



UNITED SOUTH AND EASTERN TRIBES, INC.

USET Resolution No. 2004:049

ISSUANCE OF TAX EXEMPT BONDS BY INDIAN NATIONS: THE NEED FOR TREASURY DEPARTMENT GUIDANCE

- WHEREAS,** United South and Eastern Tribes Incorporated (USET) is an intertribal organization comprised of twenty-four (24) federally recognized tribes; and
- WHEREAS,** the actions taken by the USET Board of Directors officially represent the intentions of each member tribe, as the Board of Directors comprises delegates from the member tribes' leadership; and
- WHEREAS,** because of their economic circumstances and restrictions on their ability to pledge their land, many Indian nations are unable to procure financing for governmental projects on reasonable terms and at acceptable interest rates; and
- WHEREAS,** the United States historically has assisted state and local governments by allowing them to issue tax-free bonds, thereby substantially reducing their borrowing costs; and
- WHEREAS,** Indian nations are only permitted to issue tax-exempt securities if the proceeds of those securities are devoted to "essential governmental functions;" and
- WHEREAS,** the United States Treasury Department has failed to promulgate interpretive regulations or provide any meaningful guidance regarding the meaning of the phrase "essential governmental function," notwithstanding the fact that almost twenty-five years have passed since Congress first authorized the issuance of tax-exempt bonds by Indian nations; and
- WHEREAS,** the failure of the Treasury Department to provide guidance to Indian Country concerning this issue has severely constrained the ability of Indian nations to issue tax-exempt securities; now, therefore, be it
- RESOLVED** that USET urges the United States Treasury Department to promptly propose regulations and provide such other guidance as may be appropriate concerning the ability of Indian nations to issue tax-exempt bonds for "essential governmental purposes;" and, be it further
- RESOLVED** that USET requests that the Treasury Department develop such guidance and regulations in consultation with Indian nations, in conformity with Executive Order 13175 (November 6, 2000) and similar directives issued by the President of the United States; and, be it further
- RESOLVED** that USET urges the Treasury Department, when promulgating regulations concerning the meaning of the phrase "essential governmental function," to acknowledge the importance of tribal enterprises in generating revenues for Indian nations to discharge their numerous governmental responsibilities.

CERTIFICATION

This resolution was duly passed at the USET Impact Week Meeting at which a quorum was present in Arlington, VA, on Thursday, February 5, 2004.

Keller George, President
United South and Eastern Tribes, Inc.

Beverly M. Wright, Secretary
United South and Eastern Tribes, Inc.

"Because there is strength in Unity"