

1 IN THE HOUSE

BY THE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 219

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to mining rights; repealing  
7 and re-enacting Art. IX, Ch. 169, SLA 1959,  
8 as amended by Sec. 19, Ch. 61, SLA 1960;  
9 providing for the acquisition, transfer, con-  
10 tinuance and termination of rights to explore  
11 for, locate, and extract certain minerals on  
12 Alaska lands; providing qualifications of  
13 those entitled to mining rights; providing  
14 for certain uses of the surface; providing  
15 for the recognition of certain locations; and  
16 providing for an effective date."

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

18 Section 1. Art. IX, Ch. 169, SLA 1959, as amended by Sec. 19,  
19 Ch. 61, SLA 1960, is hereby repealed and re-enacted to read as  
20 follows:

21 ARTICLE IX

22 MINING RIGHTS

23 Section 1. GENERAL. The acquisition and continuance  
24 of rights in and to deposits on Alaska lands of minerals  
25 which on January 3, 1959, were subject to location under the  
26 mining laws of the United States shall be governed by this  
27 article. Nothing herein shall be construed to affect the law  
28 pertaining to the acquisition of rights to mineral deposits  
29 owned by any other person or government. The Director, with

1 the approval of the Commissioner, shall determine those lands  
2 from which mineral deposits may be mined only under lease, and,  
3 subject to the limitations of Sec. 1, Art. III of this Act,  
4 those lands which shall be closed to mining.

5 The failure on the part of a mining lessee or a locator  
6 to comply strictly with the provisions of this article and  
7 regulations promulgated hereunder shall not invalidate his  
8 rights if it appears to the satisfaction of the Commissioner  
9 that the locator complied as nearly as possible under the cir-  
10 cumstances of the case, and that no conflicting rights are  
11 asserted by any other person. Unless otherwise provided  
12 herein, the usages and interpretations applicable to the  
13 mining laws of the United States as supplemented by state law  
14 shall be applicable to this article.

15 Sec. 2. QUALIFICATIONS. The right to acquire explora-  
16 tion and mining rights under this article may be acquired or  
17 held only by:

- 18 1. Citizens of the United States at least 19 years of  
19 age;
- 20 2. Legal guardians or trustees of citizens of the United  
21 States under 19 years of age on behalf of such citi-  
22 zens;
- 23 3. Persons at least 19 years of age who have declared  
24 their intention to become citizens of the United  
25 States.
- 26 4. Aliens at least 19 years of age if the laws of their  
27 country grant like privileges to citizens of the  
28 United States;
- 29 5. Associations of such persons;

1           6. Corporations organized under the laws of the United  
2 States or of any State or Territory thereof and  
3 qualified to do business in Alaska, except that if  
4 more than 50% of the stock of a corporation is owned  
5 or controlled by aliens who are not qualified, the  
6 corporation is not qualified to acquire or hold such  
7 rights.

8           If an unqualified person acquires any interest  
9 in exploration or mining rights by operation of law,  
10 he shall be allowed two years in which to become  
11 qualified or to dispose of his interest to a  
12 qualified person.

13           Sec. 3. MINING CLAIMS. Rights to deposits of minerals  
14 subject to this article, in or on Alaska lands which are  
15 open to claim staking, may be acquired by discovery, location  
16 and filing as prescribed in this article. The locator shall  
17 have the exclusive right of possession and extraction of all  
18 such minerals lying within the boundaries of his claim. A  
19 location shall not exceed 1,320 feet in its longest dimension,  
20 and its boundaries shall run in the four cardinal directions.  
21 A location shall be distinctly marked on the ground in the  
22 manner prescribed by the Commissioner and a notice of  
23 location shall be posted on the claim in such manner and  
24 containing such information as may be required by the  
25 Commissioner. Within ninety (90) days after the date of  
26 posting the notice of location on the claim, the locator  
27 or locators shall file for record in the recording district  
28 where the claim is located, a certificate of location, which  
29 certificate shall contain such information as may be required

1 by the Commissioner. Locations may be amended in the manner  
2 and with the effect prescribed in Section 47-3-34 ACLA 1949.  
3 Annual labor shall be performed and statements thereof  
4 recorded as prescribed in Sec. 5 of this article.

5 Sec. 4. MINING LEASING. Prior discovery, location  
6 and filing shall initiate prior rights to mineral deposits  
7 subject to this article in or on Alaska lands, other than  
8 submerged lands, which are open to mining leasing. Locations  
9 shall be made and certificates of location recorded in  
10 accordance with Sec. 3 of this article. If the located  
11 lands are available only for leasing, an application form  
12 for a mining lease shall be mailed to the locator by the  
13 Director upon request or upon receipt of notice that the  
14 location has been made on lands open only for leasing. A  
15 lease application shall be filed with the Director by the  
16 locator within ninety (90) days after receipt of the form.  
17 If the located lands are not available for leasing, notice  
18 shall be given the locator by the Director and his prior  
19 rights shall terminate. A mining lessee shall have the  
20 exclusive rights of possession and extraction of all minerals  
21 subject to this article lying within the boundaries of his  
22 lease. Mining leases may be issued for one location or for  
23 a group of contiguous locations held in common. Minerals  
24 shall not be mined and marketed or used until a lease is  
25 issued, except for limited amounts necessary for sampling  
26 or testing.

27 Commencing on the date established by the Commissioner  
28 pursuant to Sec. 5 of this article there shall accrue an  
29 annual rental for each leasehold location or portion thereof

1 whether or not under lease, equal to the value of annual  
2 labor or improvements required for mining claims. The value  
3 of work done on, or for the benefit of, the lease hold in  
4 compliance with Sec. 5 of this article may be credited  
5 against the rental.

6 A mining lease shall be for any period up to  
7 fifty-five (55) years. The lessee shall have a right to a  
8 new lease at the end of each lease period, provided that the  
9 rental may be adjusted at the end of each twenty (20) year  
10 period. A valid mining claim located and held pursuant to  
11 Sec. 3 of this article may be converted to a lease at any  
12 time upon application by the owner or owners thereof, and  
13 issuance by the Director. No rights granted by any mining  
14 lease shall be exercised until the lease has been filed  
15 for record in the recording district where the land is  
16 located.

17 Sec. 5. ANNUAL LABOR. Labor shall be performed or  
18 improvements made annually on or for the benefit or develop-  
19 ment of each mining claim on Alaska lands except that where  
20 adjacent claims are held in common, such expenditure may be  
21 made on any one claim. The Commissioner shall, uniformly for  
22 all claims, establish the minimum value of such labor and  
23 improvements and establish the date of the commencement of  
24 the year during which they are to be performed. The provi-  
25 sions of Chapter 67, SLA 1960, shall be applicable to this  
26 section. During the year in which the performance of annual  
27 labor is required or within ninety (90) days after the close  
28 of such year, the owner of such mining claim or some other  
29 person having knowledge of the facts shall file for record

1 with the recorder of the district in which the claim is  
2 located a signed statement setting forth such information  
3 concerning the annual labor of the preceding year as may be  
4 required by the Commissioner. Such statement, properly  
5 filed, shall be prima facie evidence of the performance of  
6 the annual labor. The failure of any one of several owners  
7 to contribute his portion of the expenditures required for annual  
8 labor shall be treated in accordance with Section 47-3-56  
9 through 47-3-60 ACLA 1949.

10 Sec. 6. PROSPECTING SITES. Prior to discovery of  
11 valuable minerals, an exclusive right to prospect by geo-  
12 physical, geochemical and similar methods may be acquired by  
13 marking boundaries and posting a notice of location of a  
14 prospecting site in a manner and containing such information  
15 as the Commissioner may require. A prospecting site shall  
16 not exceed 2,640 feet in its longest dimension and its  
17 boundaries shall run in the four cardinal directions. A  
18 certificate of location shall be filed for record in the  
19 recording district where the prospecting site is located  
20 within ninety (90) days after posting the notice of location,  
21 and a copy of the certificate shall also be mailed to the  
22 Director within said ninety (90) day period. The locator  
23 of a prospecting site shall also have an exclusive right to  
24 stake mining claims or leasehold locations within the bounda-  
25 ries of his site.

26 No prospecting site location shall include within its  
27 exterior boundaries, nor shall its boundaries be coincident  
28 with more than one boundary of any mining claim, mining  
29 leasehold location, or land under a mining lease, unless the

1 locator of the prospecting site is also the owner, optionee  
2 or lessee of said mining property. If any such mining  
3 property or area is so included or bounded, the prospecting  
4 site shall be void.

5 No person may locate more than six prospecting sites in  
6 one calendar year in one recording district. A prospecting  
7 site shall remain in effect for one (1) year after the notice  
8 of location is posted and may, at the discretion of the  
9 Director, be extended for one year periods. During each such  
10 year, work of a type compatible with the purpose of this  
11 section and acceptable to the Director must be done. The  
12 minimum expenditure for such work shall be established by  
13 the Commissioner uniformly for all prospecting sites. Where  
14 adjacent prospecting sites are held in common such expenditure  
15 may be made on any one or more locations. If a prospecting  
16 site expires neither the locator nor his successor in interest  
17 may again locate the same prospecting site or any portion  
18 thereof, as a prospecting site, for a period of two years  
19 following the date of expiration or abandonment; nor may he,  
20 during said two years, either directly or indirectly, obtain  
21 a beneficial interest in the same prospecting site or a  
22 portion thereof.

23 Sec. 7. SUBMERGED LANDS. The exclusive right to pros-  
24 pect for deposits of minerals subject to this article in or  
25 on submerged Alaska lands may be granted by a permit issued  
26 by the Director. Such permits shall be granted to the first  
27 qualified applicant, provided, that immediately following  
28 the effective date of regulations promulgated under this  
29 article a forty-five (45) day period shall be set aside for

1 receipt of applications for offshore prospecting permits,  
2 and the Director may offer tracts for which multiple appli-  
3 cations were received by competitive bidding. No person  
4 may acquire or hold offshore prospecting permits on sub-  
5 merged lands exceeding the aggregate of 5,120 acres. Lands  
6 subject to a prospecting permit shall be as compact in form  
7 as possible taking into consideration the area involved.  
8 The term of the permit shall be two years and a single ex-  
9 tension for not more than two years may be granted by the  
10 Director for good cause shown. No minerals from lands under  
11 prospecting permit shall be mined and marketed or used, ex-  
12 cept for limited amounts necessary for sampling or testing.

13       Upon discovery, the right to possess and extract such  
14 minerals may be acquired by noncompetitive lease. A non-  
15 competitive lease shall be granted to a holder of a prospec-  
16 ting permit for so much of the land subject to the permit as  
17 is shown to the satisfaction of the Director to contain  
18 workable mineral deposits. Submerged lands containing known  
19 deposits of minerals subject to this article may, in the  
20 discretion of the Director, be offered by competitive bid.  
21 Such lands shall be leased to the responsible qualified per-  
22 son offering the highest amount of cash bonus.

23       Leases for submerged lands shall be conditioned upon  
24 payment of an annual rental of \$1.00 per acre, provided that  
25 expenditures on or for the benefit of the leasehold may be  
26 credited against the rental. Rent shall be paid or a state-  
27 ment of annual labor shall be filed within ninety (90) days  
28 after each anniversary date of the lease. All submerged  
29 land mining leases shall be for a period of up to fifty-five

1 (55) years, and the lessee shall have a right to a new lease  
2 at the end of each such lease period. The Commissioner may  
3 make reasonable adjustments of the rental rate at the end of  
4 each twenty (20) year period, based upon changed conditions  
5 in production costs and market.

6 Sec. 8. SURFACE USE. Surface uses of lands or waters in-  
7 cluded within mining properties by owners of such properties  
8 shall be limited to those necessary for the prospecting for,  
9 extraction of, or basic processing of mineral deposits and  
10 shall be subject to reasonable concurrent uses. Permits for  
11 millsites and tailings disposal may be granted by the Director.  
12 Such permits shall be conditioned upon payment of a reasonable  
13 charge for such use and continuance of such limited use. Tim-  
14 ber from lands open to mining without lease, except timber  
15 lands, may be used by a mining claimant or prospecting site  
16 locator for the mining or development of his location or ad-  
17 jacent claims under common ownership. On other lands, timber  
18 may be acquired as provided elsewhere in this Act. Use of  
19 water shall be made in accordance with Sec. 47-3-35, ACLA 1949  
20 and rules and regulations promulgated thereunder, or in accor-  
21 dance with any law amending or superseding said section.

22 Sec. 9. ABANDONMENT. Failure to (1) properly file for  
23 record a certificate of location or a statement of annual  
24 labor, or (2) file with the Director within the time pre-  
25 scribed a lease application or a copy of a prospecting site  
26 location certificate, or (3) pay rental or receive credit  
27 therefor, or (4) keep location boundaries clearly marked;  
28 all as required by this article and by regulations promul-  
29 gated hereunder, shall constitute abandonment of all rights

1 acquired under the mining lease, location, or site involved,  
2 and it shall then be subject to relocation by others; provided,  
3 that if a location has not been relocated by any other person  
4 within one year after such failure, or in the case of a  
5 prospecting site two years, the locator or claimant of such  
6 abandoned location, or his successor in interest, may return  
7 to relocate it as though it had never been located. A  
8 statement of annual labor which does not accurately set forth  
9 the essential facts shall be void and of no effect.

10 Sec. 10. TRANSFERS. The sale, lease or other transfer  
11 or any mining property or interest therein shall be recorded  
12 or shall be approved by the Director in compliance with such  
13 regulations as the Commissioner may promulgate. The heirs  
14 and assigns of mining properties or interests therein shall  
15 have the same rights and duties as their predecessors, unless  
16 otherwise provided by law.

17 Sec. 11. RECOGNITION OF LOCATIONS. Locations made on  
18 lands which have been selected from federal lands and which  
19 were made in accordance with this article will constitute  
20 valid mining claims, mining leasehold locations, or  
21 prospecting site locations at the time Alaska receives tenta-  
22 tive approval of its selection. Such locations shall be  
23 subject to the provisions of said tentative approval and to  
24 land classification by the state after such tentative approval.  
25 Extraction of minerals prior to classification of the land  
26 and receipt of patent by the State shall be at the risk of  
27 the locator.

28 Sec. 2. This Act takes effect on the day after its passage  
29 and approval or on the day it becomes law without such approval.