



## Fact Sheet: Conversion of Traditional Location to MTRS Location

### Converting Traditional Location to MTRS Location

If you have traditional “active” locations (either mining claims or leasehold locations), you may elect to convert them to a MTRS (Meridian, Township, Range, Section) location. It is not mandatory, however. Traditional locations may be converted to either the  $\frac{1}{4}$ - $\frac{1}{4}$  section size MTRS location (~ 40 acres) or the  $\frac{1}{4}$  section size MTRS location (~ 160 acres). In order to convert, your traditional location(s) must either partially or completely cover the  $\frac{1}{4}$ - $\frac{1}{4}$  section or  $\frac{1}{4}$  section. Each new MTRS location must be supported by a discovery somewhere within its boundaries.

### What are MTRS locations and why did the State create them as new mining locations?

The State created these locations to adapt to changing technology. Most MTRS 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  $\frac{1}{4}$  section or  $\frac{1}{4}$ - $\frac{1}{4}$  section aliquot part corners used for establishing GPS coordinate corners to facilitate the staking of MTRS locations. Beside knowing the coordinates of the location corners, the locator must also know the Datum of the map in which the GPS locations are taken. Using the incorrect datum on the GPS may cause the corner locations to be off by over 200 feet.

### What is the process to convert?

The first step is to determine who has the mineral rights to the  $\frac{1}{4}$ - $\frac{1}{4}$  or  $\frac{1}{4}$  section MTRS location. If you own the mineral rights, either partially or completely, and you want to convert, you need to relocate the traditional location(s) with a new certificate of location titled: “Mining Claims Amended for Conversion to MTRSC Notice/Certificate”.

**Use only certificates with a revision date of 07/2007 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 location as either a  $\frac{1}{4}$ - $\frac{1}{4}$  or  $\frac{1}{4}$  section location and record the above certificate as instructed on the form within 45 days of posting. The traditional location(s) being converted must be active with rental and annual labor current and up-to-date. If additional rent is due on the new MTRS claim, a certified mail deficiency notice will be mailed to you as provided for by 11 AAC 86.221(e). Any additional rent due must be paid within the time allowed on the deficiency notice. If a credit exists for overpayment of rent, the credit will be applied to further rental payments

### What are the advantages of converting?

- Fewer locations to keep track of and corners to maintain if you convert to a  $\frac{1}{4}$  size MTRS location.
- It is easier to relocate corners if you use GPS to set the corners, reducing confusion and over-staking.
- It is sometimes cheaper for purposes of filing for record a statement of annual labor if the locator has fewer claims listed on the statement of annual labor for purposes of indexing costs for recording.
- There is a 50% discount on rental for the rental year beginning on September 1 after the date of posting the MTRS 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 location located on the basis of legal description called an MTRS (meridian, township, range, and section) location. The law created two sizes of MTRS locations:  $\frac{1}{4}$  section (~160 acres), and  $\frac{1}{4}$ - $\frac{1}{4}$  section (~40 acres). Although located by legal description, MTRS locations still require posting of the location corners on the ground, which ultimately control the actual

location and mineral rights acquired. One of the provisions of the bill was to provide a process whereby traditional mining locations could be converted to a MTRS location(s) if desirable.

**What will the location information in DNR records contain?**

Alaska Mapper and legal descriptions in DNR's LAS (Land Administration System) database depict the MTRS locations as protracted or surveyed quadrants in DNR's legal MTRS (meridian, township, range and section) subdivision system.

**What will happen to my old traditional locations?**

They will be closed and converted in DNR's record database, and a new ADL number assigned for the new MTRS conversion location. The location(s) being converted will be referenced and remain a part of MTRS location database. If only part of a traditional location is included in the converted MTRS location, the remaining part may be either relinquished or maintained as an amended location.

**What will the rental be for conversion MTRS locations?**

The annual rental payment for a conversion MTRS location is based upon the average age of the locations being converted. Several examples are as follows with the various rental amounts indicated in regulations 11 AAC 86.221 and 11 AAC 86.260. If you convert a traditional location that was located six years ago and only partially covers the ¼-¼ MTRS conversion, the rental will be based on the age of the converted location (six years), and the rental amount would be \$85. If you were to convert two traditional locations (one located 8 years ago and one located 5 years ago) to a ¼ MTRS location, the rental would be based on the total age of the converted locations (13 years), plus two, an imaginary locations each with an age of one year, which totals 15 years, divided by 4 and rounded to the nearest whole number the new location rental age is 4 years, and the rental amount would be \$165. If you were to convert four traditional locations that were all 8 years old to a ¼ MTRSC conversion, the rental would be based on 4 8-year-old locations, or 32 years divided by 4 = 8 years, and the rental would be \$330. If you were to convert 4 12-year-old locations to a ¼ MTRS location, the rental would be based on a total of 48 years divided by 4 = 12 years, and the rental would be \$825. **As an incentive to convert, rental for the new MTRS conversion will be reduced 50% for the year following the year of conversion.**

**What is the situation if my traditional locations are on state-selected land?**

If your traditional locations 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 Claims on State-Selected Land*" for more information.

**What happens if I don't timely record and pay the required rental for my MTRS 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 MTRS 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 MTRS location or a successor in interest may not relocate the location as a converted MTRS location until one year after abandonment. Any traditional location(s) listed on the conversion certificate will not be impacted by the MTRS abandonment.

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