

119TH CONGRESS
2D SESSION

H. R. 9029

To amend the Surface Mining Control and Reclamation Act of 1977 to protect taxpayers from liability associated with the reclamation of surface coal mining operations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2026

Ms. LEE of Pennsylvania (for herself, Mr. DELUZIO, and Mr. BEYER) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To amend the Surface Mining Control and Reclamation Act of 1977 to protect taxpayers from liability associated with the reclamation of surface coal mining operations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Coal Cleanup Taxpayer
5 Protection Act of 2026”.

6 **SEC. 2. SURFACE COAL MINING BONDING.**

7 Section 509 of the Surface Mining Control and Rec-
8 lamation Act of 1977 (30 U.S.C. 1259) is amended—

1 (1) by striking subsection (c) and inserting the
2 following:

3 “(c) ALTERNATIVE BONDING SYSTEM.—

4 “(1) IN GENERAL.—Subject to paragraph (2),
5 the Secretary may approve as part of a State or
6 Federal program an alternative system that will—

7 “(A) achieve the objectives and purposes of
8 the bonding program pursuant to this section;
9 and

10 “(B) result in no greater risk of financial
11 liability to the Federal Government or a State
12 government than the bonding program under
13 this section.

14 “(2) REPORT REQUIRED.—The Secretary may
15 only approve an alternative bonding system for a
16 State under paragraph (1) if such State submits a
17 report to the Secretary that provides the following
18 information:

19 “(A) A history of bond forfeitures and rec-
20 lamation costs in such State in the 7-year pe-
21 riod ending on the date on which the report is
22 submitted, including—

23 “(i) in the case of any bond forfeiture,
24 whether the money collected to make up
25 the difference between the bond and rec-

1 lamation cost was sufficient to complete
2 the reclamation as specified in the permit;
3 and

4 “(ii) an engineer’s estimate of the cost
5 to complete reclamation of mines for which
6 such State has not yet determined the cost
7 of reclamation.

8 “(B) A 5-year forecast proving the pro-
9 posed bond pool will be financially sound based
10 on—

11 “(i) the proposed annual or per ton
12 fees paid by mining operators;

13 “(ii) the past and anticipated financial
14 performance of participating mining opera-
15 tors;

16 “(iii) market projections for the 5-
17 year period beginning on the date of the
18 submission of such report;

19 “(iv) the anticipated number of min-
20 ing operators participating in each year;
21 and

22 “(v) anticipated reclamation costs, in-
23 cluding known reclamation costs and an
24 engineer’s estimate of costs not yet
25 known.”; and

1 (2) by adding at the end the following:

2 “(f) SELF-BONDING.—

3 “(1) FEDERAL PROGRAMS.—

4 “(A) IN GENERAL.—Effective on the date
5 of enactment of this subsection, the Secretary—

6 “(i) may not accept the bond of the
7 applicant itself (referred to in this sub-
8 section as a ‘self-bond’); and

9 “(ii) may accept a separate surety or
10 collateral bond, consistent with subsection
11 (b).

12 “(B) EXISTING SELF-BONDS.—For coal
13 mining operations covered by a self-bond ac-
14 cepted by the Secretary prior to the date of en-
15 actment of this subsection, the permittee shall
16 replace the self-bond with another form of bond
17 acceptable to the Secretary under this section
18 by not later than the earlier of—

19 “(i) the date of renewal of the permit
20 under section 506(d); and

21 “(ii) the date of any major permit
22 modification under section 506.

23 “(2) STATE PROGRAMS.—Not later than 90
24 days after the date of enactment of this subsection,
25 the Secretary shall notify all State regulatory au-

1 thorities that allow applicants to self-bond that the
2 approved regulatory programs of the State regu-
3 latory authority must be amended—

4 “(A) to remove the authority for applicants
5 to self-bond; and

6 “(B) to require coal mining operations cov-
7 ered by a self-bond accepted by the State regu-
8 latory authority prior to the date of enactment
9 of this subsection to replace the self-bond with
10 another form of bond acceptable under this sec-
11 tion by not later than the earlier of—

12 “(i) the date of renewal of the permit
13 under section 506(d); and

14 “(ii) the date of any major permit
15 modification under section 506.

16 “(g) BONDS ISSUED BY SURETY.—

17 “(1) IN GENERAL.—Not later than 1 year after
18 the date of enactment of this subsection, the Sec-
19 retary shall issue rules establishing limitations on
20 surety bonds accepted under this section to minimize
21 the risk of financial liability to the Federal Govern-
22 ment or a State government, including rules regard-
23 ing—

24 “(A) the maximum quantity of corporate
25 surety bonds issued by any 1 corporate surety

1 as a percentage of the total quantity of coal
 2 mine reclamation bonds in any 1 State;

3 “(B) the minimum percentage of surety
 4 bonds unrelated to activities regulated pursuant
 5 to this Act required to reinsure corporate surety
 6 bonds;

7 “(C) the minimum collateralization re-
 8 quired for corporate surety bonds; and

9 “(D) the minimum amount of cash assets
 10 required to be held by a corporate surety as a
 11 percentage of coal mine reclamation bonds
 12 issued by the corporate surety.

13 “(2) EXISTING CORPORATE BONDS.—Corporate
 14 surety bonds in existence on the date of enactment
 15 of this subsection must be modified or replaced as
 16 necessary by not later than 1 year after the date on
 17 which the rule is issued under paragraph (1).

18 “(h) COLLATERAL REQUIREMENTS.—

19 “(1) REAL PROPERTY.—Real property posted
 20 as collateral for a bond may not include—

21 “(A) coal;

22 “(B) a coal mine;

23 “(C) land that includes a coal mine;

24 “(D) land that is located above a coal
 25 mine;

1 “(E) a coal processing facility;

2 “(F) a coal waste disposal site;

3 “(G) coal mining equipment unlikely to re-
4 tain salvage or resale value; or

5 “(H) any other property determined by the
6 Secretary.

7 “(2) RE-EVALUATION.—

8 “(A) The Secretary shall re-evaluate the
9 value of any nonliquid collateral, as that term
10 is defined in subparagraph (B), 3 years after
11 such collateral is posted for a bond and every
12 three years thereafter.

13 “(B) In this paragraph, ‘nonliquid collat-
14 eral’ has the meaning given to it by the Sec-
15 retary, except that such term—

16 “(i) includes the first lien interests in
17 real estate and equipment; and

18 “(ii) does not include—

19 “(I) cash;

20 “(II) letters of credit;

21 “(III) certificates of deposit;

22 “(IV) Federal, State, or munic-
23 ipal bonds; and

24 “(V) investment grade securities.

1 “(i) EXECUTIVE COMPENSATION.—The Secretary
2 may require the inclusion of executive compensation, in-
3 cluding salaries and bonuses of officers and executives, of
4 an applicant under this section, and any affiliated com-
5 pany, as collateral for a bond under this section.”.

