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1 IN THE SENATE

BY FAHRENKAMP

2

SENATE BILL NO. 371

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to mining; and providing for an
7 effective date."

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

9 * Section 1. AS 38.05.150(c) is amended to read:

10 (c) Where prospecting or exploration work is necessary to deter-
11 mine the existence or workability of coal deposits in an unclaimed and
12 undeveloped area, the commissioner may issue to qualified applicants
13 prospecting permits for a term of three [TWO] years, covering not more
14 than [EXCEEDING] 5,120 acres with each permit. The commissioner shall
15 grant a two-year extension of the initial three-year term of the per-
16 mit if the permittee has conducted reasonably diligent exploration
17 activities in the area covered by the permit, has not determined the
18 existence and workability of coal deposits in the area, and wishes to
19 continue prospecting or exploring in the area. The commissioner may
20 grant up to three two-year extensions of the initial three-year term
21 of the permit. The permittee is entitled to a lease for all or part
22 of the land in the permit if, at any time during the effective period
23 of the permit which may not exceed nine years, the permittee shows to
24 the commissioner that the land contains coal in commercial quantities
25 and the permittee submits a satisfactory mining plan for the recovery
26 of the coal. The commissioner may lease additional land determined
27 necessary for a mining reclamation or processing operation. [IF WITH-
28 IN THE PERIOD OF TWO YEARS THE PERMITTEE SHOWS TO THE COMMISSIONER
29 THAT THE LAND CONTAINS COAL IN COMMERCIAL QUANTITIES AND SUBMITS A

1 SATISFACTORY MINING PLAN FOR THE COAL'S RECOVERY, THE PERMITTEE SHALL
2 BE ENTITLED TO A LEASE FOR ALL OR PART OF THE LAND IN HIS PERMIT. A
3 COAL PROSPECTING PERMIT MAY BE EXTENDED BY THE COMMISSIONER FOR A
4 PERIOD OF TWO YEARS, IF HE FINDS THAT THE PERMITTEE HAS BEEN UNABLE,
5 WITH THE EXERCISE OF REASONABLE DILIGENCE, TO DETERMINE THE EXISTENCE
6 OR WORKABILITY OF COAL DEPOSITS IN THE AREA COVERED BY THE PERMIT AND
7 DESIRES TO PROSECUTE FURTHER PROSPECTING OR EXPLORATION, OR FOR OTHER
8 REASONS IN THE OPINION OF THE COMMISSIONER WARRANTING EXTENSION.]

9 * Sec. 2. AS 38.05.190(a) is amended to read:

10 (a) The right to acquire exploration and mining rights under
11 AS 38.05.185 - 38.05.280 may be acquired or held only by

12 (1) citizens of the United States at least 18 [19] years of
13 age;

14 (2) legal guardians or trustees of citizens of the United
15 States under 18 [19] years of age on behalf of the [SUCH] citizens;

16 (3) persons at least 18 [19] years of age who have declared
17 their intention to become citizens of the United States;

18 (4) aliens at least 18 [19] years of age if the laws of
19 their country grant like privileges to citizens of the United States;

20 (5) associations of the [SUCH] persons;

21 (6) corporations organized under the laws of the United
22 States or of any state or territory of the United States and qualified
23 to do business in this state, except that if more than 50 percent of
24 the stock of a corporation is owned or controlled by aliens who are
25 not qualified, the corporation is not qualified to acquire or hold the
26 [SUCH] rights.

27 * Sec. 3. AS 38.05.195 is amended to read:

28 Sec. 38.05.195. MINING CLAIMS. Rights to deposits of minerals
29 subject to AS 38.05.185 - 38.05.280 in or on state land that is [LANDS

1 WHICH ARE] open to claim staking may be acquired by discovery, loca-
2 tion and filing as prescribed in AS 38.05.185 - 38.05.280. The loca-
3 tor has the exclusive right of possession and extraction of the [ALL
4 SUCH] minerals subject to AS 38.05.185 - 38.05.280 lying within the
5 boundaries of the [HIS] claim. A location may not exceed 1,320 feet
6 in its longest dimension, and its boundaries shall run in the four
7 cardinal directions unless the claim is a fractional claim or the
8 commissioner determines that staking in compliance with this section
9 is impractical because of local topography or because of the location
10 of other claims. A location shall be distinctly marked on the ground
11 in the manner prescribed by the commissioner and a notice of location
12 shall be posted on the claim in the manner and containing the
13 information required by the commissioner. Within 90 days after the
14 date of posting the notice of location on the claim, the locator shall
15 file for record in the recording district where the claim is located a
16 certificate of location. The certificate of location shall contain
17 the information required by the commissioner. Locations may be
18 amended in the manner and with the effect prescribed in AS 38.05.200.
19 Annual labor shall be performed and statements of annual labor
20 recorded as prescribed in AS 38.05.210 - 38.05.235.

21 * Sec. 4. AS 38.05.210 is amended by adding a new subsection to read:

22 (b) The statement of annual labor required in (a) of this sec-
23 tion may be amended within two years of the date by which the annual
24 labor statement was required to be filed. An amended statement shall
25 be filed for record in the same manner as the original statement.
26 Additional labor claimed in an amended statement may not be applied
27 against labor required to be done during a subsequent year.

28 * Sec. 5. AS 38.05.240 is amended to read:

29 Sec. 38.05.240. LABOR DEFINED FOR AS 38.05.210 - 38.05.235. In

1 AS 38.05.210 - 38.05.235, "labor" includes [THE TERM "LABOR" WHERE
2 USED IN SECS. 210 - 235 OF THIS CHAPTER INCLUDES, WITHOUT BEING LIMIT-
3 ED TO,] geological, geochemical, geophysical, and airborne surveys
4 conducted by qualified experts and verified by a detailed report filed
5 in the recording district office in which the claim is located which
6 sets out fully (1) the location of the work performed in relation to
7 the point of discovery and boundaries of the claim, (2) the nature,
8 extent, and cost of it [THEREOF], and (3) the name, address, and
9 professional background of the person [OR PERSONS] conducting the
10 work. [BASIC SURVEY FINDS SHALL BE FILED IN THE CENTRAL RECORDING
11 OFFICE OF THE DEPARTMENT OF NATURAL RESOURCES, BUT KEPT CONFIDENTIAL
12 AND RELEASED ONLY IF THE CLAIM OR PROSPECTING SITE LAPSES.] The
13 commissioner, by regulation, shall define the nature of acceptable
14 survey work and the qualifications of a person competent to perform
15 this work. The airborne surveys, however, may not be applied as labor
16 for more than two consecutive years or for more than a total of five
17 years on any one mining claim, and each of those surveys shall be
18 nonrepetitive of any previous survey on the same claim.

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

20 (a) Before the discovery of valuable minerals, an exclusive
21 right to prospect by geophysical, geochemical and similar methods may
22 be acquired by marking boundaries and posting a notice of location of
23 a prospecting site in a manner and containing the [SUCH] information
24 [AS] the commissioner requires. A prospecting site may not exceed
25 2,640 feet in its longest dimension and its boundaries shall run in
26 the four cardinal directions. A certificate of location shall be
27 filed for record in the recording district where the prospecting site
28 is located within 90 days after posting the notice of location [, AND
29 A COPY OF THE CERTIFICATE SHALL ALSO BE MAILED TO THE DIRECTOR WITHIN

1 THE 90 DAY PERIOD]. The locator of a prospecting site has the exclu-
2 sive right to stake mining claims or leasehold locations within the
3 boundaries of the [HIS] site.

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

5 (c) A [NO] person may not hold [LOCATE] more than eight [SIX]
6 prospecting sites in one township at one time [CALENDAR YEAR IN ONE
7 RECORDING DISTRICT]. A prospecting site remains in effect for one
8 year after the notice of location is posted and may, at the discretion
9 of the director, be extended for one year periods. During each year,
10 work of a type compatible with the purpose of this section and accept-
11 able to the director shall be done. The minimum expenditure for the
12 work shall be established by the commissioner uniformly for all pros-
13 pecting sites. Where adjacent prospecting sites are held in common
14 the expenditure may be made on any one or more locations. If a pros-
15 pecting site expires, neither the locator nor a [HIS] successor in
16 interest of the locator may again hold [LOCATE] the same prospecting
17 site or any portion of it, as a prospecting site, for a period of one
18 year [TWO YEARS] following the date of expiration or abandonment; nor
19 may the locator [HE], during the year [TWO YEARS], either directly or
20 indirectly, obtain a beneficial interest in the same prospecting site
21 or a portion of it.

22 * Sec. 8. AS 38.05.250(a) is amended to read:

23 (a) The exclusive right to prospect for deposits of minerals
24 subject to AS 38.05.185 - 38.05.275 in or on tide and submerged state
25 land [LANDS] may be granted by a permit issued by the director. Per-
26 mits shall be granted to the first qualified applicant. No permit may
27 include an area larger than 2,560 acres, subject to the rule of ap-
28 proximation. Land [LANDS] subject to a prospecting permit shall be as
29 compact in form as possible taking into consideration the area

1 involved. The term of the permit shall be seven years. Prospecting
2 permits shall be conditioned upon payment of rental against which
3 credit shall be given for useful expenditures on land covered by the
4 permit or group of contiguous permits under common ownership or assign-
5 ment. Excess expenditures may be applied against rentals due for the
6 following two years. The rental shall be \$3 per acre for each year,
7 payable annually on the anniversary date of the permit [AT THE END OF
8 EACH YEAR]. No minerals from land [LANDS] under a prospecting permit
9 may be mined and marketed or used, except for limited amounts neces-
10 sary for sampling or testing. No person may take or hold prospecting
11 permits for minerals on state land under this section exceeding in the
12 aggregate 100,000 acres. No person may take or hold leases for miner-
13 als on state land under this section exceeding in the aggregate 46,080
14 acres.

15 * Sec. 9. AS 38.05.250(b) is amended to read:

16 (b) [UPON DISCOVERY, THE RIGHT TO POSSESS AND EXTRACT THE MINER-
17 ALS MAY BE ACQUIRED BY NONCOMPETITIVE LEASE.] A noncompetitive lease
18 shall be granted to a holder of a prospecting permit for so much of
19 the land subject to the permit as is shown to the satisfaction of the
20 director to contain workable mineral deposits. Submerged land [LANDS]
21 containing known deposits of minerals subject to AS 38.05.185 - 38.-
22 05.275 may, in the discretion of the director, be offered by com-
23 petitive bid. The land [THESE LANDS] shall be leased to the responsi-
24 ble qualified person offering the highest amount of cash bonus.

25 * Sec. 10. AS 38.05.265 is amended to read:

26 Sec. 38.05.265. ABANDONMENT. Failure to (1) properly file for
27 record a certificate of location or a statement of annual labor, or
28 (2) file with the director within the time prescribed a lease applica-
29 tion or a copy of a prospecting site location certificate, or (3) pay

1 rental or receive credit for rental, or (4) keep location boundaries
2 clearly marked, all as required by AS 38.05.185 - 38.05.280 and by
3 regulations adopted under these sections, constitutes abandonment of
4 all rights acquired under the mining lease, location, or site in-
5 volved, and it is subject to relocation by others. If a location is
6 not relocated by another person within [WITH] one year after the
7 [SUCH] failure, [OR, IN THE CASE OF A PROSPECTING SITE, TWO YEARS,]
8 the locator or claimant of the abandoned location, or a [HIS] succes-
9 sor in interest, may return to relocate it as though it had never been
10 located. A statement of annual labor which does not accurately set
11 out the essential facts is void and of no effect.

12 * Sec. 11. AS 38.05.275 is amended to read:

13 Sec. 38.05.275. RECOGNITION OF LOCATIONS. Mining locations
14 made on state land [LANDS], including shorelands, tidelands or sub-
15 merged land [LANDS,] or state selected land [LANDS], under AS 38.05.-
16 185 - 38.05.280 or in the manner described in AS 27.10 acquire for the
17 locator mining rights under AS 38.05.185 - 38.05.280, subject to
18 existing claims and to any denial of or restriction in the tentative
19 approval of state selection of the patent of the land [LANDS] to the
20 state. If shorelands, tidelands or submerged land is [LANDS ARE]
21 included in a mining location or within the projected boundaries of a
22 mining location made in accordance with this section, the locator
23 shall [IS REQUIRED TO] file a certificate of location under [WITH THE
24 DIVISION OF LANDS WITHIN 90 DAYS FOLLOWING THE DATE OF POSTING THE
25 NOTICE OF LOCATION, IN ADDITION TO FILING A CERTIFICATE OF LOCATION AS
26 REQUIRED BY] AS 38.05.195. The certificate of location must identify
27 the position of the mining location in the system of rectangular or
28 protracted surveys.

29 * Sec. 12. AS 27.05.080 is amended to read:

1 Sec. 27.05.080. PUBLIC ASSAY OFFICES. The department shall, for
2 the purpose of aiding bona fide miners and prospectors and stimulating
3 mineral discoveries, establish a [AT LEAST ONE] public assay office
4 [IN EACH OF THE FOUR JUDICIAL DISTRICTS]. The department may adopt
5 regulations and establish procedures considered necessary and expedi-
6 ent to carry out this section and AS 27.05.090.

7 * Sec. 13. AS 27.05.180 - 27.05.210 and AS 27.15.010 are repealed.

8 * Sec. 14. This Act takes effect July 1, 1984.