

KARLUK AND LARSEN BAY: LAND ISSUES EXPLAINED PART 3

Koniag Shareholders sometimes hear or read references to Karluk and Larsen Bay lands. In hopes of providing our Shareholders with useful history and straightforward, factual information, Koniag has prepared several articles for consecutive newsletters.

Part 1, published in the April newsletter, was an overview of ANCSA and the merger of ANCSA corporations in our region. Part 2, published in the fall 2014 Shareholder News, reviewed how lands originally selected by Karluk and Larsen Bay figured in the proposed land exchanges and conservation easement.

As part of the merger agreement with Koniag, Karluk and Larsen Bay did receive rights to some land and money. Part 3, below, explains what happened to those lands that Koniag conveyed back to Karluk and Larsen Bay as part of the merger.

When people talk about Karluk and Larsen Bay lands, they are usually referring to lands that had been selected by these village corporations under the Alaska Native Claims Settlement Act (ANCSA). The village corporations for Karluk and Larsen Bay merged with Koniag in 1980.

Under Alaska law, Koniag received all the assets of the two corporations and became responsible for all their liabilities and payment of all their debts. Each Shareholder of the two village corporations received, from Koniag, additional shares of Koniag's Class B stock equal to the number of Koniag shares they already owned.

The merger agreement also provided that Koniag would distribute some of the villages' ANCSA funds directly to the village corporation Shareholders and that some would be distributed to a new village organization which the village could create.

The village corporations also had the right to convey – from lands they had selected under ANCSA – an amount equal to 10-acres multiplied by the number of original enrollees. This land would be transferred to either the IRA for the village or to a new village organization created by the community.

Karluk Native Corporation had the right to identify 1,860 acres and to transfer that land to the Karluk IRA Council or to form a new organization.

When the Karluk Native Corporation took no action, the judge in the merger litigation polled the former Karluk Shareholders about which organization they wanted to receive the lands. The former Shareholders designated the Karluk IRA.

Pursuant to the Shareholders' decision, Koniag transferred the 1,860 acres and the funds (\$35,340) to the Karluk IRA. The IRA has managed the lands since then. Only Native residents of Karluk qualify as members of the Karluk IRA.

In Larsen Bay, the situation was very different. Nu-Nachk-Pit Inc., the village corporation for Larsen Bay, opted to have the land (2,030 acres) and money (\$38,570) go to the Larsen Bay Tribal Council. But the tribal council waived its right to receive any lands and permitted each Shareholder at the time of the merger to identify a 10-acre tract that the tribal council would convey to them.

At the time, Koniag objected to this approach for several reasons. If parcels along the Karluk River were transferred to individuals, that land could easily pass to organizations, guides and non-shareholders. These landowners could claim exclusive use, which would have had a dramatic impact on wildlife and uses of the river by village residents.

At the time, Koniag was just beginning discussions about a possible land exchange involving ANWR and the Kodiak National Wildlife Refuge. Koniag was in fairly dire financial straits then and the land exchange was a promising path toward a stronger future.

If the most valuable refuge lands – from a land trade perspective – were dotted with privately owned 10-acre parcels, Koniag would have faced a much harder time negotiating a good land exchange agreement.

The Larsen Bay Tribal Council and Koniag reached agreement that Shareholders would select their 10-acre parcels on other lands selected by Nu-Nachk-Pit, including lands on Uyak Bay and Amook Island.

There was also concern that, if parcels were conveyed to individuals, the Kodiak Island Borough would tax the land, just as it taxes all privately owned property. If the landowner couldn't pay the taxes, the borough would foreclose. The borough did levy property taxes and some Shareholders did lose their lands. Some Shareholders sold their parcels and others still own their parcels.

When the Kodiak Island Borough later sold its lands on Shuyak Island to the Fish and Wildlife Service through the EVOS Trustee Council, it also sold the 10-acre parcels it had acquired through foreclosure. When the borough received the sale proceeds from the Trustee Council, the borough kept the amount owed to it in taxes and paid the remaining balance for each of the parcels to its former owner(s). ■