OPERATOR OR A FINANCIAL WARRANTOR shall immediately notify the board of ~~any~~ AN event ~~which~~ THAT may impair ~~their~~ THE OPERATOR'S OR THE FINANCIAL WARRANTOR'S warranties.

(b) (I) Each OPERATOR AND financial warrantor providing proof of financial responsibility in a form described in subsection ~~(3)(f)(IV), (3)(f)(V) or (8)~~ of this section shall annually cause to be filed with the board a certification by an independent auditor that, as of the close of the ~~financial warrantor's~~ OPERATOR'S most recent fiscal year, the OPERATOR AND THE financial warrantor continued to meet all applicable requirements of the applicable subsection. ~~Financial warrantors~~ AN OPERATOR OR A FINANCIAL WARRANTOR that no longer ~~meet~~ MEETS the requirements shall instead cause to be filed an alternate form of financial warranty.

(c) Each OPERATOR AND financial warrantor providing proof of financial responsibility in a form described in subsection ~~(3)(f)(IV), (3)(f)(V) or (8)~~ of this section shall notify the board within sixty days of ~~any~~ A net loss incurred in ~~any~~ A quarterly period.

(e) Whenever the board elects to convene a hearing pursuant to this subsection (6), it may hire an independent consultant to provide expert advice at the hearing. The fees of ~~any such~~ THE consultant shall be paid by the ~~financial warrantor~~ OPERATOR, and ~~no~~ A consultant shall NOT be hired until the ~~financial warrantor~~ OPERATOR signs a written fee agreement in such form as the board may prescribe. In the event that ~~a financial warrantor~~ AN OPERATOR refuses to sign such an agreement, the board may, without hearing, order the ~~financial warrantor~~ OPERATOR to provide an alternate form of financial warranty.

(f) At ~~any~~ A hearing held pursuant to this subsection (6), if the board finds that a financial warranty has been materially impaired, ~~it~~ THE BOARD may order the OPERATOR OR THE financial warrantor to provide an alternate form of financial warranty.

(g) ~~★ AN OPERATOR OR A financial warrantor shall have~~ HAS ninety days to provide ~~any~~ AN alternate warranty required under this subsection (6).

(8) (a) ~~The board or office may, in its discretion, accept a first priority lien in the amount of the financial warranty prescribed pursuant to subsection (4) of this section on any project-related fixtures and equipment that must remain on-site in order for the reclamation plan to be performed in lieu of including the cost of acquiring and installing such fixtures and equipment.~~

(b) ~~The board or office may accept a first priority lien on any project-related~~

~~fixtures and equipment that must be demolished or removed from the site under the reclamation plan. The board or office may, in its discretion, accept such a lien as a portion of the proof of financial responsibility if the amount credited for such lien does not exceed the cost of demolishing and removing the subject fixtures and equipment or the market value of such fixtures and equipment, whichever is less.~~

~~(c) Any fixtures and equipment accepted pursuant to this subsection (8) shall be insured and maintained in good operating condition and shall not be removed from the permit area without the prior consent of the board. Each financial warrantor providing a lien on such equipment and fixtures shall file an annual report with the office in sufficient detail to fully describe the condition, value, and location of all pledged fixtures and equipment. Such financial warrantor shall not pledge such equipment and fixtures to secure any other obligation and shall immediately notify the office of any other interest that arises in the pledged property.~~

SECTION 9. In Colorado Revised Statutes, 34-32-118, **amend** (5); and **repeal** (4)(b) and (4)(c) as follows:

34-32-118. Forfeiture of financial warranties. (4) (b) ~~The amount of any forfeited financial warranty shall be a lien in favor of this state upon any project-related fixtures or equipment offered as proof of financial responsibility pursuant to section 34-32-117 (3)(f)(v).~~

~~(c) Said lien shall have priority over all other liens and encumbrances irrespective of the date of recordation, except liens of record on June 19, 1981, and liens of the United States, the state, and political subdivisions thereof for unpaid taxes, and shall attach and be deemed perfected as of the date the board approves issuance of the operator's permit.~~

~~(5) Funds MONEY recovered by the attorney general in proceedings brought pursuant to subsection (4) of this section shall be held in the account described in section 34-32-122 and shall be used to reclaim lands covered by the forfeited warranties. except that five percent of the amount of the financial warranty shall be deposited in the mined land reclamation fund, created in section 34-32-127, to cover the administrative costs incurred by the office in performing reclamation. The board shall have HAS a right of entry to reclaim said THE lands. Upon completion of such THE reclamation, the board shall present to the financial warrantor a full accounting and shall refund all unspent moneys MONEY.~~

SECTION 10. In Colorado Revised Statutes, 34-32-122, **amend** (1)(a) and (2) as follows:

34-32-122. Fees, civil penalties, and forfeitures - deposit - emergency response cash fund - created - definition. (1) (a) ~~All fees and assessments collected pursuant to this article and five percent of the proceeds of any financial warranty forfeited pursuant to section 34-32-118 ARTICLE 32 shall be deposited in the mined land reclamation fund for administrative costs associated with reclaiming sites for which the financial warranty has been revoked CREATED IN SECTION 34-32-127. All civil penalties collected under the provisions of this article THIS ARTICLE 32 shall be deposited in the general fund. Ninety-five ONE HUNDRED percent of the proceeds of all financial warranties forfeited under the provisions of~~

section 34-32-118 shall be deposited in a special account in the general fund established by the board for the purposes of reclaiming lands ~~which~~ THAT were obligated to be reclaimed under the permits upon which ~~such~~ THE financial warranties have been forfeited.

(2) ~~Any~~ AN applicant that desires to utilize the self-insurance provisions listed in section 34-32-117 ~~(3)(f)(IV), (3)(f)(V), or (8) (3)(f)(IV) OR (3)(f)(V)~~ shall pay an annual fee to the office sufficient to defray the actual cost to the office of establishing and reviewing the financial warranty of the applicant. ~~These funds are hereby~~ MONEY COLLECTED AS SUCH FEES IS annually made available to the office, which shall utilize outside financial and legal services for this purpose.

SECTION 11. In Colorado Revised Statutes, 34-32-124.5, **amend** (1)(b) as follows:

34-32-124.5. Emergencies endangering public health or welfare or environment. (1) Following an investigation, an emergency response is justified pursuant to section 34-32-122 (3) if the board or office determines that:

(b) Circumstances exist, regardless of whether caused by a person, at a legacy mine site that create a danger to public health or welfare or the environment. ~~For purposes of this paragraph (b), "legacy mine site" means a site where hard rock mining operations have been abandoned as those terms are defined in section 34-34-101 (1)(b) and (4).~~

SECTION 12. In Colorado Revised Statutes, 34-32-127, **amend** (2)(a)(I)(A) as follows:

34-32-127. Mined land reclamation fund - created - fees - fee adjustments - rules. (2) (a) The office shall collect fees for fiscal year 2014-15 and for each subsequent year of operation for operations according to the following schedule:

(I) Applications pursuant to:

(A) Section 34-32-110 ~~(1)~~ (1) AND (9) \$ 288

SECTION 13. In Colorado Revised Statutes, 34-32.5-112, **amend** (1)(b) introductory portion; and **repeal** (1)(b)(I) as follows:

34-32.5-112. Application for reclamation permit - changes in permits - fees - notice. (1) (b) ~~Each~~ AN application ~~shall consist~~ SHALL BE FILED THROUGH BOARD-APPROVED METHODS AND CONSISTS OF:

(I) ~~Five copies of the application;~~

SECTION 14. In Colorado Revised Statutes, 34-32.5-115, **amend** (2) as follows:

34-32.5-115. Action by board - appeals. (2) ~~Prior to~~ BEFORE holding a hearing AS DESCRIBED IN SUBSECTION (1) OF THIS SECTION, the board or the office shall provide notice to ~~any~~ A person who filed a protest or petition for a hearing or statement in support of an application pursuant to section 34-32.5-114. Notice of the

time, date, and location of the hearing shall be published ON THE DIVISION WEBSITE AND in a newspaper of general circulation in the locality of the proposed mining operation once a week for the two consecutive weeks immediately preceding the hearing. The hearing shall be conducted pursuant to article 4 of title 24. ~~C.R.S.~~ A final decision on the application shall be made within one hundred twenty days after the receipt of the application. In the event of complex applications, serious unforeseen circumstances, or significant snow cover on the affected land that prevents a necessary on-site inspection, the board may reasonably extend the time in which a final decision must be made by sixty days.

SECTION 15. In Colorado Revised Statutes, 34-32.5-116, **amend** (4) introductory portion and (4)(f) as follows:

34-32.5-116. Duties of operators - reclamation plans. (4) Reclamation plans and their implementation are required on all affected lands and ~~shall~~ MUST conform to the following requirements:

(f) In those areas where revegetation is part of the reclamation plan, land shall be revegetated so that a diverse, effective, and long-lasting vegetative cover is established that is capable of self-regeneration and is at least equal, with respect to the extent of cover, to the natural vegetation of the surrounding area. ~~Species chosen for~~ NATIVE PLANT SPECIES THAT ENCOURAGE POLLINATORS SHOULD RECEIVE FIRST CONSIDERATION, BUT INTRODUCED SPECIES MAY BE USED IN THE REVEGETATION PROCESS WHEN FOUND DESIRABLE BY THE BOARD. Revegetation ~~shall~~ MUST be compatible for the proposed post-extraction land use and ~~shall~~ be of adequate diversity to establish successful reclamation.

SECTION 16. In Colorado Revised Statutes, 34-32.5-117, **amend** (3)(b), (3)(d)(II), (3)(f)(IV), (3)(f)(V)(A), (4)(c)(II), (6)(a), (6)(b), (6)(c), (6)(e), (6)(f), and (6)(g); and **repeal** (3)(f)(V)(C), (3)(f)(V)(D), (3)(f)(V)(E), (3)(f)(VI), (3)(f)(VII), and (8) as follows:

34-32.5-117. Warranties of performance - warranties of financial responsibility - release of warranties - definitions. (3) (b) The board may accept interests in real and personal property as financial warranties ~~to~~ WHERE THE AMOUNT OF THE RECLAMATION LIABILITY EXCEEDS FIFTY MILLION DOLLARS. THE BOARD MAY DETERMINE the extent of a specified percentage of the ~~estimated~~ APPRAISED value of ~~such~~ THE property, NOT TO EXCEED SEVENTY-FIVE PERCENT OF THE APPRAISED VALUE. A person offering such a financial warranty shall submit information to show clear title to and the value of ~~such~~ THE property.

(d) For construction materials operations:

(II) This subsection (3) ~~shall be~~ is effective ~~on~~ January 1, 1996, with respect to a:

(A) Financial warranty that is collateral for a deed of trust used as collateral for a financial warranty in existence on July 1, 1993, and subsequent amendments of ~~such~~ THE deed of trust. ~~and~~

(B) ~~Financial warranty completed before July 1, 1993, if the value of such~~

~~financial warranty includes a construction material value or if construction material value is used to update such warranty. The value of a financial warranty described in this sub-subparagraph (B) shall include the construction material value for the life of the warranty.~~

(f) Proof of financial responsibility may consist of one or more of the following, subject to approval by the board:

(IV) A deed of trust or security agreement encumbering real or personal property and creating a first lien in favor of this state FOR LIABILITIES EXCEEDING FIFTY MILLION DOLLARS;

(V) Assurance, in such form as the board may require, that:

(A) Upon commencement of production, OR WHEN SITE CONDITIONS AND LIABILITIES CHANGE, the operator will establish an individual reclamation fund to be held by an independent trustee for the board, upon such terms and conditions as the board may prescribe, and funded by periodic cash payments representing such fraction of receipts as will, in the opinion of the board, provide assurance that ~~funds~~ MONEY will be available for reclamation; AND

(C) ~~Project-related fixtures and equipment, excluding rolling stock, owned or to be owned by the financial warrantor within the permit area will have a salvage value at least equal to the amount of the financial warranty or the appropriate portion of such warranty;~~

(D) ~~Existing liens and encumbrances applicable to project-related fixtures and equipment shall be subordinated to the lien described in section 34-32.5-118; except that liens in favor of the United States, a state, or a political subdivision shall not be so subordinated;~~

(E) ~~Project-related fixtures and equipment shall be maintained in good operating condition and will not be removed from the permit area without the prior consent of the board;~~

(VI) A certified financial statement for the financial warrantor's most recent fiscal year and a certification by an independent auditor that:

(A) ~~The financial warrantor is the issuer of one or more currently outstanding senior credit obligations that have been rated by a nationally recognized rating organization;~~

(B) ~~The obligations enjoy a rating by such rating organization of 'A' or better;~~

(C) ~~The financial warrantor's net worth was at least twice the amount of all financial warranties made by such warrantor as of the close of the most recent fiscal year;~~

(VII) ~~A certified financial statement for the financial warrantor's most recent fiscal year and a certification by an independent auditor that as of the close of such year the financial warrantor's:~~

~~(A) Net worth was at least ten million dollars and was equal to or greater than twice the amount of all financial warranties;~~

~~(B) Tangible fixed assets in the United States were worth at least twenty million dollars;~~

~~(C) Total liabilities-to-net-worth ratio was not more than two to one;~~

~~(D) Net income, excluding nonrecurring items, was positive. Nonrecurring items that affect net income shall be stated in order to determine if they materially affect self-bonding capacity.~~

(4) (c) (II) ~~★ AN OPERATOR OR A financial warrantor shall have~~ HAS sixty days after the date of notice of an adjustment to fulfill the new requirements.

(6) (a) A financial warranty shall be maintained in good standing for the entire life of a permit issued under this ~~article. ★ ARTICLE 32.5.~~ AN OPERATOR OR A financial warrantor shall immediately notify the board of an event that may impair ~~its~~ THE OPERATOR'S OR THE FINANCIAL WARRANTOR'S warranty.

(b) Each OPERATOR AND financial warrantor ~~who~~ THAT provides proof of financial responsibility in a form described in subsection ~~(3)(f)(IV) to (3)(f)(VII) or subsection (8)~~ (3)(f)(IV) OR (3)(f)(V) of this section shall cause to be filed with the board a certification by an independent auditor. ~~Such~~ THE certification shall be filed annually and ~~shall~~ MUST provide that, as of the close of the ~~financial warrantor's~~ OPERATOR'S most recent fiscal year, ~~such~~ THE OPERATOR AND THE financial warrantor continued to meet all applicable requirements of ~~such subparagraphs (IV) to (VII). ★ SUBSECTIONS (3)(f)(IV) AND (3)(f)(V) OF THIS SECTION.~~ AN OPERATOR OR A financial warrantor ~~who~~ THAT no longer meets ~~such~~ THE requirements shall cause to be filed an alternate form of financial warranty.

(c) ~~★ AN OPERATOR OR A financial warrantor who~~ THAT provides proof of financial responsibility in a form described in ~~paragraph (b) of this subsection (6)~~ SUBSECTION (6)(b) OF THIS SECTION shall notify the board within sixty days after a net loss is incurred in a quarterly period.

(e) Whenever the board convenes a hearing pursuant to this subsection (6), it may hire an independent consultant to provide expert advice at the hearing. The fees of ~~any such~~ THE consultant shall be paid by the ~~financial warrantor~~ OPERATOR, and ~~no~~ A consultant shall NOT be hired until the ~~financial warrantor~~ OPERATOR signs a written fee agreement in such form as the board may prescribe. If a ~~financial warrantor~~ AN OPERATOR refuses to sign such an agreement, the board may, without hearing, order ~~such financial warrantor~~ THE OPERATOR to provide an alternate form of financial warranty.

(f) If the board finds, at ~~any~~ A hearing held pursuant to this subsection (6), that a financial warranty has been materially impaired, it may order the OPERATOR OR THE financial warrantor to provide an alternate form of financial warranty.

(g) ~~★ AN OPERATOR OR A financial warrantor shall have~~ HAS ninety days to provide ~~any~~ AN alternate warranty required under this subsection (6).

(8) (a) ~~The board or office may accept a first-priority lien on project-related fixtures and equipment that must remain on site for the reclamation plan to be performed in lieu of including the cost of acquiring and installing such fixtures and equipment in the amount of the financial warranty prescribed pursuant to subsection (4) of this section.~~

(b) ~~The board or office may accept a first-priority lien on project-related fixtures and equipment that must be demolished or removed from the site under a reclamation plan and may, in its discretion, accept such a lien as a portion of the proof of financial responsibility if the amount credited does not exceed the cost of demolishing and removing such fixtures and equipment or the market value of such fixtures and equipment, whichever is less.~~

(c) ~~Any fixtures and equipment accepted pursuant to this subsection (8) shall be insured and maintained in good operating condition and shall not be removed from the permit area without the prior consent of the board. A financial warrantor that provides a lien on such equipment and fixtures shall file an annual report with the office in sufficient detail to fully describe the condition, value, and location of all pledged fixtures and equipment. Such financial warrantor shall not pledge such equipment and fixtures to secure any other obligation and shall immediately notify the office of any other interest that arises in the pledged property.~~

SECTION 17. In Colorado Revised Statutes, 34-32.5-118, **amend** (5); and **repeal** (4)(b) and (4)(c) as follows:

34-32.5-118. Forfeiture of financial warranties. (4) (b) ~~The amount of a forfeited financial warranty shall constitute a lien upon project-related fixtures or equipment offered as proof of financial responsibility pursuant to section 34-32.5-117. Such lien shall be in favor of this state.~~

(c) ~~The lien described in paragraph (b) of this subsection (4) shall have priority over all other liens and encumbrances, irrespective of the date of recordation, except liens of record on June 19, 1981, and liens of the United States, this state, and political subdivisions of this state for unpaid taxes and shall attach and be deemed perfected as of the date the board approves issuance of the operator's permit.~~

(5) ~~Funds MONEY recovered by the attorney general in proceedings brought pursuant to subsection (4) of this section shall be held in the special account described in section 34-32.5-122 and shall be used to reclaim lands covered by forfeited warranties. except that five percent of the amount of such forfeited warranties shall be deposited in the mined land reclamation fund, created in section 34-32-127, to cover administrative costs incurred by the office in performing reclamation. The board shall have HAS a right of entry to reclaim such THE lands, and, upon completion of such THE reclamation, the board shall present a full accounting to the financial warrantor and shall refund all unspent moneys MONEY.~~

SECTION 18. In Colorado Revised Statutes, **amend** 34-32.5-122 as follows:

34-32.5-122. Fees, civil penalties, and forfeitures - deposit. (†) ~~All fees and assessments collected pursuant to this article and five percent of the proceeds of any financial warranty forfeited pursuant to section 34-32.5-123 for administrative costs~~

~~associated with reclaiming sites for which the financial warranty has been revoked~~
ARTICLE 32.5 shall be deposited in the mined land reclamation fund created in section 34-32-127. All civil penalties collected pursuant to this ~~article~~ ARTICLE 32.5 shall be deposited in the general fund. ~~Ninety-five~~ ONE HUNDRED percent of the proceeds of all financial warranties forfeited under section 34-32.5-118 shall be deposited in a special account in the general fund established by the board for the purpose of reclaiming lands that were required to be reclaimed under permits upon which ~~such~~ THE financial warranties had been forfeited.

~~(2) An applicant that desires to use the self-insurance provisions in section 34-32.5-117 (3)(f)(IV) to (3)(f)(VII) or (8) shall pay an annual fee to the office sufficient to defray the actual cost to the office of establishing and reviewing the financial warranty of such applicant. Such funds are hereby annually made available to the office, which shall utilize outside financial and legal services for this purpose.~~

SECTION 19. In Colorado Revised Statutes, **add** part 50 to article 60 of title 24 as follows:

PART 50
INTERSTATE MINING COMPACT

24-60-5001. Short title. THE SHORT TITLE OF THIS PART 50 IS THE "INTERSTATE MINING COMPACT".

24-60-5002. Ratification of interstate mining compact. THE GENERAL ASSEMBLY RATIFIES AND ENTERS INTO THE INTERSTATE MINING COMPACT WITH ALL STATES THAT ENACT THE COMPACT IN THE FORM SUBSTANTIALLY CONTAINED IN SECTION 24-60-5003.

24-60-5003. Text of interstate mining compact - legislative declaration - definitions. (1) **Legislative declaration.** THE GENERAL ASSEMBLY FINDS THAT:

(a) MINING AND THE CONTRIBUTIONS OF MINING TO THE ECONOMY AND WELL-BEING OF EVERY STATE ARE OF BASIC SIGNIFICANCE;

(b) THE EFFECTS OF MINING ON THE AVAILABILITY OF LAND, WATER, AND OTHER RESOURCES FOR OTHER USES PRESENT SPECIAL PROBLEMS THAT PROPERLY CAN BE APPROACHED ONLY WITH DUE CONSIDERATION FOR THE RIGHTS AND INTERESTS OF THOSE ENGAGED IN MINING, THOSE USING OR PROPOSING TO USE THESE RESOURCES FOR OTHER PURPOSES, AND THE PUBLIC;

(c) MEASURES FOR THE REDUCTION OF THE ADVERSE EFFECTS OF MINING ON LAND, WATER, AND OTHER RESOURCES MAY BE COSTLY, AND THE DEVISING OF MEANS TO DEAL WITH THEM ARE OF BOTH PUBLIC AND PRIVATE CONCERN;

(d) VARIABLES INCLUDING SOIL STRUCTURE AND COMPOSITION, PHYSIOGRAPHY, CLIMATIC CONDITIONS, AND THE NEEDS OF THE PUBLIC MAKE IMPRACTICABLE THE APPLICATION TO ALL MINING AREAS OF A SINGLE STANDARD FOR THE CONSERVATION, ADAPTATION, OR RESTORATION OF MINED LAND OR THE DEVELOPMENT OF MINERAL AND OTHER NATURAL RESOURCES, BUT JUSTIFIABLE REQUIREMENTS OF LAW AND PRACTICE RELATING TO THE EFFECTS OF MINING ON

LANDS, WATER, AND OTHER RESOURCES MAY BE REDUCED IN EQUITY OR EFFECTIVENESS UNLESS THEY PERTAIN SIMILARLY FROM STATE TO STATE FOR ALL MINING OPERATIONS SIMILARLY SITUATED; AND

(e) THE STATES ARE IN A POSITION AND HAVE THE RESPONSIBILITY TO ASSURE THAT MINING IS CONDUCTED IN ACCORDANCE WITH SOUND CONSERVATION PRINCIPLES AND WITH DUE REGARD FOR LOCAL CONDITIONS.

(2) **Purposes.** THE PURPOSES OF THIS COMPACT ARE TO:

(a) ADVANCE THE PROTECTION AND RESTORATION OF LAND, WATER, AND OTHER RESOURCES AFFECTED BY MINING;

(b) ASSIST IN THE REDUCTION OR ELIMINATION OR COUNTERACTING OF POLLUTION OR DETERIORATION OF LAND, WATER, AND AIR ATTRIBUTABLE TO MINING;

(c) ENCOURAGE, WITH DUE RECOGNITION OF RELEVANT REGIONAL, PHYSICAL, AND OTHER DIFFERENCES, PROGRAMS IN EACH OF THE PARTY STATES THAT WILL ACHIEVE COMPARABLE RESULTS IN PROTECTING, CONSERVING, AND IMPROVING THE USEFULNESS OF NATURAL RESOURCES, TO THE END THAT THE MOST DESIRABLE CONDUCT OF MINING AND RELATED OPERATIONS MAY BE UNIVERSALLY FACILITATED;

(d) ASSIST THE PARTY STATES IN THEIR EFFORTS TO FACILITATE THE USE OF LAND AND OTHER RESOURCES AFFECTED BY MINING, SO THAT THE USE MAY BE CONSISTENT WITH SOUND LAND USE, PUBLIC HEALTH, AND PUBLIC SAFETY, AND TO THIS END TO STUDY AND RECOMMEND, WHEREVER DESIRABLE, TECHNIQUES FOR THE IMPROVEMENT, RESTORATION, OR PROTECTION OF THE LAND AND OTHER RESOURCES; AND

(e) ASSIST IN ACHIEVING AND MAINTAINING AN EFFICIENT AND PRODUCTIVE MINING INDUSTRY AND IN INCREASING ECONOMIC AND OTHER BENEFITS ATTRIBUTABLE TO MINING.

(3) **Definitions.** AS USED IN THIS PART 50, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COMMISSION" MEANS THE INTERSTATE MINING COMMISSION ESTABLISHED IN SUBSECTION (6) OF THIS SECTION.

(b) "MINING" MEANS THE BREAKING OF THE SURFACE SOIL IN ORDER TO FACILITATE OR ACCOMPLISH THE EXTRACTION OR REMOVAL OF MINERALS, ORES, OR OTHER SOLID MATTER; ANY ACTIVITY OR PROCESS CONSTITUTING ALL OR PART OF A PROCESS FOR THE EXTRACTION OR REMOVAL OF MINERALS, ORES, OR OTHER SOLID MATTER FROM ITS ORIGINAL LOCATION; AND THE PREPARATION, WASHING, CLEANING, OR OTHER TREATMENT OF MINERALS, ORES, OR OTHER SOLID MATTER SO AS TO MAKE THEM SUITABLE FOR COMMERCIAL, INDUSTRIAL, OR CONSTRUCTION USE. "MINING" DOES NOT INCLUDE:

(1) ASPECTS OF DEEP MINING THAT DO NOT HAVE SIGNIFICANT EFFECT ON THE SURFACE; OR

(II) EXCAVATION OF GRADING WHEN CONDUCTED SOLELY IN AID OF ON-SITE FARMING OR CONSTRUCTION.

(c) "STATE" MEANS A STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA, THE COMMONWEALTH OF PUERTO RICO, OR A TERRITORY OR POSSESSION OF THE UNITED STATES.

(4) **State programs.** EACH PARTY STATE AGREES THAT WITHIN A REASONABLE TIME IT WILL FORMULATE AND ESTABLISH AN EFFECTIVE PROGRAM FOR THE CONSERVATION AND USE OF MINED LAND BY THE ESTABLISHMENT OF STANDARDS, THE ENACTMENT OF LAWS, OR THE CONTINUING OF THE SAME IN FORCE, TO ACCOMPLISH:

(a) THE PROTECTION OF THE PUBLIC AND THE PROTECTION OF ADJOINING AND OTHER LANDOWNERS FROM DAMAGE TO THEIR LANDS AND THE STRUCTURES AND OTHER PROPERTY ON THAT LAND RESULTING FROM THE CONDUCT OF MINING OPERATIONS OR THE ABANDONMENT OR NEGLECT OF LAND AND PROPERTY FORMERLY USED IN THE CONDUCT OF THOSE OPERATIONS;

(b) THE CONDUCT OF MINING AND THE HANDLING OF REFUSE AND OTHER MINING WASTES IN WAYS THAT WILL REDUCE ADVERSE EFFECTS ON THE ECONOMIC, RESIDENTIAL, RECREATIONAL, OR AESTHETIC VALUE AND UTILITY OF LAND AND WATER;

(c) THE INSTITUTION AND MAINTENANCE OF SUITABLE PROGRAMS OF ADAPTATION, RESTORATION, AND REHABILITATION OF MINED LANDS; AND

(d) THE PREVENTION, ABATEMENT, AND CONTROL OF WATER, AIR, AND SOIL POLLUTION RESULTING FROM MINING IN THE PAST, PRESENT, AND FUTURE.

(5) **Powers.** IN ADDITION TO ANY OTHER POWERS CONFERRED UPON THE INTERSTATE MINING COMMISSION ESTABLISHED BY SUBSECTION (6) OF THIS SECTION, THE COMMISSION SHALL HAVE POWER TO:

(a) STUDY MINING OPERATIONS, PROCESSES, AND TECHNIQUES FOR THE PURPOSE OF GAINING KNOWLEDGE CONCERNING THE EFFECTS OF THE OPERATIONS, PROCESSES, AND TECHNIQUES ON LAND, SOIL, WATER, AIR, PLANT AND ANIMAL LIFE, RECREATION, AND PATTERNS OF COMMUNITY OR REGIONAL DEVELOPMENT OR CHANGE;

(b) STUDY THE CONSERVATION, ADAPTATION, IMPROVEMENT, AND RESTORATION OF LAND AND RELATED RESOURCES AFFECTED BY MINING;

(c) MAKE RECOMMENDATIONS CONCERNING ANY ASPECT OR ASPECTS OF LAW OR PRACTICE AND GOVERNMENTAL ADMINISTRATION DEALING WITH MATTERS WITHIN THE PURVIEW OF THIS COMPACT;

(d) GATHER AND DISSEMINATE INFORMATION RELATING TO ANY OF THE MATTERS WITHIN THE PURVIEW OF THIS COMPACT;

(e) COOPERATE WITH THE FEDERAL GOVERNMENT AND ANY PUBLIC OR PRIVATE

ENTITIES HAVING INTERESTS IN ANY SUBJECT COMING WITHIN THE PURVIEW OF THIS COMPACT;

(f) CONSULT, UPON THE REQUEST OF A PARTY STATE AND WITHIN AVAILABLE RESOURCES, WITH THE OFFICIALS OF THE STATE IN RESPECT TO ANY PROBLEM WITHIN THE PURVIEW OF THIS COMPACT;

(g) STUDY AND MAKE RECOMMENDATIONS WITH RESPECT TO ANY PRACTICE, PROCESS, TECHNIQUE, OR COURSE OF ACTION THAT MAY IMPROVE THE EFFICIENCY OF MINING OR THE ECONOMIC YIELD FROM MINING OPERATIONS; AND

(h) STUDY AND MAKE RECOMMENDATIONS RELATING TO THE SAFEGUARDING OF ACCESS TO RESOURCES THAT ARE OR MAY BECOME THE SUBJECT OF MINING OPERATIONS TO THE END THAT THE NEEDS OF THE ECONOMY FOR THE PRODUCTS OF MINING MAY NOT BE ADVERSELY AFFECTED BY UNPLANNED OR INAPPROPRIATE USE OF LAND AND OTHER RESOURCES CONTAINING MINERALS OR OTHERWISE CONNECTED WITH ACTUAL OR POTENTIAL MINING SITES.

(6) The commission. (a) THE INTERSTATE MINING COMMISSION IS COMPOSED OF ONE COMMISSIONER FROM EACH PARTY STATE WHO IS THE GOVERNOR OF THAT STATE. PURSUANT TO THE LAWS OF EACH PARTY STATE, EACH GOVERNOR SHALL HAVE THE ASSISTANCE OF AN ADVISORY BODY, WHICH INCLUDES MEMBERSHIP FROM MINING INDUSTRIES, CONSERVATION INTERESTS, AND OTHER PUBLIC AND PRIVATE INTERESTS AS MAY BE APPROPRIATE, IN CONSIDERING PROBLEMS RELATING TO MINING AND IN DISCHARGING THE RESPONSIBILITIES AS A COMMISSIONER ON THE COMMISSION. IN ANY INSTANCE WHERE A GOVERNOR IS UNABLE TO ATTEND A MEETING OF THE COMMISSION OR PERFORM ANY OTHER FUNCTION IN CONNECTION WITH THE BUSINESS OF THE COMMISSION, THE GOVERNOR SHALL DESIGNATE AN ALTERNATE FROM AMONG THE MEMBERS OF THE ADVISORY BODY REQUIRED BY THIS SUBSECTION (6), WHO SHALL REPRESENT THE GOVERNOR AND ACT IN THE GOVERNOR'S PLACE AND STEAD. THE DESIGNATION OF AN ALTERNATE SHALL BE COMMUNICATED BY THE GOVERNOR TO THE COMMISSION AS PROVIDED IN ITS BYLAWS.

(b) EACH COMMISSIONER IS ENTITLED TO ONE VOTE. AN ACTION OF THE COMMISSION MAKING A RECOMMENDATION PURSUANT TO SUBSECTION (5)(c), (5)(g), OR (5)(h) OF THIS SECTION OR REQUESTING, ACCEPTING, OR DISPOSING OF FUNDS, SERVICES, OR OTHER PROPERTY PURSUANT TO THIS SUBSECTION (6)(b) OR SUBSECTION (6)(g), (6)(h), OR (8) OF THIS SECTION SHALL NOT BE VALID UNLESS IT IS TAKEN AT A MEETING AT WHICH A MAJORITY OF THE TOTAL NUMBER OF VOTES ON THE COMMISSION IS CAST IN FAVOR OF THE ACTION. ALL OTHER ACTIONS SHALL BE BY A MAJORITY OF THOSE PRESENT AND VOTING, PROVIDED THAT ANY ACTION OF THE COMMISSION MAY OCCUR ONLY AT A MEETING AT WHICH A MAJORITY OF THE COMMISSIONERS, OR THEIR ALTERNATES, IS PRESENT. THE COMMISSION MAY ESTABLISH AND MAINTAIN FACILITIES AS MAY BE NECESSARY FOR THE TRANSACTION OF ITS BUSINESS. THE COMMISSION MAY ACQUIRE, HOLD, AND CONVEY REAL AND PERSONAL PROPERTY AND ANY INTEREST IN THAT PROPERTY.

(c) THE COMMISSION SHALL HAVE A SEAL.

(d) THE COMMISSION SHALL ELECT ANNUALLY, FROM AMONG ITS MEMBERS, A

PRESIDING OFFICER, A VICE-PRESIDING OFFICER, AND A TREASURER. THE COMMISSION SHALL APPOINT AN EXECUTIVE DIRECTOR AND FIX THE EXECUTIVE DIRECTOR'S DUTIES AND COMPENSATION. THE EXECUTIVE DIRECTOR SHALL SERVE AT THE PLEASURE OF THE COMMISSION. THE EXECUTIVE DIRECTOR, THE TREASURER, AND OTHER PERSONNEL AS THE COMMISSION DESIGNATES SHALL BE BONDED. THE AMOUNTS OF THE BONDS ARE DETERMINED BY THE COMMISSION.

(e) NOTWITHSTANDING THE CIVIL SERVICE, PERSONNEL, OR OTHER MERIT SYSTEM LAWS OF ANY OF THE PARTY STATES, THE EXECUTIVE DIRECTOR, WITH THE APPROVAL OF THE COMMISSION, SHALL APPOINT, REMOVE, OR DISCHARGE PERSONNEL AS MAY BE NECESSARY FOR THE PERFORMANCE OF THE COMMISSION'S FUNCTIONS AND SHALL FIX THE DUTIES AND COMPENSATION OF PERSONNEL.

(f) THE COMMISSION MAY ESTABLISH AND MAINTAIN, INDEPENDENTLY OR IN CONJUNCTION WITH A PARTY STATE, A SUITABLE RETIREMENT SYSTEM FOR ITS EMPLOYEES. EMPLOYEES OF THE COMMISSION ARE ELIGIBLE FOR SOCIAL SECURITY COVERAGE IN RESPECT OF OLD AGE AND SURVIVOR'S INSURANCE PROVIDED THAT THE COMMISSION TAKES STEPS NECESSARY PURSUANT TO THE LAWS OF THE UNITED STATES TO PARTICIPATE IN A PROGRAM OF INSURANCE AS A GOVERNMENTAL AGENCY OR UNIT. THE COMMISSION MAY ESTABLISH AND MAINTAIN OR PARTICIPATE IN ADDITIONAL PROGRAMS OF EMPLOYEE BENEFITS AS IT DEEMS APPROPRIATE.

(g) THE COMMISSION MAY BORROW, ACCEPT, OR CONTRACT FOR THE SERVICES OF PERSONNEL FROM ANY STATE, THE UNITED STATES, OR ANY OTHER GOVERNMENTAL AGENCY OR FROM ANY PERSON, FIRM, ASSOCIATION, OR CORPORATION.

(h) THE COMMISSION MAY ACCEPT FOR ANY OF ITS PURPOSES AND FUNCTIONS UNDER THIS COMPACT ANY AND ALL DONATIONS, AND GRANTS OF MONEY, EQUIPMENT, SUPPLIES, MATERIALS, AND SERVICES, CONDITIONAL OR OTHERWISE, FROM ANY STATE, THE UNITED STATES, OR ANY OTHER GOVERNMENTAL AGENCY, OR FROM ANY PERSON, FIRM, ASSOCIATION, OR CORPORATION, AND MAY RECEIVE, UTILIZE, AND DISPOSE OF THE SAME. ANY DONATION OR GRANT ACCEPTED BY THE COMMISSION PURSUANT TO THIS SUBSECTION (6)(h) OR SERVICES BORROWED PURSUANT TO SUBSECTION (6)(g) OF THIS SECTION SHALL BE REPORTED IN THE ANNUAL REPORT OF THE COMMISSION. THE REPORT SHALL INCLUDE THE NATURE, AMOUNT, AND CONDITIONS, IF ANY, OF THE DONATION, GRANT, OR SERVICES BORROWED AND THE IDENTITY OF THE DONOR OR LENDER.

(i) THE COMMISSION SHALL ADOPT BYLAWS FOR THE CONDUCT OF ITS BUSINESS AND HAS THE POWER TO AMEND AND RESCIND THESE BYLAWS. THE COMMISSION SHALL PUBLISH ITS BYLAWS IN CONVENIENT FORM AND FILE A COPY OF ITS BYLAWS AND A COPY OF ANY AMENDMENT TO THE BYLAWS WITH THE APPROPRIATE AGENCY OR OFFICER IN EACH OF THE PARTY STATES.

(j) THE COMMISSION ANNUALLY SHALL MAKE TO EACH PARTY STATE'S GOVERNOR, LEGISLATURE, AND ADVISORY BODY REQUIRED BY SUBSECTION (6)(a) OF THIS SECTION A REPORT COVERING THE ACTIVITIES OF THE COMMISSION FOR THE PRECEDING YEAR AND EMBODYING THE RECOMMENDATIONS MADE BY THE COMMISSION. THE COMMISSION MAY MAKE ADDITIONAL REPORTS AS IT DEEMS DESIRABLE.

(7) Advisory, technical, and regional committees. THE COMMISSION SHALL ESTABLISH ADVISORY, TECHNICAL, AND REGIONAL COMMITTEES AS IT DEEMS NECESSARY, MEMBERSHIP ON WHICH INCLUDES PRIVATE PERSONS AND PUBLIC OFFICIALS, AND SHALL COOPERATE WITH THE USE AND SERVICES OF ANY COMMITTEES AND THE ORGANIZATIONS THAT THE MEMBERS REPRESENT IN FURTHERING ANY OF ITS ACTIVITIES. THE COMMITTEES MAY BE FORMED TO CONSIDER PROBLEMS OF SPECIAL INTEREST TO ANY PARTY STATES, PROBLEMS DEALING WITH PARTICULAR COMMODITIES OR TYPES OF MINING OPERATIONS, PROBLEMS RELATED TO RECLAMATION, DEVELOPMENT, OR USE OF MINED LAND, OR ANY OTHER MATTERS OF CONCERN TO THE COMMISSION.

(8) Finance. (a) THE COMMISSION SHALL SUBMIT TO THE GOVERNOR OR DESIGNATED OFFICER OR OFFICERS OF EACH PARTY STATE A BUDGET OF ITS ESTIMATED EXPENDITURES FOR SUCH PERIOD AS MAY BE REQUIRED BY THE LAWS OF THAT PARTY STATE FOR PRESENTATION TO THE LEGISLATURE.

(b) EACH OF THE COMMISSION'S BUDGETS OF ESTIMATED EXPENDITURES SHALL CONTAIN SPECIFIC RECOMMENDATIONS OF THE AMOUNT OR AMOUNTS TO BE APPROPRIATED BY EACH OF THE PARTY STATES. THE TOTAL AMOUNT OF APPROPRIATIONS REQUESTED UNDER ANY BUDGET SHALL BE APPORTIONED AMONG THE PARTY STATES AS FOLLOWS: ONE-HALF IN EQUAL SHARES AND THE REMAINDER IN PROPORTION TO THE VALUE OF MINERALS, ORES, AND OTHER SOLID MATTER MINED. IN DETERMINING THE VALUES, THE COMMISSION SHALL EMPLOY AVAILABLE PUBLIC SOURCES OF INFORMATION AS, IN ITS JUDGMENT, PRESENT THE MOST EQUITABLE AND ACCURATE COMPARISONS AMONG THE PARTY STATES. EACH OF THE COMMISSION'S BUDGETS OF ESTIMATED EXPENDITURES AND REQUESTS FOR APPROPRIATIONS SHALL INDICATE THE SOURCE OR SOURCES USED IN OBTAINING INFORMATION CONCERNING THE VALUE OF MINERALS, ORES, AND OTHER SOLID MATTER MINED.

(c) THE COMMISSION SHALL NOT PLEDGE THE CREDIT OF ANY PARTY STATE. THE COMMISSION MAY MEET ANY OF ITS OBLIGATIONS IN WHOLE OR IN PART WITH FUNDS AVAILABLE TO IT UNDER SUBSECTION (6)(h) OF THIS SECTION; PROVIDED THAT THE COMMISSION TAKES SPECIFIC ACTION SETTING ASIDE THE FUNDS PRIOR TO INCURRING ANY OBLIGATION TO BE MET IN WHOLE OR IN PART IN SUCH MANNER. EXCEPT WHERE THE COMMISSION MAKES USE OF FUNDS AVAILABLE TO IT UNDER SUBSECTION (6)(h) OF THIS SECTION, THE COMMISSION SHALL NOT INCUR ANY OBLIGATION PRIOR TO THE ALLOTMENT OF FUNDS BY THE PARTY STATES ADEQUATE TO MEET THE SAME.

(d) THE COMMISSION SHALL KEEP ACCURATE ACCOUNTS OF ALL RECEIPTS AND DISBURSEMENTS. THE RECEIPTS AND DISBURSEMENTS OF THE COMMISSION ARE SUBJECT TO THE AUDIT AND ACCOUNTING PROCEDURES ESTABLISHED UNDER ITS BYLAWS. ALL RECEIPTS AND DISBURSEMENTS OF FUNDS HANDLED BY THE COMMISSION SHALL BE AUDITED YEARLY BY A QUALIFIED PUBLIC ACCOUNTANT, AND THE REPORT OF THE AUDIT SHALL BE INCLUDED IN AND BECOME PART OF THE ANNUAL REPORT OF THE COMMISSION.

(e) THE ACCOUNTS OF THE COMMISSION SHALL BE OPEN AT ANY REASONABLE TIME FOR INSPECTION BY DULY CONSTITUTED OFFICERS OF THE PARTY STATES AND BY ANY PERSONS AUTHORIZED BY THE COMMISSION.

(f) THIS COMPACT SHALL NOT BE CONSTRUED TO PREVENT COMMISSION COMPLIANCE WITH LAWS RELATING TO THE AUDIT OR INSPECTION OF ACCOUNTS BY OR ON BEHALF OF ANY GOVERNMENT CONTRIBUTING TO THE SUPPORT OF THE COMMISSION.

(9) Entry into force and withdrawal. (a) THIS COMPACT SHALL ENTER INTO FORCE WHEN ENACTED INTO LAW BY ANY FOUR OR MORE STATES. AFTER THAT ENACTMENT, THIS COMPACT BECOMES EFFECTIVE AS TO ANY OTHER STATE UPON ITS ENACTMENT OF THE COMPACT.

(b) ANY PARTY STATE MAY WITHDRAW FROM THIS COMPACT BY ENACTING A STATUTE REPEALING THE COMPACT, BUT WITHDRAWAL DOES NOT TAKE EFFECT UNTIL ONE YEAR AFTER THE GOVERNOR OF THE WITHDRAWING STATE HAS GIVEN NOTICE IN WRITING OF THE WITHDRAWAL TO THE GOVERNORS OF ALL OTHER PARTY STATES. A WITHDRAWAL DOES NOT AFFECT ANY LIABILITY ALREADY INCURRED BY OR CHARGEABLE TO A PARTY STATE PRIOR TO THE TIME OF WITHDRAWAL.

(10) Effect on other laws. THIS COMPACT DOES NOT LIMIT, REPEAL, OR SUPERSEDE ANY OTHER LAW OF ANY PARTY STATE.

(11) Construction and severability. THIS COMPACT SHALL BE LIBERALLY CONSTRUED SO AS TO EFFECTUATE THE PURPOSES OF THE COMPACT. THE PROVISIONS OF THIS COMPACT ARE SEVERABLE AND IF ANY PHRASE, CLAUSE, SENTENCE, OR PROVISION OF THIS COMPACT IS DECLARED TO BE CONTRARY TO THE CONSTITUTION OF ANY STATE OR OF THE UNITED STATES, OR THE APPLICABILITY OF THE COMPACT TO ANY GOVERNMENT, AGENCY, PERSON, OR CIRCUMSTANCE IS HELD INVALID, THE VALIDITY OF THE REMAINDER OF THIS COMPACT AND THE APPLICABILITY OF THE COMPACT TO ANY GOVERNMENT, AGENCY, PERSON, OR CIRCUMSTANCE IS NOT AFFECTED. IF THIS COMPACT IS HELD CONTRARY TO THE CONSTITUTION OF ANY STATE PARTICIPATING IN THE COMPACT, THE COMPACT REMAINS IN FULL FORCE AND EFFECT AS TO THE REMAINING PARTY STATES AND IN FULL FORCE AND EFFECT AS TO THE STATE AFFECTED AS TO ALL SEVERABLE MATTERS.

24-60-5004. Membership and applicability. (1) THE GOVERNOR MAY APPOINT A DESIGNEE TO SERVE AS THE GOVERNOR'S OFFICIAL REPRESENTATIVE TO THE COMPACT AND TO PERFORM ALL FUNCTIONS IN CONNECTION WITH THE BUSINESS OF THE COMPACT.

(2) PROVISIONS AND POLICIES OF THE INTERSTATE MINING COMPACT MAY NOT BE CONSTRUED TO LIMIT, REPEAL, OR SUPERSEDE ANY LAW OF THE STATE OF COLORADO.

(3) (a) THE GOVERNOR AND THE LEGISLATURE, OR AGENTS OF EITHER, MAY INSPECT THE BOOKS AND ACCOUNTS OF THE COMMISSION AT ANY REASONABLE TIME WHILE THE STATE IS A MEMBER.

(b) A COPY OF THE BYLAWS OF THE COMMISSION MUST BE PLACED ON FILE WITH THE DEPARTMENT OF NATURAL RESOURCES AND BE AVAILABLE FOR INSPECTION AT ANY REASONABLE TIME BY THE LEGISLATURE OR ANY INTERESTED CITIZEN.

(4) THE STATE OF COLORADO IS NOT LIABLE FOR THE OBLIGATIONS OR SOLVENCY OF:

- (a) THE RETIREMENT SYSTEM DESCRIBED IN SECTION 24-60-5003 (6)(f); OR
- (b) A PROGRAM OF EMPLOYEE BENEFITS DESCRIBED IN SECTION 24-60-5003 (6)(f).

24-60-5005. Expenses. THE DEPARTMENT OF NATURAL RESOURCES MAY PAY ANNUALLY THE ANNUAL MEMBERSHIP DUES PAYABLE TO THE COMMISSION FOR THE MEMBERSHIP OF THE STATE OF COLORADO IN THAT ORGANIZATION. THE MEMBERSHIP DUES SHALL BE PAID FROM MONEY COLLECTED FROM MINING FEES, ABANDONED MINE LAND FEES AND FUNDS, OR NATURAL RESOURCE OPERATIONS OR FROM MONEY GRANTED TO THE STATE BY THE FEDERAL OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT.

SECTION 20. Appropriation. For the 2025-26 state fiscal year, \$1,440 is appropriated to the department of natural resources for use by the division of reclamation, mining, and safety. This appropriation is from the mined land reclamation fund created in section 34-32-127 (1)(a), C.R.S. To implement this act, the division may use this appropriation for program costs related to minerals.

SECTION 21. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 16, 2025