

## **PART 887--SUBSIDENCE INSURANCE PROGRAM GRANTS**

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Authority: 30 U.S.C. 1201 et seq.

### **Sec. 887.1 Scope.**

FEDERAL REGISTER CITE: 51 FR 5490 (5493)

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This part sets forth procedures for grants to States having an approved State reclamation plan for the establishment, administration and operation of self-sustaining individual State administered programs to insure private property against damages caused by land subsidence resulting from underground coal mining.

### **Sec. 887.3 Authority.**

FEDERAL REGISTER CITE: 60 FR 9974 (9983)

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The Director is authorized to approve or disapprove applications for grants up to a total amount of \$ 3,000,000 for each State with an approved State reclamation plan provided moneys are available under Sec. 872.11(b) of this chapter and Section 402(g)(1) of Pub. L. 95-87 (30 U.S.C. 1232).

### **Sec. 887.5 Definitions.**

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As used in this part --

**Establishment** means either the development of a subsidence insurance program or the administration or operation of a subsidence insurance program.

**Private Property** means any or all of the following: dwellings and improvements, commercial and industrial structures, utilities, underground structures such as sewers, pipes, wells and septic systems, sidewalks and driveways, and land.

**Self-sustaining** means maintaining an insurance rate structure which is designed to be actuarially sound. Self-sustaining requires that State subsidence insurance programs provide for recovery of payments made in settlement for damages from any party responsible for the damages under the law of the State. Actuarial soundness implies that funds are sufficient to cover expected losses and expenses including a reasonable allowance for underwriting services and contingencies. Self-sustaining shall not preclude the use of funds from other non-Federal sources.

**State Administered** means administered either directly by a State agency or for a State through a State authorized commission, board, contractor, such as an insurance company, or other entity subject to State direction.

#### **Sec. 887.10 Information collection.**

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The collections of information contained in 30 CFR part 887 have been approved by the Office of Management and Budget under 44 U.S.C. 3501 et seq., and assigned clearance number 1029-0107. The information will be used to grant funds to State regulatory authorities and Indian tribes to administer their subsidence insurance program. Response is required to obtain a benefit in accordance with 30 U.S.C. 1201 et seq. Public reporting burden for this information is estimated to average 40 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Office of Surface Mining Reclamation and Enforcement, Information Collection Clearance Officer, 1951 Constitution Avenue, N.W., Room 640 NC, Washington, D.C. 20240; and the Office of Management and Budget, Paperwork Reduction Project (1029-0107), Washington, D.C. 20503.

#### **Sec. 887.11 Eligibility for grants.**

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A State is eligible for grants under this part if it has a State reclamation plan approved under part 884 of this chapter and if it has funds available under Sec. 872.11(b) of this chapter and Section 402(g)(1) of SMCRA, as amended, 30 U.S.C. 1232.

### **Sec. 887.12 Coverage and amount of grants.**

FEDERAL REGISTER CITE: 60 FR 9974 (9983)

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(a) An agency may use moneys granted under this part to develop, administer, and operate a subsidence insurance program to insure private property against damages caused by subsidence resulting from underground coal mining. The moneys may be used to cover costs to the agency for services and materials obtained from other State and Federal agencies or local jurisdictions according to OMB Circular A-87. Moneys granted may be used to cover capitalization requirements and initial reserve requirements mandated by applicable State law provided use of such moneys is consistent with the Grants Management Common Rule (43 CFR part 12, subpart C).

(b) The grant application shall be submitted under the procedures of 30 CFR part 886 and contain the following:

(1) A narrative statement describing how the subsidence insurance program is "State administered," and

(2) A narrative statement describing how the funds requested will achieve a self-sustaining individual State administered program to insure private property against subsidence resulting from underground coal mining.

(c) Grants funded under this Part cannot exceed a total of \$3,000,000 per State.

(d) Moneys granted may not be used for lands that are ineligible for reclamation funding under Title IV of the Surface Mining Control and Reclamation Act of 1977 (Pub. L. 95-87).

(e) Insurance premiums shall be considered program income and must be used to further eligible subsidence insurance program objectives in accordance with 43 CFR part 12, subpart C.

### **Sec. 887.13 Grant period.**

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The grant funding period shall not exceed eight years from the time the grant is approved by OSM. Unexpended funds remaining at the end of any grant period shall be returned according to the 43 CFR part 12, subpart C.A.

### **Sec. 887.15 Grant administration requirements and procedures.**

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The requirements and procedures for grant administration set forth for State reclamation grants in Part 886 of this chapter shall be used for subsidence insurance grants.

