405 KAR 30:080. Bond forfeiture.

RELATES TO: KRS 350.600
STATUTORY AUTHORITY: KRS 151.125, 224.033, 350.028, 350.050, 350.600
NECESSITY, FUNCTION, AND CONFORMITY: KRS 350.600 requires the Environmental and
Public Protection Cabinet to develop administrative regulations for oil shale operations to minimize
and prevent their adverse effects on the citizens and the environment of the Commonwealth. This
administrative regulation sets forth the procedures and criteria by which a bond may be forfeited to
the cabinet.

Section 1. General. The cabinet may forfeit any bond held by it upon failure of the principal to
perform.

Section 2. Procedures. In the event forfeiture of the bond is required by Section 3 of this admin-
istrative regulation, the cabinet shall:

(1) Send written notification by certified mail, return receipt requested, to the permittee and the
surety on the bond, of the cabinet’s determination to initiate forfeiture of the bond and the reasons
for the forfeiture, including the amount proposed to be forfeited.
(2) Advise the permittee and those responsible on the bond of their right to a hearing.

Section 3. Criteria for Forfeiture. (1) The cabinet shall have the authority to forfeit a bond if:

(a) The cabinet finds that the oil shale operations have not been conducted in accordance with
all applicable statutes and administrative regulations or the conditions of the permit or the recla-
mation plan within the time required by the statutes or administrative regulations; or
(b) The cabinet finds that the permit for the area under bond should be revoked; or
(c) The cabinet finds that the permittee or surety, or the party responsible on the bond, has
failed to comply with a compliance schedule. The cabinet may withhold forfeiture if the permittee
or the party responsible on the bond agrees to a compliance schedule to correct the violations of
the permit or bond conditions; or
(d) For such other good cause as the cabinet determines is sufficient.
(2) The cabinet shall forfeit the entire amount of the bond and deposit the forfeited amount in
an appropriate account for use in the payment of all costs associated with the conduct of reclama-
tion, restoration or abatement activities by the cabinet on the permit area to which the forfeited
bond applies. (8 Ky.R. 96; eff. 3-1-1982; TAm eff. 8-9-2007; Crt eff. 7-3-2018.)