

## CONDITIONS - Coal Surface Mining Reclamation Fund

The Permittee has elected to participate in the **Coal Surface Mining Reclamation Fund** (Pool Bond Fund) pursuant to Article 5, Chapter 10 of Title 45.2 of the **Code of Virginia**, as amended. Acceptance into the Pool Bond Fund is conditioned upon the following:

1. The commencement of participation in the Pool Bond Fund shall constitute an irrevocable commitment by the Permittee to participate therein as to the applicable permit and for the duration of the coal surface mining and reclamation operations covered thereunder.
2. If the Permittee submits a self bond under 4 VAC 25-130-801.13 of the Virginia Coal Surface Mining Reclamation Regulations, the Permittee shall immediately notify the Division of any change in the total liabilities or total assets which could jeopardize the support of the self bond. In the event the resources to support the self bond become insufficient, the Permittee shall be deemed to be without bond coverage.
3. Upon initiation of the reclamation tax per **Va. Code Ann. 45.2-1048 A**, the Permittee shall pay within 30 days after the end of each taxable calendar quarter an amount equal to:
  - 4 cents per clean ton of coal produced by surface mining operations.
  - 3 cents per clean ton of coal produced by underground mining operations.
  - 1.5 cents per clean ton of coal processed or loaded by preparation or loading facilities.

The Permittee shall pay the reclamation tax into the Pool Bond Fund on the coal mined and removed under the permit during the 1 year period commencing with and running from the date of commencement of coal production, processing, or loading from that permit. No Permittee shall be required to pay tax on more than five million tons of coal produced per calendar year, regardless of the Pool Bond Fund's balance. After the initial year payment, the Division shall notify the Permittee as to when the reclamation tax will be initiated.

4. The Permittee shall ensure the "Coal Surface Mining Reclamation Tax Fund Reporting Form" (DMLR-PT-178) and any applicable tax payment are submitted to the Division no later than 30 days after the last day of each reporting calendar quarter, even if no coal was mined, processed, or loaded on the permit.
5. The Division, upon advance written notice, may request to audit the relevant books and records of the Permittee upon which the taxes are based.
6. A Permittee who has defaulted on any reclamation obligation and has caused the Pool Bond Fund to incur reclamation expenses from such shall be ineligible to participate in the Pool Bond Fund for any new permit or renewal until full restitution for the default has been made.
7. A renewal fee of \$1,000 shall be required of all permittees in the Pool Bond Fund at permit renewal.