

Fact Sheet

Title: Material Sales in Alaska



Division of Mining, Land & Water
May 2015

State Definition of Materials

Materials are aggregate, riprap, railroad ballast, road ballast, road metal, peat, silt, loam, sand, gravel, stone, pumice, common clay, limestone, slate, peat and any other substances from the ground that are not applied for through the location system for mining claims (e.g. gold, silver, and other metals). Materials are measured and sold in cubic yards (CY).

The authority to sell these materials from state land is found under AS 38.05.550-565 and AS 38.05.810.

Identifying a Designated State Material Site

Information on material sites can be found at the Department of Natural Resources (DNR) Public Information Center (PIC) offices listed at the end of this fact sheet. Often, designated sites that have already been used for extracting materials will be shown on the state mapping website, Alaska Mapper at <http://dnr.alaska.gov/MapAK/>. Under specific circumstances you may also apply to designate and develop a new material site on state land.

Personal Use of Materials

Each person may remove and make personal use of up to two cubic yards of material per calendar year without cost. Personal use materials must be approved by DNR and may only be removed from designated material sites.

Different Types of State Material Sales

The first and smallest type of material sale is a Limited Material Permit which can be issued for no more than 200 cubic yards per 12 month period per person. A Limited Material Permit must be issued from a designated material site. This is a revocable, nonexclusive contract for personal or commercial use and usually can be issued over-the-counter at the PIC.

The second type is a negotiated material sale, which must also be issued from a designated material site. A negotiated contract can be issued for up to five years.

The third type is the competitive material sale. If multiple bidders express interest in the same location, if there is a limited quantity of material, or if DNR determines it is in the best interest of the State, DNR may decide that a competitive sale is the appropriate method for selling materials. A competitive material sale contract can be issued for up to five years.

Purchasing Materials on State Land

To purchase material, first determine the quantity of material you require from the site you have identified, then obtain an application from the DNR website or request one from the PIC.

After determining the amount and location submit the appropriate application to the PIC. For a Limited Material Permit only that form must be submitted. For a negotiated or competitive sale an application package is required. For a negotiated or competitive material sale, the applicant must submit the following:

- A fully completed material sale application, environmental risk questionnaire, reclamation plan and \$100 nonrefundable application fee.
- Prior to issuance of a contract for a negotiated or competitive material sale a performance bond and deposit are required. Proof of insurance may also be required.

If a negotiated or competitive contract is requested for an undesignated, undeveloped site, additional mining operation information and a more involved public interest process must be followed. Preliminary and Final Finding Decisions must be written and public notice given. These additional procedures take several months depending on the complexity of issues, agency concerns and public comments that must be addressed. Plan ahead; apply months before you need to extract material.

Cost of Materials

The price charged for limited and negotiated sales is set by DNR, typically established by the representative regional sale prices established by DNR. The representative regional sale price is based on the market costs of material in the area. Alternatively, the buyer may pay the fair market value of the material, determined by an appraisal, acceptable to DNR that has been completed and approved within two years before the date of sale.

The amount charged for competitive material sales will be determined by the highest bidder in the competitive sale process established by DNR. A minimum bid price is initially set by an appraisal or by the representative regional sale price, but may be raised during an auction if more than one person or company competes for the material.

State regulations require that DNR set a minimum base price and the amount charged for materials cannot be less than this base price; however, government entities and licensed public utilities may request that they be charged less than the base price, if DNR determines that it is in the public interest.

Material Sale Contract Expiration

If all the terms of the material sale contract have been met to DNR's satisfaction, any bond will be refunded. If terms of the contract have been violated, penalties may be assessed. If additional material is needed, a new application must be submitted and processed by DNR in order to issue a new material sale contract.

Material Site Reclamation

In accordance with AS 27.19, reclamation is required of all mining operations, including sand and gravel extraction. A reclamation plan is required if the operation will disturb five or more acres per year, or 50,000 cubic yard, or a cumulative disturbed area of five or more acres.

If you are applying for a material site within a wetland or water body, permits from the U.S. Army Corps of Engineers; Alaska Department of Fish and Game, Habitat Division; and the Alaska Department of Environmental Conservation may be required. Also, local governments may have specific permitting requirements.

Additional information on Material Sales

Material sale applications are available from, and may be submitted to, any of the DNR offices listed below.

DNR Public Information Center
550 West 7th Avenue, Suite 1260
Anchorage, AK 99501-3557
Phone: 907-269-8400
Fax: 907-269-8901

DNR Public Information Center
3700 Airport Way
Fairbanks, AK 99709-4699
Phone: 907-451-2705
Fax: 907-451-2706

DNR Public Information Office
P.O. Box 111020
400 Willoughby Street, #400
Juneau, AK 99801
Phone: 907-465-3400
Fax: 907-586-2954

Forms are available electronically on the DNR website:

Limited Material Permit

<http://dnr.alaska.gov/mlw/forms/land/limitmateria.pdf>

Material Sale Application

<http://dnr.alaska.gov/mlw/forms/land/materapp.pdf>

Applicant Environmental Risk Questionnaire

http://dnr.alaska.gov/mlw/forms/land/envriskq_merged.pdf

Material Site Reclamation Plan

http://dnr.alaska.gov/mlw/forms/land/reclplan_merged.pdf

Development Plan

http://dnr.alaska.gov/mlw/forms/land/devplan_merged.pdf

Useful Facts

- A full size pickup bed can hold approximately one cubic yard.
- A standard dump truck has a capacity of 10-12 cubic yards.
- One Cubic Yard = 1.5 Tons (approximate)