



June 2014

RE: Licensing, Registration and Bonding of Mining Operation

This letter provides information regarding the Iowa Mineral Mining Law and the licensing, registration, and bonding of mineral mining sites in Iowa. For additional information, please refer to Iowa Code chapter 208 and Iowa Administrative Rules chapter 27 IAC 60(208). Copies are available upon request.

In order to legally mine minerals in Iowa it is required that the operator hold a current Iowa Mining License. The Application for Mining License form (MP-05) should be completed and returned along with the \$50.00 License Application fee. The license must be renewed yearly (December 31) at a cost of \$10.00. Refer to Iowa Code (IC) section 208.7 and Iowa Administrative Code (IAC) rule 27-60.20(208) for further information.

In addition to the license application, each site to be operated should be properly registered under the current mining license. An Application for Registration of Land to be Mined form (MP-08) should be completed for each site to be operated and should be returned, along with the \$50.00 Registration Application fee per site. The registration must be renewed yearly (December 31) at a cost of \$35.00 per site. Refer to IC section 208.9 and IAC rules 27-60.30(208) and 27-60.31(208) for additional information.

In addition, a map or site plan to locate the pit and any future excavation must be attached to the registration application. A photocopy of a USGS topographic map or an aerial photo from the county FSA office with the proposed registered area marked would be sufficient. The map and any other additional information should be limited to 8¹/₂ x 11 inch paper for filing purposes.

The final requirement is that all mining sites must be bonded. Generally, actual bond on a site is based on factors including, but not limited to, topography, type of mineral being mined, mining procedures, thickness of overburden and mineral deposit, processing procedure, and size of operation. During the course of mining the Division may increase or decrease the amount of bond on file, depending on the estimated reclamation liability at the site. Minimum bond on a new site registration is the greater of \$2,000 or \$500 per affected acre.

Registration on a site cannot be completed unless a bond or bond increase is submitted to the Division. Please refer to IC section 208.14 and IAC rule 27-60.40(208). The purpose of this bond is to guarantee that the reclamation work required under the code (IC section 208.17 and IAC rule 27-60.80(208)) is completed. Bonds may be provided as a surety bond written by an approved surety company, a Certificate of Deposit, or cash. See IC 208.23 and 208.24 and IAC 27-60.40(208).

If the surety bond is used, Bond form (MP-03) should be use by the operator's surety company. If a Certificate of Deposit is submitted as bond, the Assignment of Certificate of Deposit form (MP-02) should be used and the CD should be made payable to 'State of Iowa, Division of Soil Conservation and Water Quality and (operator)'. If a CD is drawn up in this manner the interest may be paid to the operator's account. The original CD and the Assignment form must be sent to the Division along with the registration form. These will be held in the Treasurer's vault for safe keeping. Cash, when deposited as bond, does not pay interest to the operator.

In general, while mining, an operator is responsible for keeping soil erosion and topsoil losses to a minimum. Iowa Code section 208.17(3) specifies that topsoil cannot be destroyed or buried in the process of mining. Topsoil and overburden materials should be stockpiled separately in locations which will not interfere with the mining operation. These stockpiles should be stabilized with an appropriate vegetation to prevent erosion.

Upon completion of mining, overburden and topsoil materials can be smoothed back over affected areas and then revegetated. An effort should be made to keep all reclamation activities current to prevent an increase in bond liability.

An operator is also required to remain at least 25 feet, and in some cases as much as 50 feet, back from all registration boundaries. Within the law there are allowances (see IAC 27-60.75(3 f)) to mine closer, however, the Division should be consulted prior to conducting any activities within these setback limitations.

All appropriate forms need to be filled out completely and accurately and submitted prior to the commencement of mining. A single check may be used to cover all application fees and should be made payable to 'Treasurer, State of Iowa'. If you have any additional questions please feel free to contact me at (515) 242-5003.

Sincerely,

Ryan Starkey, State Minerals Inspector
Bureau of Mines and Minerals
Division of Soil Conservation and Water Quality