

27—60.40(208) Bonding. Bond is required by these rules and by Iowa Code chapter 208 to ensure that all applicable mineral operations are properly reclaimed. Failure on the part of an operator to accomplish required reclamation may result in forfeiture of the bond by the division.

60.40(1) Bonding requirements. Each registration application shall be accompanied by a bond or a bond endorsement increasing an already existing bond. The bond or bond increase shall be equal to the amount set forth by a representative of the division or, if no amount is stipulated, the minimum set forth in subrule 60.40(6).

60.40(2) Bond form. All surety bonds shall be written on the form provided and approved by the division. In lieu of a surety bond, the operator may deposit cash or certificates of deposit with the division on the same conditions as prescribed by Iowa Code section 208.23.

60.40(3) Surety bond. A surety bond shall be written by a company authorized to do business in Iowa and shall be made on a form provided by the division. A surety bond shall be signed by the operator or an authorized representative of the operator as well as a representative of the surety.

The surety bond shall be written to cover all acres affected by the mining process pursuant to Iowa Code chapter 208. An attachment shall be included as part of the bond document which lists the sites by name and location (county, township, range, section, and legal description). This attachment shall be signed by representatives of the surety and the principal.

60.40(4) Certificates of deposit. Certificates of deposit posted as bond shall be made payable to the State of Iowa, Division of Soil Conservation and Water Quality AND (Operator). All interest earned shall be paid to the operator.

60.40(5) Cash. Cash deposited as bond does not pay interest to the operator.

60.40(6) Minimum bond. The minimum required bond on each site shall be the greater of \$2,000 per site or \$500 per affected acre on the site.

Actual bond shall be based on factors including, but not limited to, size of the site, thickness of overburden, type of mineral extracted, type of mining process, and stockpiling procedures for topsoil, overburden and product.

60.40(7) Interest-bearing account. Penalties, interest, bond reversions and bond forfeitures collected under the provisions of Iowa Code chapter 208 or these rules shall be deposited in an interest-bearing account and may be used for the cost and administrative expense of reclamation or rehabilitation activities for any mine site as deemed necessary and appropriate by the division.

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