

Fact Sheet



Division of Mining, Land & Water
August 2009

Conversion of Traditional Claims to MTRSC Claims

How do I convert?

If you have traditional "active" mining claims according to the department's records, you may elect to convert them to a MTRSC claim. It is not a mandatory requirement however. Traditional claims may be converted to either the ¼-¼ section size MTRSC claim (~ 40 acres) or the ¼ section size MTRSC claim (~ 160 acres). In order to convert, your traditional claim(s) must either partially or completely cover the ¼-¼ section or ¼ section. Your traditional claims may therefore be either smaller, the same or larger than these aliquot-part quadrant areas forming the MTRSC claim.

What is the Process to Convert?

The first step is to determine who has the mineral rights to the ¼-¼ or ¼ section MTRSC area. If you do (either partially or completely), and you want to convert, you need to relocate the traditional claim(s) with a new certificate of location titled:

"Traditional Mining Claims Amended
Conversion to MTRSC Notice/Certificate"

Use only certificates with a revision date of 08/2009 or later. The certificate has detailed instructions on the back of the form, and the form must be completely filled out for posting, recording and processing requirements. You must post the new claim as either a ¼-¼ or ¼ section location and record the above certificate as instructed on the form within 45 days of posting. The traditional claim(s) being converted must be active with rental and annual labor current and up-to-date. Additional rental may also be paid (received) within 45 days of posting as instructed on the certificate. Any notice for additional rental (as well as credit) that is determined upon adjudication of the conversion will be sent to the locator of the conversion location.

Why should I convert, what are the Advantages?

- You will have fewer claims to keep track of and fewer corners to maintain if you convert to a ¼ size MTRSC location.
- It is easier to relocate corners if you use GPS to set the corners, therefore there is less confusion on the ground, and less over-staking.
- It is sometimes cheaper for purposes of filing for record an affidavit of annual labor if the locator has fewer claims listed on the affidavit for purposes of indexing costs for recording.
- There is a 50% discount on rental for the first rental year beginning on September 1 after the date of posting the MTRSC conversion certificate.

What are the Disadvantages of Converting?

- The only real disadvantages are the costs associated with re-staking and recording.

What is the Basis for Conversion and why is it Allowed?

In the year 2000, the State of Alaska enacted Senate Bill 175 which changed the state mining law to establish a new mining claim located on the basis of legal description called an MTRSC (meridian, township, range, section and claim) location. The law created two sizes of MTRSC locations: ¼ section (~160 acres), and ¼-¼ section (~40 acres). Although located by legal description, MTRSC locations still require posting of the claim corners on the ground, which ultimately control the actual claim location and mineral rights acquired. One of the provisions of the Senate Bill was to provide a process whereby traditional mining claims could be converted to a MTRSC claim(s) if desirable.

What are MTRSC Locations and why did the State create Them as New Mining Locations?

The State created these locations because of automation and changing technology. Most MTRSC locations are located using satellite GPS (global positioning system) technology. After a locator has predetermined the meridian, township, range and section they want to claim, they can acquire the coordinates for latitude and longitude to section corners which may be further subdivided for ¼ section or ¼-¼ section aliquot part corners which may be used for establishing GPS coordinate corners to facilitate the staking of MTRSC locations. The web site for obtaining these coordinates is: www.dnr.state.ak.us/ssd/plss/PLSS.html. You also no longer need to submit a sketch map with your MTRSC location.

What will the Location Information in DNR Records Contain?

Status plats and legal description for MTRSC claims in DNR's LAS (Land Administration System) database will depict protracted quadrants in DNR's legal MTRSC (meridian, township, range and section) subdivision system. In other words, MTRSC claims will be located in the records in only one township, range, section and quadrant, and not multiple legal descriptions as in the past.

What will happen to my Old Traditional Claims?

They will be closed and converted in DNR's record database, and a new ADL number assigned for the new MTRSC conversion location. The claim(s) being converted will be referenced and remain a part of MTRSC database.

What will the Rental be for Conversion MTRSC Locations?

The annual rental payment for a conversion MTRSC location is based upon the average age of the claims being converted. Several examples are as follows with the various rental amounts indicated in regulation 11 AAC 86.221. If you convert a traditional claim that was located six years ago and only partially covers the ¼ MTRSC conversion, the rental will be based on the age of the converted claim (six years) plus the remaining newly acquired MTRSC claim area (which is assigned an age of one year), thus the age would be 7 years old divided by 2 = 3.5 years, and the rental amount would be \$35. If you were to convert three traditional claims (one located 8 years ago, one located 5 years ago, and one located 2 years ago) to a ¼ MTRSC conversion, the rental would be based on the total age of the converted locations (15 years), plus one year for the acquired remaining area, which totals 16 years divided by 4 = 4 years, and the rental amount would be \$140. If you were to convert four traditional claims (that were all 8 years old) to a ¼ MTRSC conversion, the rental would be based on 4 8-year old claims, or 32 years divided by 4 = 8 years, and the rental would be \$280. If you were to convert 4 12-year old claims to a ¼ MTRSC claim, the rental would be based on a total of 48 years divided by 4 = 12 years, and the rental would be \$680.

As an incentive to convert, rental for the new MTRSC conversion will be reduced 50% in the next billing of the rental for the location.

What is the Situation if My Traditional Claims are on State-selected land?

If your traditional claims are on State-selected land, you can still convert, but you do not have to make a rental payment 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. **It is your responsibility to know the date of conveyance.** Due to the time it takes to follow up on when conveyance may occur, it is recommended that all locators make a **non-refundable** deposit of the required rental amount that will be credited to your first annual rental payment if the State receives conveyance to the selection. 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 I don't timely Record and Pay the Required Rental for My MTRSC Conversion?

A certificate of location that is recorded late (more than 45 days after posting) or a rental payment that is not made upon deadline specified in a certified mail deficiency notice results in the MTRSC location being considered abandoned by operation of law 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 MTRSC location or a successor in interest may not relocate the location as a conversion MTRSC until one year after abandonment. Any traditional claim(s) listed on the conversion certificate will not be impacted by this abandonment action.

Public Information Offices

Anchorage

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

Fairbanks

Public Information Center
3700 Airport Way
Fairbanks, AK
(907) 451-2705 TDD: (907) 451-2770
Office Hours: M thru F; 10:00 AM to 5:00 PM