

a certain time; and generally relating to open-pit mining reclamation financial security.

BY repealing and reenacting, with amendments,

Article - Natural Resources  
Section 7-506(c)  
Annotated Code of Maryland  
(1974 Volume and 1980 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Natural Resources

7-506.

(c) All bonds required by this section shall be on a form provided by the Department, shall be payable to the State of Maryland and shall be executed by the operator and a corporate surety licensed to do business in the State. Instead of a corporate surety, [either] ANY of the following [is] ARE acceptable:

(1) A deposit of cash or negotiable bonds of the United States government. The cash deposit or market value of the securities shall be at least equal to the required sum of the bond. On receipt of a deposit of cash or securities, the Department immediately shall place it with the State Treasurer, who shall receive and hold the deposit in trust, in the name of the State for the purposes for which it is made. The State Treasurer is responsible for the custody and safekeeping of the deposit. The operator, making the deposit, may demand and receive from the State Treasurer all or any portion of any deposited securities, if he replaces them with other negotiable securities of the class specified as having a market value at least equal to the sum of the bond; [or]

(2) A certificate of deposit in an amount equivalent to the required bond, issued by a bank in the State, and accompanied by written agreement of the bank to pay on demand to the State in the event of forfeiture; OR

(3) AN IRREVOCABLE LETTER OF CREDIT IN-AN-AMOUNT IF IT IS EQUIVALENT TO THE REQUIRED BOND, ISSUED BY A BANK IN THE STATE AND EXPRESSLY STATES THAT THE TOTAL SUM IS GUARANTEED TO BE AVAILABLE AND PAYABLE DIRECTLY TO THE STATE ON DEMAND IN THE EVENT OF FORFEITURE. THE IRREVOCABLE LETTER OF CREDIT MAY NOT EXPIRE DURING THE ANTICIPATED LIFE OF THE MINING ACTIVITIES AND THE RECLAMATION PERIOD THEREAFTER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1981.