



STATE BOARD OF EQUALIZATION
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No. 93/64

October 22, 1993

TO COUNTY ASSESSORS:

FEDERAL LAW CHANGES AFFECTING UNPATENTED MINING CLAIMS

We have had some questions about the recent changes that Congress has made regarding unpatented mining claims.

Effective October 5, 1992, Congress temporarily suspended both assessment work requirements for mining claims located under the 1872 Mining Law and the filing requirements under the Federal Land Policy and Management Act of 1976. The final rule, implementing the 1993 Interior Department and Related Agencies Appropriations Act (the "Act"), requires that holders of unpatented mining claims and sites pay the Federal government a new rental fee of \$100 per claim per year. It was published in the Federal Register on July 15, 1993, and is effective on that date. This replaces the previous requirement that a claimant perform the equivalent of \$100 worth of annual assessment work in order to keep the claim.

The rule establishes the procedures for paying and administering the required annual rental fee, puts into regulation the statute's mandatory payment deadlines and its mandatory provision that failure to pay the rental fee on time constitutes abandonment of the claim or site, amends the recording and assessment work regulations to conform to the requirements of the Act, and establishes procedures for which small miners may obtain an exemption.

It is to be emphasized that the Act only temporarily suspends the assessment work requirements and replaces it instead with a rental fee. Congress apparently intends for the two-year period to be a trial period. It is uncertain what Congress will do beyond that date.

We do not believe the above modifications will result in any change involving the assessment of these properties.

There may, however, be some concern on the part of the assessment community with the application of Sections 2315 and 2315.1 of the Public Resources Code. Section 2315 currently requires the filing and recording of an affidavit of mining claim assessment work with the county recorder. Section 2315.1 permits the county recorder (upon resolution of the county board of supervisors) to refuse to record a claim until the affidavit is filed in conformance with Section 2315, and proof of payment of property taxes on the claim is demonstrated.

October 22, 1993

Since the Act was only recently enacted, the state legislature has not yet had time to revise Sections 2315 and 2315.1, if indeed they intend to do so. The California State Office of the Bureau of Land Management is recommending to claimants who have paid their rental fees to continue filing the proof of labor form with the county recorder replacing the description of the labor and improvements performed with the statement, "RENTAL FEE, AS REQUIRED BY 43 CFR 3833.1-5, HAS BEEN PAID TO THE BUREAU OF LAND MANAGEMENT FOR THIS ASSESSMENT YEAR PERIOD." (See enclosed Notice.)

If you would like copies of the final regulations, copies of the small miners exemption forms, or other information concerning the Act, please contact:

The Bureau of Land Management, California State Office
2800 Cottage Way
Sacramento, CA 95825

or, you can reach them at (916) 978-4754.

If you have any questions concerning this letter, please call Ray Rothermel at (916) 445-4982 in the Petroleum and Mining Section in this division.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:kmc

Enclosure



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
California State Office
2800 Cottage Way, Room E-2845
Sacramento, California 95825-1889



NOTICE TO CLAIMANTS PAYING RENTAL FEES

For those mining claimants who have paid the rental fees on their unpatented mining claims, as required by 43 CFR 3833.1-5, please note:

It is our interpretation of the State of California Public Resources Code (state law filing requirements), that you are not required to file a proof of labor (annual assessment work) with the county if you have paid the rental fee to the Bureau of Land Management (BLM).

However, we recommend that you do file a proof of labor or assessment work form with the county for the following reasons:

- Prevents breaks in the chain of title on the mining claim
- County maintains a permanent record
- Avoid potential conflicts with adverse claimants

To file with the county, complete a proof of labor or assessment work form with the following statement under the description of type of labor and improvements:

"RENTAL FEE, AS REQUIRED BY 43 CFR 3833.1-5, HAS BEEN PAID TO THE BUREAU OF LAND MANAGEMENT FOR THIS ASSESSMENT YEAR PERIOD"

The filing of the proof of labor or assessment work form with BLM is not required. BLM Form 1370-41, Receipt and Accounting Advice, serves as BLM's record that the fees were paid. For additional information, please contact us at (916) 978-4754.