

The royalty would be distributed to native groups on the same basis as that provided in the federal bill.

CHAPTER III. INCORPORATION OF NATIVE GROUPS

The aim of this chapter is to establish a form of business corporation by which the native beneficiaries of the state and federal acts can engage in business enterprise under conditions of modern commercial and corporate law.

The basic model is the general business corporation contemplated by existing Alaska law, which in turn is based on the Model Business Corporation Act. A number of sections then alter this basic form so that certain safeguards are provided against the dissipation of native assets, and so that the benefits of the corporate assets, for several generations to come, will be made available only to proper native beneficiaries. There are also provisions whereby there can be distributions of assets to natives under conditions not normally encountered in an ordinary business corporation.

The taxation provisions are designed to exempt the lands and royalties received by the native corporation, but to render taxable all profits or dividends derived from corporate business activity.

Because there may be unforeseen instances where the Alaska corporation laws may require further adjustment to the purposes of native group enterprise, the Alaska Native Commission is given authority to issue regulations which would bring about such necessary adaptation of the ordinary business corporation to native goals. This will eliminate the need to burden future legislatures with minor statutory amendments, and it will allow the commission to resolve certain problems concerning the structure and functioning of these corporations which may arise from time to time.

The Task Force views this chapter as embodying the best current thought on how native business enterprises should be conducted. It would place these enterprises on a modern and businesslike footing, but would permit these corporations to serve native group needs adequately.

ATTACHMENT C

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Section 100. Purposes

It is the policy of the State of Alaska to assist in the settlement of land claims by Alaska natives, based upon aboriginal use and occupancy of Alaska lands, to provide a royalty from certain revenues from state lands as part of the compen-