

Mineral Surety Study
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor:

LONG TITLE

General Description:

This bill addresses surety issues related to mineral activities.

Highlighted Provisions:

This bill:

- defines "surety" for purpose of the study;
- requires the Division of Oil, Gas, and Mining (division) to study certain surety issues;
- directs the division to make a report; and
- provides a repeal date.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63I-2-240, as enacted by Laws of Utah 2024, Third Special Session, Chapter 5

ENACTS:

40-8-14.5, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **40-8-14.5** is enacted to read:

40-8-14.5 . Study of surety issues.

- (1) As used in this section, "surety" means resources pledged by an operator to address reclamation obligations and includes:
- (a) collateral;
 - (b) a bond or other form of insured guarantee;
 - (c) a deposited security;
 - (d) cash or other commodity accepted as a medium of economic exchange; or
 - (e) a written contractual agreement.

- (2)(a) The division shall study the need, if any, to modify requirements under this chapter for an operator to pledge surety with the division.
- (b) As part of the study, the division shall examine:
- (i) the one or more forms of surety that the division should accept;
 - (ii) the amounts of surety that should be imposed;
 - (iii) the factors the division or board should consider in determining the form and amount of surety an operator shall pledge;
 - (iv) similar surety requirements made on an operator by others, with the intent that surety requirements are coordinated and not duplicated;
 - (v) when surety should be released or forfeited;
 - (vi) appropriate actions to enforce and collect against an operator who pledges surety;
 - (vii) surety requirements in other states;
 - (viii) whether insurance products or captive insurance companies could be used to address the reasons surety is needed;
 - (ix) whether a state surety pool should be created by statute; and
 - (x) any other issue the division determines is helpful in modernizing the surety process under this chapter.
- (3) The division shall report the results of the study required by this section, including any recommendations for legislation, to the Natural Resources, Agriculture, and Environment Interim Committee on or before the committee's 2025 October interim committee meeting.
- Section 2. Section **63I-2-240** is amended to read:
- 63I-2-240 . Repeal dates: Title 40.**
- [Reserved.] Section 40-8-14.5, Study of surety issues, is repealed July 1, 2026.
- Section 3. **Effective date.**
- This bill takes effect on May 7, 2025.