

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 654

BY WAYS AND MEANS COMMITTEE

AN ACT

RELATING TO GEOTHERMAL RESOURCES; AMENDING SECTION 47-1608, IDAHO CODE, TO PROVIDE FOR THE RETURN OF POSTED BONDS UNDER SPECIFIED CONDITIONS AND TO PROVIDE FOR POSTING OF BOND UNDER SPECIFIED CONDITIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 47-1608, Idaho Code, be, and the same is hereby amended to read as follows:

47-1608. BOND. (1) The board shall require the execution of a good and sufficient bond in an amount the board determines reasonable, which shall not be less than one thousand dollars (\$1,000) in favor of the state of Idaho conditioned upon the payment of all damages to the land surface and improvements thereon, whether or not the lands have been sold or leased for any other purpose.

(2) Upon commencement of operations for the drilling of any geothermal resource well, the lessee shall be required by the board to furnish such a bond as the board determines reasonable which shall not be less than six thousand dollars (\$6,000) which bond shall be in lieu of the bond required in subsection (1) of this section and shall cover all subsequent operations on such lease.

(3) At the time production reaches eight-five percent (85%) of the average nameplate capacity, or if the resource is being used for a purpose other than power production, eighty-five percent (85%) of the average maximum therms, any bond required pursuant to subsection (1) or (2) of this section shall be returned to the poster of the bond. In the event production falls below the eighty-five percent (85%) criteria as provided in this subsection, bond shall again be furnished as provided in subsections (1) and (2) of this section.