



## UNITED SOUTH AND EASTERN TRIBES, INC.

USET Resolution No. 2005:053


### SUPPORT FOR THE FINANCIAL COMMUNITY FOR THE ISSUANCE OF TAX-EXEMPT BONDS BY TRIBAL GOVERNMENTS

- 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 economic circumstances and restrictions on Tribes' ability to pledge their land, many Tribal Governments 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,** Tribal governments are only permitted to issue tax-exempt bonds if the proceeds of those securities are devoted to "essential governmental functions;" and
- WHEREAS,** uncertainty in the current law, absence of administrative guidance and increased enforcement by the Internal Revenue Service have created a climate where the ability of Tribes to issue tax-exempt bonds is being threatened; and
- WHEREAS,** Tribal governments are working to advance legislation that will resolve the uncertainty over Tribal tax-exempt bonds and put Tribes on comparable footing with state and local governments for the purpose of issuing such bonds; and
- WHEREAS,** the financial community, including bankers, investment bankers and underwriters, have a strong interest in guaranteeing that tribes are able to continue financing their investment projects through the issuance of tax-exempt bonds; therefore, be it
- RESOLVED** that USET strongly urges the members of the Congressional Native American Caucus to introduce the Tribal Government Tax-Exempt bond Fairness Act of 2005 to amend the Internal Revenue code of 1986 to provide for the treatment of Indian tribal governments as State governments for purposes of issuing tax-exempt governmental bonds.
- RESOLVED** that the USET Board of Directors urges its members to contact banks and other financial institutions with which they conduct business, advise them of the critical nature of this matter and request their immediate assistance and support in enacting appropriate legislation; therefore, be it
- RESOLVED** that the USET Board of Directors strongly urges the financial community to support Tribes in their efforts to enact legislation that will clarify the tax-exempt financing rules applicable to bonds issued by Tribal governments and guarantees that Tribes are treated comparably to state and local governments for these purposes; and, therefore be it further
- RESOLVED** that USET requests the support of other Tribal nations and Native American associations such as the National congress of American Indians to fully support the introduction and passage of tribal government tax-exempt bond legislation.

#### CERTIFICATION

This resolution was duly passed at the Semi-Annual Meeting of the USET Board of Directors at which a quorum was present in Mashantucket, CT, on Thursday, June 30, 2005.

  
Keller George, President

  
Eddie L. Tullis, Secretary

United South and Eastern Tribes, Inc.

United South and Eastern Tribes, Inc.

*"Because there is strength in Unity"*