



# CONGRESSMAN MATT CARTWRIGHT

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## The RECLAIM Act of 2021 Section-by-Section Summary

The RECLAIM Act of 2021 would accelerate the release of \$1 billion from the remaining, unappropriated balance in the Abandoned Mine Reclamation Fund to revitalize coal communities impacted by abandoned mine lands and the recent decrease in coal mining. This legislation will enable States and Indian tribes to facilitate sustainable economic development in economically distressed communities.

### **Section 1** – Short Title

### **Section 2** – Economic Revitalization for Coal Country

Provides for the addition of Section 416: Abandoned Mine Land Economic Revitalization to Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA). Section 416 is outlined below:

**Section (a): Purpose** – summarizes the purpose of Section 416, which is to promote economic revitalization, diversification, and development in economically distressed mining communities.

**Section (b): In General** – provides the Secretary of Interior with \$200 million annually from Fiscal Year 2022 to 2026 for the purposes outlined in section (a).

**Section (c): Use of Funds for Projects at Priority 3 Sites** – specifies that funding distributed to States and Indian tribes used to carry out reclamation projects on priority 3 sites must be intended to create favorable conditions for economic development in the surrounding area.

Eligible project applicants include State, local, county, or tribal entities and project related activities may be sub-contracted out to nongovernmental organizations. These projects must be conducted in areas that have been adversely affected by a recent reduction in coal mining related activity or in communities that have traditionally relied on coal mining for a substantial portion of their economy.

Each project applicant must engage in appropriate project planning and can collaborate with outside persons or organizations if necessary. The public must be notified during the project planning process and be given the opportunity to request public meetings near proposed project sites.

**Section (d): Distribution of Funds** – distributes funds to States and Indian tribes:

### Uncertified States and Indian Tribes

\$195 million will be distributed to uncertified States and tribes with approved AML programs each year from Fiscal Year 2022 to 2026.

- Fiscal Years 2022 through 2025 – funding is allocated based on the distribution formula. The formula is based on historical coal production and the proportion coal fees paid into the AML fund between the years of 2012 and 2016.
- Fiscal Year 2026 – each State or Indian tribe that has committed the full amount of its FY25 allocation to projects is eligible for a reallocation or “bonus payment” in FY26. These payments will be awarded from the pot of funds that remain uncommitted from all previous fiscal years. The reallocation process is described below.

### Additional Funding to Certain State and Indian Tribes

An additional \$5 million will be available each year to certified states, to be distributed by the Secretary through a grant application process.

### Reallocation of Uncommitted Funds

This section is intended to incentivize States and tribes to execute project agreements and use the funding they are granted under this section in a timely manner. It will also ensure that funding allocated under this section is used for its intended purpose and not wasted by States and tribes who choose not to use it. By reallocating unused funds to States and tribes, the program is offering them the opportunity of a bonus payment (if funds are available) as a reward for using their funds for eligible projects. This process will allow for the efficient reclamation of as much abandoned mine land as possible during the life of the program. The reallocation process is summarized here:

- Fiscal Year 2026 – the Secretary will award “bonus payments” to States and tribes that have committed all of the funding allotted to them in FY25 for projects, provided that funds are available. Funds will be available for these bonus payments if there are funds that remain uncommitted from previous fiscal years.
- Amount of Reallocation – the amount to be reallocated to States and Indian tribes will be based on the amount of unmet reclamation needs in their inventory, the amount the State or Indian tribe paid into the Fund, and the proportion of recent coal mining employment loss incurred in the State or tribe, based on Mine Safety and Health Administration (MSHA) coal employment data.

The term “committed” is defined to mean that funds received by the State or Indian tribe have been reserved for a specific project or have been expended or designated for the completion of a project.

**Section (e): Resolution of Secretary’s Concerns and Congressional Notification** – requires the Secretary to engage with the relevant State or Indian tribe if it determines that a selected project does not meet the criteria specified in the bill. This process will take place before a project is rejected by the Secretary and is intended to assist States and tribes in making their preferred projects eligible for the program. This process can take no longer than 45 days from the moment problems are identified with the project in question. If a project must be rejected, the Secretary will provide Congress with an explanation for the rejection.

**Section (f): Acid Mine Drainage Treatment** – authorizes States and Indian tribes to use up to 30% of the funds received under this section to be used for the treatment of acid mine drainage problems. If a State or tribe can demonstrate that its current acid mine drainage funding allocation is insufficient, it may use funding from this program to remedy existing acid mine drainage problems. As with any other project funded through this program, if a State or tribe executes a project agreement to use funding provided under this section for acid mine drainage work, then it will be considered “committed” for purposes of reallocation.

**Section (g): Project Planning and Administration** – allows States and tribes to designate up to 10 percent of their distribution for project planning and administrative purposes. During project planning, the State or Indian tribe should identify eligible projects, update the inventory of abandoned mine sites, develop project designs, prepare cost estimates, and engage in other similar activities necessary to facilitate the reclamation of these lands.

**Section (h): Report to Congress** - requires the Secretary to report to the Committees on Natural Resources and Appropriations of the House of Representatives and the Committees on Energy and Natural Resources and Appropriations of the Senate about the projects they have undertaken and the resulting economic and community benefits.

### **Section 3 - Technical and Conforming Amendments**

This section makes several conforming and technical amendments to title IV of SMCRA, including adding references to the new authority in several sections and updating the inventory language in section 403(c) to achieve a more accurate inventory of existing AML problems.

### **Section 4 – Minimum State Payments**

Language is included raising the cap on minimum state payments from \$3 million to \$5 million per year.

### **Section 5 – GAO Study on Use of Funds**

GAO must issue a report to Congress no later than two years after enactment on the solvency of the Abandoned Mine Reclamation Fund and the impact of the RECLAIM Act on the payments issued to certified and uncertified states under SMCRA and transfers to the United Mine Workers of America Combined Benefit Fund.

### **Section 6 – Payments to Certified States not Affected**

Clarifies that this Act does not affect payments to states certified under section 402(g) of the Surface Mining Reclamation and Control Act of 1977.