

GENERAL ASSEMBLY OF NORTH CAROLINA  
1983 SESSION

CHAPTER 279  
HOUSE BILL 674

AN ACT TO CONTROL THE EXPLORATION FOR URANIUM IN THE STATE OF  
NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. Chapter 74 of the General Statutes is amended by adding the following new Article:

"ARTICLE 8.

"Control of Exploration for Uranium in North Carolina.

**"§ 74-75. Legislative findings; declaration of policy** – The General Assembly finds that exploration for uranium within the State has the potential to lead to employment opportunities and other economic benefits for the citizens of North Carolina.

However, improper and unregulated exploration for uranium could adversely affect the health, safety and general welfare of the citizens of this State and could cause environmental harm.

The purpose of this act is to assure that such exploration will be accomplished in a manner that protects the environment and the health, safety and welfare of the public.

**"§ 74-76. Definitions.** – Wherever used or referred to in this Article, unless a different meaning clearly appears from the context:

1. 'Commission' means the Mining Commission created by G.S. 143B-290.
2. 'Department' means the Department of Natural Resources and Community Development.
3. 'Land' includes submerged, tidal and esturine lands.
4. 'Exploration activity' means (1) the breaking of the surface soil in order to locate a natural deposit of uranium and to determine its quality and quantity or (2) any activity that is directly connected with the breaking of the surface soil and that is undertaken to facilitate or accomplish the location and analysis of a uranium deposit. Exploration activity does not include an insignificant breaking of the surface soil and extraction of samples by hand tools for exploration purposes. This Article shall in no way limit or restrict the applicability of the Mining Act of 1971 to any activity that satisfies the definition of mining in that act.

**"§ 74-77. Permit requirement.** – No person shall engage in exploration activity for the discovery of uranium without having first obtained from the Department an exploration

permit which covers the affected land and which has not terminated, been revoked, or otherwise become invalid.

**"§ 74-78. Permits, application, granting, terms, duration, renewal.** – (a) A person desiring to engage in exploration activities for discovery of uranium shall make written application to the Department for an exploration permit. An application shall be upon a form furnished by the Department and shall fully state the information called for. In addition, the applicant may be required to furnish any other information the Department deems necessary in order to enforce this Article.

The application shall be accompanied by a signed agreement, in form specified by the Department, that in the event a bond or other security forfeiture is ordered pursuant to G.S. 74-81, the Department and its representatives and contractors may make any necessary entries on the land and take any necessary action to carry out abandonment procedures not completed by the permit holder.

The Department shall also notify the Radiation Protection Commission of the Department of Human Resources of the application and request its views and comments on the application.

The applicant shall make a reasonable effort, satisfactory to the Department, to notify all owners of record of land adjoining the proposed site and the chief administrative officer of the county or municipality in which the proposed site is located that he intends to explore for uranium on the site.

(b) The Department shall deny an application upon finding:

- (1) That the proposed exploration activity will or is likely to violate any requirement of this Article or any rule promulgated under it; or
- (2) That the person seeking to conduct the exploration activity has not corrected all violations which he committed under a prior uranium exploration permit. In the absence of any such findings, a permit shall be granted.

The Department shall grant or deny the permit as expeditiously as possible, but in no event later than 60 days after the filing of the application and of any reasonably required supplementary information.

(c) A permit may be conditioned upon any reasonable requirements and safeguards the Department deems necessary to assure that exploration activity will comply fully with the requirements and objectives of this Article and of other applicable State environmental and public health laws.

The Department shall set the amount of the performance bond or other security required pursuant to G.S. 74-79. The applicant shall have 30 days following the mailing of notification of the bond or security requirement in which to deposit the required bond or security with the Department. The exploration permit shall be issued upon timely receipt of this deposit.

(d) Exploration permits shall be valid for a period of one year. Permits may be renewed annually upon a showing that the person conducting exploration activity has complied with this Article, the rules promulgated under it, and the terms of his permit. Renewal applications shall be upon a form furnished by the Department and shall state

the information called for, as well as other information the Department deems necessary.

**"§ 74-79. Bonds.** – Each applicant for an exploration permit shall file with the Department following approval of his application and shall thereafter maintain in force a bond or other security in favor of the State of North Carolina. The bond or other security shall be acceptable to the Department and shall be in an amount determined by the Department based upon a schedule established by the Commission. That schedule shall provide for bond or other security at a level that will allow the Department, through whatever reasonable means it chooses, to perform the abandonment and other work required by this Article. The bond or other security shall be continuous in nature and shall remain in force until cancelled by the guarantor. Cancellation shall be effectuated upon written notice thereof by certified mail, return receipt requested, to the Department and to the permit holder, and shall be effective no sooner than 60 days following receipt by the Department and the operator.

The bond or other security shall be conditioned upon the faithful performance of the requirements set forth in this Article and of the rules adopted pursuant to it. Liability under the bond or other security shall remain in effect until completion of abandonment or until substitution of a good and sufficient bond or other security acceptable to the Department. In no event shall the liability of the surety exceed the amount of the bond or other security required by this section.

If notice of impending cancellation is issued by the surety, or if for any reason, the bond or other security provided is suspended or revoked or ceases to be effective, the permit holder shall, within 30 days of receipt of notice thereof, substitute a good and sufficient bond or other security acceptable to the Department. Upon failure of the permit holder to make the required substitution, his permit shall automatically become void and of no effect. Any continuation of exploration after the permit becomes void and ineffective shall make him subject to all sanctions and remedies afforded by this Article.

**"§ 74-80. Abandonment.** – All exploration holes shall be abandoned by adequately plugging them with cement from the bottom of the hole upward to a point three feet below ground surface. The remainder of the hole between the top of the plug and the surface shall be filled with cuttings or nontoxic material.

If multiple aquifers are encountered that have alternating usable quality water and salt water zones, or if other conditions determined by the Department to be potentially deleterious to surface or ground water are encountered, the conditions must be isolated immediately by cement plugs. Each such hole shall be plugged with cement to prevent water from flowing into or out of the hole or mixing within the hole. Usable quality water is ground water that is used or can be used for a beneficial purpose, including, domestic, livestock, irrigation or industrial uses.

Alternative plugging procedures and materials may be utilized when the applicant has demonstrated to the Department's satisfaction that the alternatives will protect ground waters and comply with the provisions of this Article. In the event that a hole is more suitably plugged with a nonporous material other than cement, the material shall have sealing and lasting characteristics at least equal to cement.

All other excavations or disturbances made in connection with exploration activities shall be adequately reclaimed so as to protect the natural resources of the surrounding area and to prevent the release of toxic substances.

Abandonment shall be undertaken as soon as practicable after exploration, except if multiple aquifers or other conditions potentially deleterious to surface or ground water are encountered. In any event, all abandonment shall be accomplished no later than 30 days following completion of exploration activity in an area of affected land.

**"§ 74-81. Inspection and approval of abandonment, bond release and forfeiture. –** Upon completion of abandonment of an area of affected land, the permit holder shall notify the Department on a form and in a manner it shall require. Upon receipt of the report, and at any other time it deems reasonable, the Department shall make an inspection of the area to determine whether the permit holder has complied with the requirements of this Article, any rules promulgated under it and the terms and conditions of his permit. Following its inspection, the Department shall give written notice to the permit holder of any deficiencies noted. The permit holder shall commence action within 10 days of receipt of notice to rectify these deficiencies and shall diligently proceed to correct them. The Department may extend the 10-day performance period if it finds that the permit holder is making every reasonable effort to comply.

Whenever the Department finds that the person conducting exploration activity has failed to properly abandon an area of affected land within the time allowed by G.S. 74-80 and has failed to undertake timely corrective actions following notice, it shall initiate forfeiture proceedings against the bond or other security filed pursuant to G.S. 74-79.

If the Department finds that abandonment has been properly completed, it shall so notify the person conducting the exploration activity in writing within 10 days after that finding and release him from further obligations under this Article. At the same time it shall release all or the appropriate portion of the bond or other security that has been provided.

**"§ 74-82. Suspension, revocation or modification of permit. –** The Department may revoke, suspend or modify a permit for violations of this Article, any rules promulgated under it, or other terms or conditions of the permit. This authority is subject to the 'Special Provisions on Licensing' of G.S. 150A-3.

**"§ 74-83. Forfeiture proceedings. –** Whenever the Department determines the necessity of a bond or other security forfeiture under the provisions of G.S. 74-81, or whenever it revokes, suspends or modifies a permit under the provisions of G.S. 74-82, it shall request the Attorney General to initiate forfeiture proceedings against the bond or other security filed by the permit holder: Provided, however, that no such request shall be made for forfeiture of a bond or other security until the guarantor has been given written notice of the violation and a reasonable opportunity to take corrective action. These proceedings shall be brought in the name of the State of North Carolina. In these proceedings, the face amount of the bond or other security, less any amount previously released by the Department, shall be treated as liquidated damages and subject to forfeiture. All funds collected as a result of these proceedings shall be placed in a special fund and used by the Department to carry out, to the extent possible, the abandonment measures which the permit holder has failed to complete. If the amount of

the bond or other security filed pursuant to this section proves to be insufficient to complete the required abandonment, the permit holder shall be liable to the Department for any excess above the amount of the bond or other security which may be required to defray the cost of completing the required reclamation.

**"§ 74-84. Notice.** – Whenever in this Article written notice is required to be given by the Department, such notice, unless otherwise provided, shall be mailed by registered or certified mail to the permanent address of the person set forth in his most recent application for an exploration permit. No other notice shall be required.

**"§ 74-85. Hearings; appeals.** – Any affected person wishing to contest the decision of the Department which approves, denies, suspends or revokes a permit, required additional abandonment work, refuses to release any or all of the bond or other security, or assesses a civil penalty, shall be entitled to an administrative hearing before the Mining Commission conducted in accordance with the provisions of Article 3 of Chapter 150A of the General Statutes. Appeal of the final decision of the Mining Commission shall be in accordance with the procedures established in Article 4 of Chapter 150A of the General Statutes. Requests for an administrative hearing must be made in writing and served upon the Mining Commission by serving the Department, within 30 days of receipt of notice of the action giving rise to the hearing.

**"§ 74-86. Rules and regulations.** – The Mining Commission may promulgate any rules necessary to administer and carry out the purposes of this Article.

**"§ 74-87. Penalty for violations.** – (a) Civil Penalties.

(1) a. A civil penalty of not more than five thousand dollars (\$5,000) may be assessed by the Department against any person who fails to secure a valid exploration permit prior to engaging in the exploration for uranium, as required by G.S. 74-48. Each day of continuing violation shall constitute a separate violation and a civil penalty of not more than five thousand dollars (\$5,000) per day may be assessed for each day the violation continues.

b. Any person with an exploration permit who violates any of the provisions of this Article, any rules promulgated under it, or any of the terms and conditions of his exploration permit shall be subject to a civil penalty of not more than two hundred fifty dollars (\$250.00). Each day of a continuing violation shall constitute a separate violation. Prior to the assessment of any civil penalty, written notice of the violation shall be given pursuant to G.S. 74-84. The notice shall describe the violation with reasonable particularity, shall specify a time period reasonably calculated to permit the violator to complete actions to correct the violations, and shall state that failure to correct the violations within that period will be considered an aggravating factor in the determination of the amount of the civil penalty, if any, to be assessed.

(2) The Department shall determine the amount of the civil penalty to be assessed. In determining the amount of the penalty, the Department shall consider the degree and extent of harm caused by the violation, the cost of rectifying the damage, the amount of money the violator saved by his noncompliance, the violator's state of mind in committing the violation, the prior record of the violator in complying or failing to

comply with this Article, and any corrective action taken by the violator. The Department shall notify the person conducting exploration activity of the assessment of the civil penalty by certified mail, return receipt requested or by other reasonable means calculated to provide actual notice. This notice shall describe the violations for which the civil penalty has been assessed. The person conducting exploration activity may appeal the assessment of any civil penalty assessed pursuant to this section in accordance with the procedures set forth in G.S. 74-85.

- (3) If payment of any civil penalty assessed pursuant to this section is not received by the Department or if no administrative hearing is requested within 30 days following notice to the person of the assessment of the civil penalty, or within 30 days following denial of appeal pursuant to G.S. 74-85, the Department shall refer the matter to the Attorney General for the institution of a civil action in the name of the State in the superior court of the county in which the violation is alleged to have occurred to recover the amount of the penalty.
- (4) All funds collected pursuant to this section shall be placed in a special fund and shall be used to carry out the purposes of this Article.

(b) **Injunctive Relief.** In addition to other remedies, the Department may request the Attorney General to institute any appropriate action or proceedings to prevent, restrain, correct or abate any violation of this Article or any rules promulgated under it.

(c) **Criminal Penalties.** In addition to other penalties provided by this Article, any person who engaged in exploration activity in willful violation of the provisions of this Article or of any rules promulgated under it or who willfully misrepresented any material fact in any action taken pursuant to this Article shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than one hundred dollars (\$100.00) nor more than one thousand dollars (\$1,000) for each offense. Each day of continued violation after written notification shall be considered a separate offense.

**"§ 74-88. Confidentiality of logs, surveys, and reports.** – If a person engaged in uranium exploration shows to the satisfaction of the Department that logs, surveys plats, and reports filed under this act are of a proprietary nature relating to his competitive rights, that information shall be confidential and not subject to inspection and examination (as authorized by G.S. 132-6) for four years after receipt of the information by the Department. Further, upon written request of any such person, and a showing of a continued proprietary interest affecting competitive rights, the Department shall hold the material confidential for additional two-year periods. Nothing in this section shall be construed to deny the North Carolina Geological Survey access to all logs, plats, and reports filed under this Chapter. The North Carolina Geological Survey shall be bound to hold this information confidential to the same extent that the Department is bound.

**"§ 74-89. Delay before mining permits issued.** – No permit for the mining of uranium shall be issued to an applicant for either three years, beginning with the date of issuance

of his first permit to explore for uranium, or for two years, beginning with the date of the filing of his first application for a permit to mine uranium, whichever comes first."

Sec. 2. G.S. 143B-290(1) is amended by adding the following new subpart:

"e. To promulgate rules and regulations necessary to administer the Control of Exploration for Uranium in North Carolina Act of 1983, pursuant to G.S. 74-86."

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 6th day of May, 1983.