In keeping with the business corporation approach, the revenues from these lands are taxable under the income tax laws of Alaska and the United States.

The Alaska Constitution, in keeping with modern theory, makes private interests in government property taxable to the private holder, and the same principle is adopted here.

The section also makes native township grant lands generally subject to state and local laws, such as planning and zoning, building codes, and so on. Compare Sections 3(b) and 1(e) of S. 1964.

Section 217. Federal Highway Allocations and Fire Protection.—The first paragraph of this section is a revision of Section 7, S. 1964.

The second paragraph is intended to solve another potentially serious problem, by having the Bureau of Land Management continue to provide fire protection at no cost on lands which produce no revenues. The State of Alaska does not receive such revenues free, and this has been a factor tending to prevent early selection of lands granted by the Statehood Act.

Section 218. Rights of Certain Occupants.—These provisions are revisions of provisions in S. 1964, see Section 3(e), (h), Page 5.

Section 219. Additional Township Grants.—This section is a safety valve. As a legislative settlement cannot, by its nature, deal with the equities of each group of natives, some groups may receive an inadequate settlement. The Secretary is empowered to give relief in such situations.

Although the section is the result of a suggestion from an Interior Department representative, and the language is drawn from Section 3(a), Pages 8–9, of S. 1964, the section at this time represents only the position of the Task Force.

Section 220. Priority Between State and Native Selections Absent Preference Rights.—This section establishes a general rule that absent preference rights first in time are first in right as between selections by native groups and the State of Alaska.

While the Task Force expects that native groups will use their land selection rights immediately, and select perhaps as much as thirty million acres within a year after the federal act is adopted, many native groups will hold some selection rights in reserve, and under Section 201 they will have twenty-five (25) years in which to exercise their selections. So there will be conflicts between state and native selections, even between native selections in the future. The rule of first in time, first in right seems a fair way of resolving these conflicts.

Section 221. Contracts With The Alaska Division of Lands.—By this section native groups are empowered (and, in effect, encouraged) to enter into land management contracts with the Alaska Division of Lands. The native group retains policy control. The Division of Lands now provides such services to the boroughs of Alaska (which, under the borough act, are entitled to select 10% of the state lands in the borough).

Section 222. Conveyance, Release and Redistribution of Land Selection Rights.—Some native groups may not desire to exercise all of their land selection rights. The first paragraph permits the rights to be released to the Alaska Native Commission, which may redistribute the rights upon the basis of need and equity. Released land selection rights should not be offset against an award in the Indian Claims Commission.

As the State of Alaska has received patent to some areas which villages consider important or critical to their well being, they may contract with the State of Alaska to obtain these lands. The second paragraph is intended to provide for such acquisitions.

The third paragraph is self-explanatory. As some groups may not use all of their selection rights in twenty-five years, the fourth paragraph provides for the redistribution on the basis of need and equity of any "leftover" selection rights.

Section 223. State Not to Lose Entitlement.—As certain state selections will be voided by native group preference selections, it is appropriate to make clear that the state in such cases does not lose its selection rights.

Section 301. Grant of Royalty.—Sections 301, 302, 304, 305, 306 and 308 are a Task Force revision of a draft submitted to the Task Force by representatives of the Interior Department.

In Section 301 the principal changes are that the royalty is made a present property interest and the initial term is extended from 10 to 25 years. It is understood that these changes are supported by both Interior Department and Governor Hickel.