

CS FOR HOUSE BILL NO. 344(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 2/26/04

Referred: Finance

Sponsor(s): REPRESENTATIVES FATE, Foster, Croft, Guttenberg, Stoltze, Crawford, Dahlstrom, Lynn

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to annual rental fees, statements of annual labor, and production**
2 **royalty for mining claims; and providing a cure for abandonment."**

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

4 * **Section 1.** AS 38.05.265 is amended to read:

5 **Sec. 38.05.265. Abandonment.** Failure to properly record a certificate of
6 location or a statement of annual labor, pay any required annual rental, or pay any
7 required production royalty as required by AS 38.05.185 - 38.05.200, 38.05.210 -
8 38.05.245, 38.05.252 - 38.05.275, and by regulations adopted under these sections
9 constitutes abandonment of all rights acquired under the mining claim, leasehold
10 location, or prospecting site involved, and the claim, leasehold location, or prospecting
11 site is subject to relocation by others, unless the failure constituting the
12 abandonment is cured under (b) of this section. A locator or claimant of an
13 abandoned location or a successor in interest may not relocate the claim, leasehold
14 location, or prospecting site until one year after abandonment. The locator of an

1 abandoned prospecting site may locate a claim or leasehold location on that site at any
 2 time. A statement of annual labor that does not accurately set out the essential facts is
 3 void and of no effect. If an annual rental or a royalty payment is deficient but is
 4 otherwise timely paid, abandonment does not result if full payment is made within

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

7 (2) 30 days after a final judgment establishing the amount due if the
 8 deficiency amount due was contested.

9 * **Sec. 2.** AS 38.05.265 is amended by adding a new subsection to read:

10 (b) Unless another person has located a mining claim, leasehold location, or
 11 prospecting site that includes all or part of the mining claim, leasehold location, or
 12 prospecting site abandoned under (a) of this section, a person may cure the failure to
 13 record or pay that constituted the abandonment and cure the abandonment by

14 (1) properly recording a certificate of location or a statement of annual
 15 labor, paying any required annual rental, and paying any required production royalty;
 16 and

17 (2) paying a penalty equal to the annual rent for the mining claim,
 18 leasehold location, or prospecting site that was abandoned under (a) of this section.