

Fact Sheet



Title: Annual Rental

Division of Mining, Land & Water – August 2009

Background:

In 1989, the State of Alaska enacted a mineral location ANNUAL RENTAL law, Alaska Statute 38.05.211, which requires locators and holders of State mining locations to pay an annual cash rental. The annual rental requirement applies to mining claims, leasehold locations, upland mining leases, offshore mining leases and prospecting sites on State land. Department regulations 11 AAC 86.215(f), 11 AAC 86.221, 11 AAC 86.260, 11 AAC 86.265, 11 AAC 86.313, and 11 AAC 86.422 dictate how rental payments will be made. Please consult these regulations for specific requirements.

What is the annual rental requirement?

For all traditional mining claims and ¼-¼ section MTRSC locations (~40 acres), the annual rental amount is \$35/year for the first five years, \$70/year for the second five years and \$170/year thereafter. For all ¼ section MTRSC locations (~160 acres), the annual rental amount is \$140/year for the first five years, \$280/year for the second five years and \$680/year thereafter. For all leases, the annual rent is \$.88/acre per year for the first five years, \$1.75/acre for the second five years, and \$4.25/acre per year thereafter. For prospecting sites, there is a one-time up front requirement for a rental payment of \$255 which covers the two year term of the site.

When is the rental payment due, and when does the annual rental year begin and end?

The first annual rental payment for a location must be paid within 45 days of posting the location. Subsequent annual rental payments are based on the annual rental year which begins at noon on the first September 1 after posting, and ends at noon on September 1 of the following year. The payment for each rental year is due September 1 and payable no later than November 30 of that year. The penalty for failure to make a timely payment is forfeiture (abandonment) of the location, except in the case of a lease, in which the lease is deemed in default.

How is the first rental payment made on a new location staked within the last 45 days?

The locator of a new mining location can pay the first rental payment in one of several ways. The locator can pay the first rental payment at the recording district office at the same time the location certificate (notice) is submitted for recording, or the locator may pay the first rental at one of the other locations indicated below. If the locator elects to pay rental at the time of recording, the locator **must submit the completed rental calculation worksheet** with the claim(s) being recorded so the required rental can be timely credited to the newly recorded locations. The number of claims shown on the worksheet must equal the number of documents submitted for recording. **If the required worksheet is not submitted with the claims, rental payments cannot be made at the recording office.** Please note that the recording staff will not be able to assist with worksheet calculations. For worksheet assistance, or to cure rental deficiencies, contact one of the offices listed below. If the locator decides to pay at the time of recording, the locator **must attach the required and completed rental calculation worksheet** to the location(s) being recorded in order that the required rental can be timely credited to the newly recorded location. **If the required worksheet is not attached or not completed, a required rental payment cannot be posted to the newly recorded location resulting in the recorded location becoming forfeited (abandoned).**

How are subsequent rental payments made?

Payments must be received at the following address or at one of the following offices. Make checks payable to the Alaska Department of Natural Resources. Subsequent payments may also be made to a secure internet site if the locator has a Bill Number and Customer Number from DNR's - Division of Mining, Land and Water's Courtesy Billing Notice using a credit card. The internet address for making these payments is: www.dnr.alaska.gov/payments/index.cfm

Payments made by mail must be sent to:

Department of Natural Resources
Support Services Division
550 West 7th Ave, Suite 1410
Anchorage, AK 99501-3561
Attention: Financial Services

Payments made in person (over the counter) must be made at one of the following offices:

Department of Natural Resources
Public Information Center
550 West 7th Ave., Suite 1260
Anchorage, Alaska 99501-3557
Office Hours: M thru F; 10:00 AM to 5:00 PM
(907) 269-8400 TDD: (907) 269-8411

Department of Natural Resources
Public Information Center
3700 Airport Way
Fairbanks, Alaska 99709-4699
Office Hours: M thru F; 10:00 AM to 5:00 PM
(907) 451-2705 TDD (907) 451-2770

The Department will attempt to mail each locator a courtesy payment form that lists every claim name and ADL number shown in their name. Claimants should cross out claims not being paid, and write in any claim names and ADL numbers not listed on the form. Blank payment forms will also be available at the Public Information Center in Anchorage and Fairbanks.

Payments must be received no later than November 30 each year. The Department's courtesy rental payment form or a letter that identifies the claim names and ADL numbers to be correctly credited for payment must accompany payments.

What are the rental requirements for new claims?

The first rental payment of \$35 per traditional location or ¼-¼ section MTRSC location; or \$140 per ¼ section MTRSC location is due no later than 45 days after the date the location notice is posted. This first payment covers that portion of the rental year from the date of posting to the next September 1. This first payment is **NOT** prorated; it is \$35 regardless of when the location notice is posted. The payment must be received by the Department within 45 days of the date of posting date. PLEASE NOTE: Do not use outdated certificates of location. **Use only certificates with a revision date of 08/2009 or later.** All annual rental payments must be received at one of the addresses listed on this Fact Sheet, and you must include a copy of each location certificate with the first rental payment.

What are the annual rental requirements for locations on State-selected land?

Locations made on State-selected land do not require rental payments until the State receives conveyance of the land from the federal government. PLEASE NOTE: THE FIRST RENTAL PAYMENT BECOMES DUE ON THE DATE OF CONVEYANCE. This first rental payment must be made within 90 days after the date of conveyance and covers the period of time from the date of conveyance to the next September 1. You may make a **non-refundable** deposit of \$35 (¼-¼ section location) or \$140 (¼ section location) on State-selected land that will be credited to your first annual rental payment if the State receives conveyance to the selection. The payment can be made at any of the locations listed above. This saves you the trouble of constantly checking land status to find out if the selection has been conveyed. However, there are risks. Please consult the Fact Sheet "*Mining on State-Selected Land*" for more information.

What happens if the rental payment is late?

Late payments result in claims being considered abandoned under Alaska Statute 38.05.265. Late payments will only be refunded if the Department receives a written request for the refund within 90 days after the date of payment. A locator of an abandoned location or a successor in interest may not relocate the location until one year after abandonment. If the first rental payment made at a recording office is found to be deficient, a deficiency notice will be issued and the locator will have 30 days from receipt to make the required payment in full, otherwise the new location(s) will be deemed abandoned under the law above.

Who should I contact if I have further questions:

Further information can be obtained at either of Public Information Center offices listed above.