

ATTACHMENT 2

HOUSE BILL 401 P.N. 2632  
PRIOR PRINTER'S NOS. 418, 2332

SENATE AMENDED  
PRINTER'S NO. 2632

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL  
No. 401 Session of 2001

INTRODUCED BY SOLOBAY, DeWEESE, ALLEN, BELARDI, BELFANTI,  
CALTAGIRONE, COSTA, DeLUCA, FAIRCHILD, FRANKEL, GEORGE,  
GRUCELA, HARHAI, HENNESSEY, JOSEPHS, LaGROTTA, LAUGHLIN,  
LEVDANSKY, MANN, MARKOSEK, MICHLOVIC, PETRARCA, PISTELLA,  
READSHAW, ROONEY, SAINATO, SHANER, STABACK, STEELMAN,  
STERN, SURRA, TIGUE, TRELLO, TRICH, WALKO, C. WILLIAMS,  
WANSACZ, WOJNAROSKI, YOUNGBLOOD, YUDICHAK AND DALEY,  
JANUARY 31, 2001

SENATOR M. WHITE, ENVIRONMENTAL RESOURCES AND ENERGY, IN  
SENATE,  
AS AMENDED, OCTOBER 10, 2001

AN ACT

1 Amending the act of August 23, 1961 (P.L.1068, No.484),  
2 entitled, as reenacted and amended, "An act to provide for  
3 the creation and administration of a Coal and Clay Mine  
4 Subsidence Insurance Fund within the Department of  
5 Environmental Resources for the insurance of compensation for  
6 damages to subscribers thereto; declaring false oaths by the  
7 subscribers to be misdemeanors; providing penalties for the  
8 violation thereof; and making an appropriation," further  
9 providing for purpose, for definitions, for disbursements,  
10 for inflation protection, for audits and for subrogation;  
11 establishing the Mine Subsidence Assistance Program;  
12 providing for subsidence insurance; and making editorial  
13 changes.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. The title and sections 1, 2, 3, 4, 5, 7 and 9 of  
17 the act of August 23, 1961 (P.L.1068, No.484), entitled, as  
18 reenacted and amended, "An act to provide for the creation and  
19 administration of a Coal and Clay Mine Subsidence Insurance Fund  
20 within the Department of Environmental Resources for the

1 insurance of compensation for damages to subscribers thereto;  
2 declaring false oaths by the subscribers to be misdemeanors;  
3 providing penalties for the violation thereof; and making an  
4 appropriation," reenacted and amended November 27, 1972  
5 (P.L.1243, No.278), are amended to read:

6 AN ACT

7 To provide for the creation and administration of a Coal and  
8 Clay Mine Subsidence Insurance Fund within the Department of  
9 Environmental [Resources] Protection for the insurance of  
10 compensation for damages to subscribers thereto; declaring  
11 false oaths by the subscribers to be misdemeanors; providing  
12 penalties for the violation thereof; and making an  
13 appropriation.

14 Section 1. Purposes.--Whereas, the anthracite and bituminous  
15 coal and clay mine areas have been faced with the grave problem  
16 of subsidence for many years, and

17 Whereas, these problems are becoming more widespread, and

18 Whereas, these conditions cause undue hardship upon a  
19 multitude of persons, and

20 [Whereas, studies reveal that the subsidence is traceable  
21 primarily to mining of thirty or more years ago and not  
22 necessarily to present day mining so that effective measures  
23 cannot readily be taken at this late date for the elimination of  
24 the problem, and]

25 Whereas, it would be to the advantage of residents of the  
26 anthracite and bituminous coal and clay mining regions to form a  
27 common bond to combat distress resulting from subsidence;

28 Now therefore, there shall be established a Coal and Clay  
29 Mine Subsidence Insurance Fund and a Coal and Clay Mine  
30 Subsidence Insurance Board with the powers and duties as herein

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1 set out.

2 Section 2. [Terms.--The Coal and Clay Mine Subsidence  
3 Insurance Board is hereinafter called the board, the Coal and  
4 Clay Mine Subsidence Insurance Fund is hereinafter called the  
5 fund, and the Department of Environmental Resources is  
6 hereinafter called the department.] Definitions.--The following  
7 words and phrases when used in this act shall have the meanings  
8 given to them in this section unless the context clearly  
9 indicates otherwise:

10 "Abandoned underground mining area." An area determined by  
11 the Department of Environmental Protection to be either above or  
12 in close proximity to abandoned underground mine workings and  
13 periodically published in the Pennsylvania Bulletin.

14 "Board." The Coal and Clay Mine Subsidence Insurance Board  
15 established in section 3.

16 "Department." The Department of Environmental Protection of  
17 the Commonwealth.

18 "Dwelling." A single-family structure the primary purpose of  
19 which is residential.

20 "Fund." The Coal and Clay Mine Subsidence Insurance Fund  
21 established in section 4.

22 "Mine subsidence." The lateral or vertical movement of the  
23 earth resulting from past or present underground coal or clay  
24 mining operations.

25 "Mine subsidence emergency." A condition in which a dwelling  
26 sustains mine subsidence damage sufficient to render the  
27 structure unsafe for human occupancy as determined by the  
28 department.

29 "Mine subsidence insurance policy." An insurance agreement,  
30 as defined by department regulation, which is issued by the

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1 department.

2 "Owner of structure." A person, corporation, organization or  
3 association holding title to a structure within the anthracite  
4 or bituminous coal or clay mine regions as defined by the board.

5 "Program." The Mine Subsidence Assistance Program  
6 established in section 20.

7 "Secretary." The Secretary of Environmental Protection of  
8 the Commonwealth.

9 "Structure." A complete building which contains a roof,  
10 walls and a foundation which firmly attaches the structure to  
11 the earth.

12 Section 3. The Coal and Clay Mine Subsidence Insurance  
13 Board.--The Coal and Clay Mine Subsidence Insurance Board is  
14 hereby created consisting of the [Secretary of Environmental  
15 Resources] secretary, as chairman, and the Commissioner of  
16 Insurance and the State Treasurer.

17 Section 4. The Coal and Clay Mine Subsidence Insurance  
18 Fund.--The premiums to be paid by owners of structures, as  
19 hereinafter described, are hereby constituted a Coal and Clay  
20 Mine Subsidence Insurance Fund, [hereinafter called fund,] for  
21 the purpose of insuring from the moneys in the fund such owners  
22 against the damages resulting from subsidence, of coal or clay  
23 mines. Such fund shall be administered by a board without  
24 liability on the part of the State except as hereinafter  
25 provided beyond the amount thereof and shall be applied to the  
26 payment of such damages.

27 Section 5. The Initial Source of Fund.--The expenses of the  
28 administration of the fund shall after July 1, 1972, be paid out  
29 of the general appropriation of the [Department of Environmental  
30 Resources] department.

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1 Section 7. Schedule of Premiums.--At any time during each  
2 year, the [said] board shall prepare and publish a schedule of  
3 premiums or rates of insurance for subscribers, which schedule  
4 shall be printed and distributed free of charge to such persons  
5 who shall make application therefore, and any such subscriber  
6 may, at his option as hereinafter provided, pay to the fund the  
7 amount of premium appropriate, and upon payment thereof, shall  
8 be insured, as hereinafter provided, for the year for which such  
9 premium is paid, and such insurance shall cover all payments  
10 becoming due for which said premium is paid. The premium is  
11 fixed and shall be adequate to enable payment of all sums which  
12 may become due and payable under the provisions of this act, and  
13 adequate reserve sufficient to carry all policies and claims to  
14 maturity. In fixing the premiums payable by any subscriber, the  
15 board may take into account the condition of the premises of  
16 such subscriber in respect to the possibility of subsidence as  
17 shown by the report of any inspector appointed by the board or  
18 by the department, and they may from time to time change the  
19 amount of premiums payable by any of the subscribers as  
20 circumstances may require and the condition of the premises of  
21 such subscribers in respect to the possibility of subsidence may  
22 justify, and they may increase the premiums of any subscriber  
23 whose loss experience warrants such change. The insurance of any  
24 subscriber shall not be effective until he shall have paid in  
25 full the premium so fixed and determined.

26 Section 9. Investment of Surplus.--The [said] board may  
27 invest any of the surplus or reserve belonging to the fund in  
28 such securities and investments as are authorized for investment  
29 by savings banks. All such securities or evidences of  
30 indebtedness shall be placed in the hands of the State Treasurer

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1 who shall be the custodian thereof. He shall collect the  
2 principal and interest thereof when due and pay the same into  
3 the fund. The State Treasurer shall pay for all such securities  
4 or evidences of indebtedness by check issued upon requisition of  
5 the board. All such payments shall be made only upon delivery of  
6 such securities or evidences of indebtedness to the State

7 Treasurer. To all requisitions calling upon the State Treasurer  
8 to pay for any securities or evidences of indebtedness, there  
9 shall be attached a certified copy of the resolution of the  
10 board authorizing the investment. The [said] board may upon like  
11 resolution sell any of such securities.

12 Section 2. Section 10 of the act, amended November 20, 1981  
13 (P.L.350, No.127), is amended to read:

14 Section 10. Disbursements from Fund.--(a) Moneys from the  
15 general appropriation of the [Department of Environmental  
16 Resources] department are hereby made available for the expense  
17 of administering the fund including the purchase through the  
18 Department of General Services of surety bonds for such officers  
19 or employes of the board as may be required to furnish them  
20 supplies, materials, motor vehicles, workmen's insurance  
21 covering the officers and employes of the board, and liability  
22 insurance covering vehicles operated by the officers and  
23 employes of the board.

24 (b) Moneys from the general appropriation of the [Department  
25 of Environmental Resources] department shall also be available  
26 [for payment, to the Insurance Department, of the cost incurred  
27 by that department in examining and auditing the fund in such  
28 amounts as the Insurance Department shall determine, and] for  
29 payment, to the Treasury Department, of the cost of making  
30 disbursements out of the fund on behalf of the fund at such

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1 amounts as the Treasury Department, with the approval of the  
2 Executive Board, shall determine.

3 (c) The board shall keep an accurate account of the money  
4 paid in premiums by the subscribers and the disbursements on  
5 account of damages to the premises thereof, and if at the  
6 expiration of any year there shall be a balance remaining after  
7 deducting such disbursements, the unearned premiums on  
8 undetermined risks and the percentage of premiums paid or  
9 payable to create or maintain the surplus provided herein, and  
10 after setting aside an adequate reserve, so much of the balance  
11 as the board may determine to be safely distributable may either  
12 be allocated to the cost of administering the fund or be  
13 distributed among the subscribers in proportion to the premiums  
14 paid by them and the proportionate share of such subscribers as  
15 shall remain subscribers to the fund shall be credited to the  
16 installment of premiums next due by them and the proportionate  
17 share of such subscribers as shall have ceased to be subscribers  
18 in the fund shall be refunded to them out of the fund in the  
19 manner hereinafter provided.

20 Section 3. Sections 12 and 12.1 of the act, amended or added  
21 July 10, 1984 (P.L.711, No.151), are amended to read:

22 Section 12. Application for Insurance; Terms of Insurance;  
23 Penalty for False Statement.--(a) Any owner of a structure  
24 located within the anthracite or bituminous coal or clay mine  
25 region and who desires to become a subscriber to [said] the fund  
26 for the purpose of insuring such a structure therein against  
27 damages from coal or clay mine subsidences, shall make a written  
28 request for an application for such insurance to the [said]  
29 board or any of its agents. The board shall then send to the  
30 owner of the structure an application in which application the

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1 applicant shall state the name, address, date of ownership of  
2 the premises to be insured, the condition of the premises, prior  
3 subsidence experience, if any, nature of title whether it  
4 includes any subsurface support, whether any agreement exists  
5 concerning surface support. Thereupon, the board shall make such  
6 investigation as may be necessary if such application complies  
7 with the rules and regulations of the board and within sixty  
8 days after the request for an application is received shall  
9 issue a certificate showing the acceptance of the application  
10 and the amount of premium payable by such applicant for the year  
11 for which premium is sought. The amount of insurance coverage  
12 shall not exceed the replacement cost of the insured structure  
13 or the maximum amount of coverage established by the fund,  
14 whichever is less. Policies may be issued for one year, for two  
15 years or for three years as the board may establish. Except as  
16 provided in subsection (b), no insurance shall become effective  
17 until the premiums have been paid. All premiums shall be payable  
18 to the State Treasurer whereupon a receipt shall be issued  
19 therefor. The receipt for premium together with a certificate of  
20 the board shall be evidence that the applicant has become a  
21 subscriber to the fund and is insured.

22 (b) If the board fails to make the necessary investigations  
23 or inspection and fails to approve or deny an application for  
24 insurance within sixty days of receipt of the written request  
25 for an application by the board or any of its agents, in  
26 accordance with this section, the insurance requested by the  
27 applicant shall be deemed granted. The insurance shall be  
28 effective from the date the written request for an application  
29 was received by the board or any of its agents, but the coverage  
30 will be null and void if the applicant fails to remit the

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1 premium payment within twenty days from the day the bill for the  
2 premium was postmarked.

3 (1) The insurance may be subjected to later reductions, and  
4 premiums adjusted accordingly, if the board determines that the  
5 amount of insurance coverage requested is in excess of the  
6 current [market value] replacement cost of the structure or  
7 [current statutory limits] the maximum amount of coverage  
8 established by the fund, whichever is less.

9 (2) The insurance shall be void if, upon inspection of the  
10 structure, the board determines that either (i) mine subsidence  
11 damage occurred prior to the request by the applicant for  
12 insurance, or (ii) the applicant by his unreasonable actions or  
13 in actions is responsible for the failure of the board to  
14 inspect the structure within sixty days of receipt of the  
15 written request for an application in accordance with this  
16 section.

17 (c) Whoever shall knowingly furnish or make any false  
18 certificate, application or statement herein required shall be  
19 guilty of a misdemeanor, and upon conviction thereof, shall be  
20 sentenced to pay a fine not exceeding one thousand five hundred  
21 dollars (\$1,500) and shall undergo imprisonment not exceeding  
22 one year.

23 Section 12.1. Application for an Increase in Insurance.--(a)  
24 Additions in the amount of insurance, up to the allowable  
25 limits, may be made at any time by the subscriber by submitting  
26 a written statement to the board or to any of its agents, except  
27 during a period when a claim filed by the subscriber is open and  
28 pending investigation by the department. Upon receipt of the  
29 subscriber's written statement by the board or any of its  
30 agents, the board shall have sixty days from the day the request

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1 was received to reinspect the structure. If reinspection occurs  
2 within the sixty-day period and the structure passes the  
3 reinspection, the new amount of insurance shall be effective  
4 from the date of premium payment after reinspection. If  
5 reinspection does not occur within the sixty-day period, the new  
6 amount of insurance shall be effective from the date the  
7 subscriber's written request for additional insurance was  
8 received by the board or any of its agents, but the additional  
9 coverage will be null and void if the applicant fails to remit  
10 the premium payment within twenty days from the day the bill for  
11 additional premium is postmarked.

12 (b) The additional insurance may be subjected to later

13 reductions, and premiums adjusted accordingly, if the board  
14 determines that the added insurance raises the total amount of  
15 insurance in excess of the current [market value] replacement  
16 cost of the structure or [current statutory limits] the maximum  
17 amount of coverage established by the fund, whichever is less.

18 (c) The additional insurance shall be void if, upon  
19 reinspection of the structure, the board determines that either:

20 (1) Mine subsidence damage occurred prior to the request of  
21 the subscriber for additional insurance.

22 (2) The subscriber's unreasonable actions or inactions are  
23 responsible for the board's failure to reinspect the insured  
24 structure within sixty days of receipt of the written request  
25 for an increase in the amount of coverage by the board or any of  
26 its agents.

27 Section 4. Sections 13, 14, 15 and 17 of the act are amended  
28 to read:

29 Section 13. Audit by Auditor General.--The Auditor General  
30 through such agents as he may select shall, at least once each

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1 year, make a complete examination and audit of the fund  
2 including all receipts and expenditures, cash on hand and  
3 securities, investments or property held representing cash or  
4 cash disbursements, and for these purposes the Auditor General  
5 is hereby authorized to employ such consultants, experts,  
6 accountants or investigators as he may deem advisable.

7 The expense incurred in making said examination and audit  
8 shall be certified to the fund by the Auditor General and shall  
9 be paid from the general appropriation of the [Department of  
10 Environmental Resources] department.

11 The first audit of such fund may, in the discretion of the  
12 Auditor General, extend back to the creation of such fund or to  
13 any other period in its life.

14 [Section 14. Audit by Insurance Department.--The Insurance  
15 Department at least once each year shall make a complete  
16 examination and audit of the affairs of the fund including all  
17 receipts and expenditures, cash on hand and securities,  
18 investments or property held representing cash or cash  
19 disbursements to ascertain its financial condition and its  
20 ability to fulfill its obligations, whether the board in  
21 managing the fund has complied with the provisions of law  
22 relating to the fund and the equity of the board's plans and  
23 dealings with its policyholders.

24 For the purpose of any examination and audit authorized by  
25 this act, the Commissioner of Insurance, his deputy or his



26 examiners shall have free access to all the books, records and  
27 papers pertaining to the fund, and all persons charged with the  
28 management of the fund or connected therewith as employes are  
29 hereby directed and required to give to the Commissioner of  
30 Insurance, his deputy or officers the means, facilities and  
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1 opportunity for such examination and audit.

2 The expenses incurred by the Insurance Department in making  
3 any examination and audit under the provisions of this act shall  
4 be ascertained by the department, certified to the fund, and  
5 paid from the general appropriation of the Department of  
6 Environmental Resources.]

7 Section 15. Claims against Fund.--Any subscriber to the fund  
8 must file with the board a true statement of his claim for any  
9 subsidence and shall give to the board an opportunity to  
10 investigate and to determine whether the board will pay the  
11 claim. For any claim to be considered valid the department must  
12 determine that a mine subsidence event occurred during the term  
13 of the mine subsidence insurance policy.

14 Section 17. Subrogation to Rights of Claimants.--Nothing  
15 herein shall relieve any person, partnership, or corporation  
16 otherwise liable therefore from any liability for damages  
17 sustained; and the fund and the program shall be subrogated to  
18 the rights of any property owners' insurance herein.

19 Section 5. The act is amended by adding sections to read:

20 Section 20. Program.--(a) If a homeowner believes that the  
21 homeowner's dwelling has sustained mine subsidence damage, the  
22 homeowner may apply to the department for mine subsidence  
23 assistance. The application must be on a form prepared by the  
24 department and must provide for inspection of the dwelling to  
25 determine the nature, extent and time of the damage. Upon a  
26 determination that a dwelling has sustained mine subsidence  
27 damage and that an application for assistance was submitted to  
28 the department within forty-five days of occurrence of the mine  
29 subsidence event, the department shall, to the extent funds are  
30 made available, grant assistance, as follows:

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1 (1) Grants may be awarded only to persons whose dwellings  
2 are unsafe for occupancy as a result of a mine subsidence  
3 emergency and may be awarded to move and provide temporary  
4 housing for persons whose dwellings are destroyed or endangered  
5 until the homes are repaired, until there is no further danger  
6 of subsidence or until a new permanent residence is found,

7 provided that grants shall not be used to pay for temporary  
8 housing for more than one year and the total amount of a grant  
9 shall not exceed twelve thousand dollars (\$12,000).

10 (2) Loans may be approved at an interest rate equal to the  
11 average rate of return earned by the fund during the previous  
12 five FISCAL years or six percent, whichever is lower for the <--  
13 repair or replacement of dwellings damaged by mine subsidence.  
14 The loan shall be for a period of time not exceeding fifteen  
15 years in duration and shall be in an amount sufficient to cover  
16 the cost of repairing the structural damage to the dwelling, but  
17 in no event shall be more than the market value of the dwelling  
18 as determined by an appraiser, or the maximum amount of coverage  
19 established by the fund, whichever is less, as provided for in  
20 regulations promulgated under this act. Loans shall be  
21 administered by the department pursuant to standard criteria  
22 utilized by the mortgage banking industry in issuing  
23 conventional mortgages, provided that the department may  
24 consider other equity interests in real property available to  
25 the borrower in addition to the equity in the dwelling for which  
26 the loan is applied and shall be secured by a lien upon the  
27 dwelling being repaired or replaced.

28 (3) In addition to repairing or replacing structural damage  
29 to a dwelling, loans may also be made to repair or replace  
30 dwelling-related driveways, septic systems, sidewalks, fences,  
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1 sewer laterals, water lines, gas lines, wells and inground  
2 pools, located on the property on which the dwelling is located,  
3 provided that the damage has been caused by the same mine  
4 subsidence event that damaged the dwelling.

5 (4) Loans shall be made for only the amount not covered by  
6 insurance or other sources of remuneration, including amounts  
7 for which a mine operator is liable under the act of April 27,  
8 1966 (1st Sp. Sess., P.L.31, No.1), known as "The Bituminous  
9 Mine Subsidence and Land Conservation Act," unless it is  
10 determined that the operator is unable to meet his obligations  
11 under that act.

12 (5) Any homeowner who has carried mine subsidence insurance  
13 in the past on a dwelling for which assistance under this  
14 section is applied shall not be eligible for such assistance if  
15 the homeowner has failed to maintain the insurance and coverage  
16 is not in effect at the time of the mine subsidence event that  
17 caused the damage for which assistance is applied. This  
18 paragraph does not apply to homeowners who may apply for  
19 assistance as a result of the failure of a mine operator to meet

20 his obligations under "The Bituminous Mine Subsidence and Land  
21 Conservation Act."

22 (b) If a person receiving assistance under this section does  
23 not have mine subsidence insurance and is not ineligible to  
24 receive such assistance under subsection (a)(5), the person  
25 shall be required to purchase a mine subsidence insurance policy  
26 when the structural damage for which assistance was granted has  
27 been repaired. Persons receiving a loan under this section must  
28 maintain mine subsidence insurance coverage for the duration of  
29 the loan, and persons receiving a grant under this section must  
30 maintain mine subsidence insurance coverage for as long as it is

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1 determined by the department that the dwelling is in danger of  
2 further damage from mine subsidence. If a person receiving mine  
3 subsidence assistance fails to maintain the required mine  
4 subsidence insurance, the person shall immediately pay the fund  
5 the outstanding balance due on the loan or refund the grant  
6 proceeds provided under this section.

7 (c) Repairs for which loans are provided under this section  
8 must be completed within one year of the receipt of grant or  
9 loan assistance, unless an extension is approved by the  
10 department. If the department determines that repairs have not  
11 been made within one year and that no extension should be  
12 granted, the person who received the grant or loan assistance  
13 shall repay the fund for the amount of the grant or loan not  
14 expended on repairs for which the grant or loan was provided.

15 (d) Loans provided pursuant to this section are not  
16 transferable. If a person receiving a loan under this section  
17 sells or transfers ownership of the dwelling for which loan  
18 assistance has been provided, the person shall pay the fund the  
19 outstanding balance due on the loan at the time title to the  
20 dwelling is transferred.

21 (e) Up to five percent of the money in the fund which is not  
22 committed to reserves, claims or other fund expenses, plus  
23 repayment of principal and interest on loans under this section,  
24 shall be used to fund assistance under this section.

25 Section 20.1. Notice of Risk of Subsidence and Availability  
26 of Subsidence Insurance.--(a) Every mortgage lending  
27 institution doing business in an abandoned underground mining  
28 area shall provide every person applying for a loan for the  
29 purchase of a dwelling located within an abandoned underground  
30 mining area with notice of the risk of mine subsidence and of

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1 the availability of mine subsidence insurance.

2 (b) The department, with the assistance of the Department of  
3 Banking, shall notify mortgage lending institutions described in  
4 subsection (a) of abandoned underground mining areas and shall  
5 provide them with informational publications about mine  
6 subsidence insurance and applications for such insurance for  
7 distribution by the lender to every person applying for a  
8 mortgage loan if the loan applies to a dwelling located within  
9 an abandoned underground mining area.

10 (c) If a person applying for a mortgage loan for a dwelling  
11 located within an abandoned underground mining area declines to  
12 purchase mine subsidence insurance after being provided the  
13 notice, information and application required by subsections (a)  
14 and (b), then the person applying for the mortgage loan shall  
15 sign a statement acknowledging that he or she has received the  
16 required notice, information and application regarding mine  
17 subsidence insurance; has declined to purchase such insurance;  
18 and by declining to purchase such insurance waives the right to  
19 receive a grant or loan under the program until UNLESS mine <--  
20 subsidence insurance is purchased PRIOR TO A MINE SUBSIDENCE <--  
21 EVENT FOR WHICH A GRANT OR LOAN UNDER THE PROGRAM IS  
APPLIED.

22 The mortgage lending institution shall forward a copy of the  
23 signed statement to the department.

24 (d) A mortgage lending institution that fails to provide the  
25 required notice, information and signed statement required under  
26 subsections (a), (b) and (c) shall compensate the mortgagor for  
27 the reasonable cost of repairing any actual subsidence damage  
28 not covered by subsidence insurance which may result from the  
29 failure. It shall not be a defense to an action under this  
30 subsection that the mortgage lending institution did not receive  
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1 the notice from the department under subsection (b).

2 (e) This section shall apply with respect to a mortgage loan  
3 made, increased, extended or renewed on or after the effective  
4 date of this section.

5 Section 21. Department Report.--The department shall make an  
6 annual report on the program and on experience with mine  
7 subsidence insurance notice requirements to the Environmental  
8 Resources and Energy Committee of the Senate and the  
9 Environmental Resources and Energy Committee of the House of  
10 Representatives.

11 Section 6. Sections 22 and 24.1 of the act are amended to

12 read:

13 Section 22. Employes of the Board to Be Part of the  
14 Department [of Environmental Resources].--All employes of the  
15 board shall be employed by and located in the [Department of  
16 Environmental Resources] department and shall be subject to the  
17 administrative jurisdiction and authority of the [Secretary of  
18 Environmental Resources] secretary.

19 Section 24.1. Appeals.--Any party aggrieved by an action of  
20 the board [hereunder] shall have the right to appeal to the  
21 Environmental Hearing Board.

22 Section 7. The addition of section 20 of the act shall apply  
23 to mine subsidence damage incurred after December 31, 1998,  
24 provided that mine subsidence damage which occurred between  
25 January 1, 1999, and the effective date of this act and for  
26 which mine subsidence assistance is applied must have been  
27 reported to the department prior to the effective date of this  
28 act, and an application for assistance for such damage must be  
29 filed with the department within 90 days of the effective date  
30 of this act.

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1 Section 8. This act shall take effect as follows:

2 (1) The addition of section 20.1 of the act shall take  
3 effect in 180 days.

4 (2) The remainder of this act shall take effect  
5 immediately.

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