CHAPTER 38-14.3
SURFACE MINING AND RECLAMATION BOND FUND

38-14.3-01. Definitions.

In this chapter:

1. "Bond" means a bond required of a permittee under chapter 38-14.1.
2. "Fund" means the surface coal mining and reclamation bond fund.
3. "Permit" means a surface coal mining and reclamation operation permit approved by the public service commission under chapter 38-14.1.
4. "Permittee" means a person holding a permit.

38-14.3-02. Surface coal mining and reclamation bond fund - Appropriation.

The industrial commission may establish a surface coal mining and reclamation bond fund to be maintained at the Bank of North Dakota. All moneys collected and received under this chapter are appropriated to the commission for the purposes provided for in this chapter.

38-14.3-03. Bond coverage available to permittees.

The fund may provide bonds for the faithful performance of all surface coal mining laws, rules, and permit terms and conditions. An application for a bond may be made to the industrial commission, which shall approve or disapprove the application. The decision of the industrial commission may not be appealed. The industrial commission may establish conditions and require information and such guarantee and indemnity by the permittee as the industrial commission deems necessary for the preservation of the fund.

38-14.3-04. Investment of fund.

Investment of the fund is under the supervision of the Bank of North Dakota.

38-14.3-05. Commission may employ staff.

The industrial commission may employ staff and enter into public and private contracts as may be necessary to operate the fund. The salaries of employees and other expenditures for the operation of the fund must be paid out of the fund.

38-14.3-06. Premiums - Amount and to whom paid.

The premium for a bond under this chapter must be set by the industrial commission. Premiums must be paid in advance to the industrial commission and deposited in the fund.

38-14.3-07. Reinsurance contracts - Revenue bonds - Guarantees.

The industrial commission shall do all things necessary to preserve the fund and ensure the ability of the fund to pay claims. The industrial commission is granted all powers necessary to effectuate the purposes of this chapter, including but not limited to the power to:

1. Contract for reinsurance of any risk against which a bond is issued under this chapter. A contract for reinsurance may be entered into without public bids and must be approved by the insurance commissioner.
2. Issue evidences of indebtedness. The principal of, and interest on, evidences of indebtedness may be paid only from the fund. The evidences of indebtedness are not a debt of the state of North Dakota or of any officer or agent of the state within the meaning of any statutory or constitutional provision and shall contain a statement to that effect on their face. The evidences of indebtedness may be sold at public or private sale and must contain the terms and provisions set by the industrial commission. Any state department or public fund may invest its funds in the purchase of the evidences of indebtedness. The evidences of indebtedness are not subject to taxation by the state or by any political subdivision of the state.
3. Require, before issuing a bond, that a permittee guarantee and indemnify the fund against any loss and secure the guarantee and indemnity by the pledge or posting of real or personal property under terms and conditions set by the industrial commission.

The industrial commission may not require the pledge or posting of property if the fund's reserves are sufficient to ensure the payment of all claims against it. The liability of a permittee under a guarantee or indemnity agreement under this chapter is limited to the payment of any claims against the bond issued for the permittee.

38-14.3-08. Claims - How paid.

All claims against bonds provided for by this chapter must be paid out of the fund in an amount not exceeding the face amount of the bond.

38-14.3-09. Industrial commission may adopt rules.

The industrial commission may adopt rules necessary to carry out this chapter.