SENATE BILL NO. 175

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Introduced: 5/15/99
Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

"An Act relating to state mining law, to methods of locating mining claims, to the granting of larger mining claims using a legal subdivision based on rectangular survey descriptions, and to mandatory rental payments for prospecting rights."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 38.05.195 is amended to read:

Sec. 38.05.195. Mining claims. (a) Rights to deposits of minerals subject to AS 38.05.185 - 38.05.275 in or on state land that is open to claim staking may be acquired by discovery, location, and recording as prescribed in AS 38.05.185 - 38.05.275. The locator has the exclusive right of possession and extraction of the minerals subject to AS 38.05.185 - 38.05.275 lying within the boundaries of the claim.

(b) The locator may locate a claim using one of the following methods:

(1) a locator may locate a claim based on the ground location of a complete quarter section or quarter-quarter section of a township on a
rectangular survey system approved by the commissioner; a claim established in this manner may be known as the meridian, township, range, section, and claim system location, or MTRSC location; a locator using the MTRSC system to locate a claim shall in good faith mark the corners of a location as closely as practical to the existing quarter section or quarter-quarter section of the rectangular survey system approved by the commissioner; the corners marked on the ground of a claim established in accordance with this paragraph and regulations of the commissioner control in the event of a conflict over boundaries for the quarter section or quarter-quarter section on the protracted or actual survey approved by the commissioner; or

(2) a locator may locate a claim based on the staking of a ground [A] location in which the claim may not exceed 1,320 feet in its longest dimension; [, AND] the boundaries of a claim based on staking and located after January 1, 1985, shall run in the four cardinal directions unless the claim is a fractional claim or the commissioner determines that staking in compliance with this paragraph [SECTION] is impractical because of local topography or because of the location of other claims; a claim established in this manner may be known as a non-MTRSC location.

(c) A location's corners [LOCATION] shall be distinctly marked on the ground in the manner prescribed by the commissioner, and a notice of location shall be attached to a monument at [POSTED ON] the claim's northeast corner [CLAIM] in the manner and containing the information required by the commissioner. Within 45 [90] days after the date of attaching [POSTING] the notice of location on the monument [CLAIM], the locator shall record a certificate of location in the recording district where the claim is located [A CERTIFICATE OF LOCATION]. The certificate of location must contain the information required by the commissioner.

(d) Locations may be amended in the manner and with the effect prescribed in AS 38.05.200. Annual labor shall be performed and statements of annual labor recorded as prescribed in AS 38.05.210 - 38.05.235.

* Sec. 2. AS 38.05.210(a) is amended to read:

(a) Labor shall be performed or improvements made annually on or for the
benefit or development of each mining claim, leasehold location, and mining lease on
state land except that, where adjacent claims, leasehold locations, or mining leases are
held in common, the expenditure may be made on any one claim, leasehold location,
or mining lease. The commissioner shall establish the date of the commencement of
the year during which the labor or improvements are to be performed. Labor shall be
performed at the following annual rates: (1) [RATE OF] $100 per claim, leasehold location,
or lease if the claim, leasehold location, or lease is a quarter-quarter section MTRSC claim, leasehold location, or lease; (2) $400 for each quarter section MTRSC claim, leasehold location, or lease; (3) $100 for each partial or whole 40 acres of each mining claim, leasehold location, or lease not established using the MTRSC system. If more work is performed than is required
by this section to be performed in any one year, the excess value may be applied
against labor required to be done during the subsequent year or years, for as many as
four years. Instead of performing annual labor, the holder of a claim, leasehold
location, or mining lease may make a cash payment to the state equal to the value of
the labor required by this subsection.

* Sec. 3. AS 38.05.211(a) is amended to read:

(a) The holder of each mining claim, leasehold location, prospecting site, and
mining lease, including a mining lease under AS 38.05.250, shall pay, in advance,
[ANNUAL] rental for the right to continue to hold the mining claim, leasehold
location, prospecting site, and mining lease, including a mining lease under
AS 38.05.250. Rental is due and payable as follows:

(1) the rental amount for a prospecting site is fixed at $200 for the
two-year term of the site;

(2) [THE] annual rental for a mining claim, leasehold location, or
mining lease [AMOUNT] shall be based on the number of [THE] years since a mining
claim, a leasehold location, or a mining lease's predecessor claim or leasehold location
was first located; the annual rental amounts for a mining claim, leasehold location,
or mining lease are [,] as follows:

Rental Amount for

Each Mining Claim or

New Text Underlined [DELETED TEXT BRACKETED]
Number of Years Since First Located | Rental Amount Per Acre for Mining Leases | Leasehold Location, Including Each Quarter-Quarter Section MTRSC System
--- | --- | --- | --- | ---
0 - 5 | $ .50 | $ 20
6 - 10 | $1.00 | 40
11 - or more | $2.50 | 100;

(3) the annual rental in any year for each quarter section claim, leasehold location, or lease based on the MTRSC system is four times the rental amount for a quarter-quarter section mining claim, leasehold location, or lease in that year.

* Sec. 4. AS 38.05.211 is amended by adding a new subsection to read:

(e) The locator of a new claim or leasehold location in accordance with the MTRSC system or the locator of a non-MTRSC location claim or leasehold location who amends the claim or leasehold location in accordance with the MTRSC system is entitled to a reduced rental under this section for the rental year following establishment of the new location or amendment of a non-MTRSC location. The reduced annual rental is 50 percent of the annual rental that would otherwise be due in the following rental year.

* Sec. 5. AS 38.05.242 is amended by adding a new paragraph to read:

(6) "MTRSC system" means the system described in AS 38.05.195(b)(1) based on the ground location of a complete quarter section or quarter-quarter section of a township on a rectangular survey system.

* Sec. 6. AS 38.05.245(a) is amended to read:

(a) Before the discovery of valuable minerals, an exclusive right to prospect by geophysical, geochemical, and similar methods may be acquired by establishing [MARKING BOUNDARIES AND POSTING A NOTICE OF LOCATION OF] a prospecting site in accordance with the MTRSC system and regulations prescribed by [A MANNER AND CONTAINING THE INFORMATION] the commissioner [REQUIRES. A PROSPECTING SITE MAY NOT EXCEED 2,640 FEET IN ITS LONGEST DIMENSION AND ITS BOUNDARIES SHALL RUN IN THE FOUR CARDINAL DIRECTIONS]. A certificate of location shall be recorded in the
recording district where the prospecting site is located within 45 [90] days after posting
the notice of location. The locator of a prospecting site has the exclusive right to stake
mining claims or leasehold locations within the boundaries of the site. In this
subsection, "MTRSC system" means the system described in AS 38.05.195(b)(1)
based on the ground location of a complete quarter section or quarter-quarter
section of a township.

* Sec. 7. AS 38.05.245(c) is amended to read:

   (c) [A PERSON MAY NOT HOLD MORE THAN EIGHT PROSPECTING
SITES IN ONE TOWNSHIP AT ONE TIME.] A prospecting site remains in effect
for two years [ONE YEAR] after the notice of location is attached to a monument
at the northeast corner of the site if the one-time rental payment is made within
45 days of location and the work requirements are met. The two-year term
begins on the date the notice of location is attached to the monument [POSTED]
and may not [, AT THE DISCRETION OF THE DIRECTOR,] be extended [FOR
ONE YEAR PERIODS]. During each year, work of a type compatible with the
purpose of this section and acceptable to the director shall be done. The minimum
expenditure for the work shall be established by the commissioner uniformly for all
prospecting sites. Where adjacent prospecting sites are held in common, the
expenditure may be made on any one or more locations. If a prospecting site expires,
neither the locator nor a successor in interest of the locator may again hold the same
prospecting site or any portion of it, as a prospecting site, for a period of one year
following the date of expiration or abandonment [, NOR MAY THE LOCATOR OR
A SUCCESSOR IN INTEREST OF THE LOCATOR, DURING THE YEAR, EITHER
DIRECTLY OR INDIRECTLY, OBTAIN A BENEFICIAL INTEREST IN THE
SAME PROSPECTING SITE OR A PORTION OF IT].

* Sec. 8. AS 38.05.265 is amended to read:

   Sec. 38.05.265. Abandonment. Failure to properly record a certificate of
location or a statement of annual labor, pay any required annual rental, or pay any
required production royalty [, OR KEEP LOCATION BOUNDARIES CLEARLY
MARKED] as required by AS 38.05.185 - 38.05.200, 38.05.210 - 38.05.245 [38.05.207
- 38.05.245], 38.05.252 - 38.05.275, and by regulations adopted under these sections
constitutes abandonment of all rights acquired under the mining claim, leasehold location, or prospecting site involved, and the claim, leasehold location, or prospecting site is subject to relocation by others. A locator or claimant of an abandoned location or a successor in interest may not relocate the claim, leasehold location, or prospecting site until one year after abandonment. **The locator of an abandoned prospecting site may locate a claim or leasehold location on that site at any time.** A statement of annual labor that does not accurately set out the essential facts is void and of no effect. If an annual rental or a royalty payment is deficient but is otherwise timely paid, abandonment does not result if full payment is made within

(1) the period prescribed by a deficiency notice from the commissioner; or

(2) 30 days after a final judgment establishing the amount due if the deficiency amount due was contested.