

# "Land bank" means no taxes

Most people have heard about putting money in a bank to get interest. But the Alaska Lands Act allows Native landowners to put their land in a "bank" and avoid property taxes, land condemnation, or court seizures.

Once land selections of Native village corporations, regional corporations, or groups have been conveyed to the corporation or group, the lands no longer belong to the Federal government. The lands are private lands which may be sold or taxed like any other private lands in Alaska.

According to the Alaska Native Claims Settlement Act of 1971, undeveloped Native lands cannot be taxed for a period of twenty years. The twenty-year period begins from the date that the corporation or group receives an interim conveyance or patent to the lands. However, after twenty years the lands may be taxed. The land may be taxed immediately if it is developed or leased. At any time the lands may be sold.

Many Native corporations

have no interest in developing a lot of their land, and Congress felt it was unfair to be taxed on land that was left natural and wild. So, one of the major priorities of the Alaska Federation of Natives during Congressional consideration of the Alaska Lands Act was to develop some kind of mechanism to protect undeveloped Native lands from forced judicial sale and from taxation after the twenty-year tax moratorium period expires. At the same time the State of Alaska recognized that effective land-use planning depends upon a strong cooperative management system for State, Federal and Native Lands.

Congress agreed with both of these ideas: the importance of protecting Native land, and the importance of a strong cooperative management system. It combined both ideas into one: the Alaska Land Bank program. While the program applies to all lands in Alaska, there are particular advantages for Native landowners.

A Native corporation, group

or person who has received land as a result of the Alaska Native Claims Settlement Act may enter into a cooperative management agreement with either the State of Alaska or the Federal government, depending upon where the Native land is located. To enter into an agreement the Native landowner must agree to:

1. Not sell, assign or mortgage the lands which are part of the program, or develop or improve the lands except as provided in the cooperative management agreement.
2. Manage the lands in a manner compatible with the management plan, if any, for the adjoining Federal or State lands. This requirement does not permit the Federal government or State of Alaska to require a Native landowner to grant public access on or across its lands.
3. Allow reasonable access by officers of the State of Alaska for purposes of conserving fish and wildlife.
4. Not withdraw its land

from the Land Bank program without-written notice to the other parties to the agreement.

Lands in the Land Bank are not subject to property taxes, any judgement in any action at law or equity to recover monies owed or penalties incurred by any Native corporation or group, or any officer, director or shareholder of any corporation or group, or to adverse possession (squatter's rights).

A Native land owner may include any or all of the land in the Land Bank. The decision on how much land should be included, if any, is completely that of the Native landowner. The first term of a cooperative agreement must be for ten years. Each agreement can be renewed, at the option of the landowner, for additional periods of five years. The renewal process can continue indefinitely.

Lands can be withdrawn from the Land Bank program at any time by the Native landowner. Property taxes would be due

only for the term then in effect. For example: A Native corporation puts some of its land into the program for an initial period of ten years and then renews the agreement for another five years. At the end of the first year of the renewal agreement the Native corporation decides to develop its lands. It withdraws its lands from the Land Bank program, but has to pay only one year's worth of any property taxes, not eleven years. This is because the first ten-year term of the agreement had expired prior to the decision to withdraw the land from the Land Bank program.

All these benefits of the Land Bank program automatically apply to undeveloped Native lands for the next three years, without the lands being made the subject of a cooperative management agreement. This provision was included by Congress in order to encourage Native landowners to participate in the cooperative management program.

## THE DOYON REGION

