

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

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

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

6 * **Section 1.** AS 38.05.195 is amended to read:

7 **Sec. 38.05.195. Mining claims.** (a) Rights to deposits of minerals subject to
8 AS 38.05.185 - 38.05.275 in or on state land that is open to claim staking may be
9 acquired by discovery, location, and recording as prescribed in AS 38.05.185 -
10 38.05.275. The locator has the exclusive right of possession and extraction of the
11 minerals subject to AS 38.05.185 - 38.05.275 lying within the boundaries of the claim.

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

13 **(1) a locator may locate a claim based on the ground location of a**
14 **complete quarter section or quarter-quarter section of a township on a**

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

11 (2) a locator may locate a claim based on the staking of a ground

12 [A] location in which the claim may not exceed 1,320 feet in its longest dimension;
 13 [, AND] the boundaries of a claim based on staking and located after January 1,
 14 1985, shall run in the four cardinal directions unless the claim is a fractional claim or
 15 the commissioner determines that staking in compliance with this paragraph
 16 [SECTION] is impractical because of local topography or because of the location of
 17 other claims; a claim established in this manner may be known as a non-MTRSC
 18 location.

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

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

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

31 (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, [OR] 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; [,] and (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

1	Number of Years	Rental Amount Per	Leasehold Location, <u>Including</u>
2	Since	Acre for Mining	<u>Each Quarter-Quarter</u>
3	First Located	Leases	<u>Section MTRSC System</u>
4	0 - 5	\$.50	\$ 20
5	6 - 10	\$1.00	40
6	11 - or more	\$2.50	100;

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

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

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

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

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

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

24 (a) Before the discovery of valuable minerals, an exclusive right to prospect
25 by geophysical, geochemical, and similar methods may be acquired by **establishing**
26 **[MARKING BOUNDARIES AND POSTING A NOTICE OF LOCATION OF]** a
27 prospecting site in **accordance with the MTRSC system and regulations prescribed**
28 **by [A MANNER AND CONTAINING THE INFORMATION]** the commissioner
29 **[REQUIRES. A PROSPECTING SITE MAY NOT EXCEED 2,640 FEET IN ITS**
30 **LONGEST DIMENSION AND ITS BOUNDARIES SHALL RUN IN THE FOUR**
31 **CARDINAL DIRECTIONS]**. A certificate of location shall be recorded in the

1 recording district where the prospecting site is located within 45 [90] days after posting
 2 the notice of location. The locator of a prospecting site has the exclusive right to stake
 3 mining claims or leasehold locations within the boundaries of the site. **In this**
 4 **subsection, "MTRSC system" means the system described in AS 38.05.195(b)(1)**
 5 **based on the ground location of a complete quarter section or quarter-quarter**
 6 **section of a township.**

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

8 (c) [A PERSON MAY NOT HOLD MORE THAN EIGHT PROSPECTING
 9 SITES IN ONE TOWNSHIP AT ONE TIME.] A prospecting site remains in effect
 10 for two years [ONE YEAR] after the notice of location is **attached to a monument**
 11 **at the northeast corner of the site if the one-time rental payment is made within**
 12 **45 days of location and the work requirements are met. The two-year term**
 13 **begins on the date the notice of location is attached to the monument** [POSTED]
 14 and may **not** [, AT THE DISCRETION OF THE DIRECTOR,] be extended [FOR
 15 ONE YEAR PERIODS]. During each year, work of a type compatible with the
 16 purpose of this section and acceptable to the director shall be done. The minimum
 17 expenditure for the work shall be established by the commissioner uniformly for all
 18 prospecting sites. Where adjacent prospecting sites are held in common, the
 19 expenditure may be made on any one or more locations. If a prospecting site expires,
 20 neither the locator nor a successor in interest of the locator may again hold the same
 21 prospecting site or any portion of it, as a prospecting site, for a period of one year
 22 following the date of expiration or abandonment [; NOR MAY THE LOCATOR OR
 23 A SUCCESSOR IN INTEREST OF THE LOCATOR, DURING THE YEAR, EITHER
 24 DIRECTLY OR INDIRECTLY, OBTAIN A BENEFICIAL INTEREST IN THE
 25 SAME PROSPECTING SITE OR A PORTION OF IT].

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

27 **Sec. 38.05.265. Abandonment.** Failure to properly record a certificate of
 28 location or a statement of annual labor, pay any required annual rental, **or** pay any
 29 required production royalty [, OR KEEP LOCATION BOUNDARIES CLEARLY
 30 MARKED] as required by AS 38.05.185 - 38.05.200, **38.05.210 - 38.05.245** [38.05.207
 31 - 38.05.245], 38.05.252 - 38.05.275, and by regulations adopted under these sections

1 constitutes abandonment of all rights acquired under the mining claim, leasehold
2 location, or **prospecting** site involved, and the claim, **leasehold** location, or
3 **prospecting** site is subject to relocation by others. A locator or claimant of an
4 abandoned location or a successor in interest may not relocate the **claim, leasehold**
5 **location, or prospecting site** until one year after abandonment. **The locator of an**
6 **abandoned prospecting site may locate a claim or leasehold location on that site**
7 **at any time.** A statement of annual labor that does not accurately set out the essential
8 facts is void and of no effect. If an annual rental or a royalty payment is deficient but
9 is otherwise timely paid, abandonment does not result if full payment is made within
10 (1) the period prescribed by a deficiency notice from the commissioner;
11 or
12 (2) 30 days after a final judgment establishing the amount due if the
13 deficiency amount due was contested.