

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19 Ch. 61, SLA 1960, is hereby repealed and re-enacted to read as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;

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

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

Sec. 3. MINING CLAIMS. Rights to deposits of minerals subject to this article, in or on Alaska lands which are open to claim staking, may be acquired by discovery, location and filing as prescribed in this article. The locator shall have the exclusive right of possession and extraction of all such minerals lying within the boundaries of his claim. A location shall not exceed 1,320 feet in its longest dimension, and its boundaries shall run in the four cardinal directions. A location shall be distinctly marked on the ground in the manner prescribed by the Commissioner and a notice of location shall be posted on the claim in such manner and containing such information as may be required by the Commissioner. Within ninety (90) days after the date of posting the notice of location on the claim, the locator or locators shall file for record in the recording district where the claim is located, a certificate of location, which 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, not less than 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 fifty-five
7 (55) years, and the lessee shall have a right to a new lease
8 at the end of each such lease period. The Commissioner may
9 make reasonable adjustments of the rental rate at the end of
10 each twenty (20) year period, based upon changed conditions
11 in production costs and markets. A valid mining claim loca-
12 ted and held pursuant to Sec. 3 of this article may be con-
13 verted to a lease at any time upon application by the owner
14 or owners thereof, and issuance by the Director. No rights
15 granted by any mining lease shall be exercised until the
16 lease has been filed for record in the recording district
17 where the land is located.

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

1 person having knowledge of the facts shall file for record
2 with the recorder of the district in which the claim is
3 located a signed statement setting forth such information
4 concerning the annual labor of the preceding year as may be
5 required by the Commissioner. Such statement, properly
6 filed, shall be prima facie evidence of the performance of
7 the annual labor. The failure of any one of several owners
8 to contribute his portion of the expenditures required for
9 annual labor shall be treated in accordance with Section 47-
10 3-56 through 47-3-60 ACLA 1949.

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