WHEREAS, United South and Eastern Tribes, Incorporated (USET) is an intertribal organization comprised of twenty-six (26) 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, the economic circumstances and restrictions on their ability to pledge their land has created difficulties for Indian nations to procure financing for governmental projects on reasonable terms and at acceptable interest rates; and

WHEREAS, the Tax Code has treated tax-exempt bonds issued by a Tribal government differently than those issued by state and local governments by restricting the issuance of Tribal tax-exempt bonds only for the financing of projects deemed "essential governmental functions" of the Tribe; and

WHEREAS, the United States Congress enacted a pilot tax-exempt Tribal Economic Development Bond (TEDB) program as part of the American Recovery and Reinvestment Act (ARRA) that authorized Indian Tribes to issue bonds for any economic development project a state or local government could finance with tax-exempt bonds, thereby eliminating the "essential governmental functions" restriction; and

WHEREAS, Tribal applications initially overwhelmed the ARRA TEDB program, but that due to misunderstandings about the program, poor timing with respect to the credit market and barriers related to Tribal abilities to secure such bonds, nearly 95% of the $2 billion volume cap has not been issued; and

WHEREAS, the Internal Revenue Service (IRS) has requested comments on the reallocation of this bond authority and has requested additional information on other considerations to enhance the effectiveness of the TEBD program through written comments due December 12, 2011, and through telephone consultations on November 17 and December 7, 2011; and

WHEREAS, Congress required the IRS and the Department of the Treasury (Treasury) to complete a study of the TEBDs mandated under ARRA and report back to Congress; and

WHEREAS, the IRS and Treasury have still not released a completed study of the TEBDs as required by Congress; therefore, be it

RESOLVED the USET Board of Directors urges the Internal Revenue Service and the Department of the Treasury to complete its study of Tribal Economic Development Bonds and work in consultation with Indian Tribes to implement policy changes that, at a minimum, ensure parity with states and local governments in issuing tax-exempt financing, but that also provide for more expansive tax-exempt financing of commercial developments in light of the unique limitations of the Tribal tax base; and, be it further
RESOLVED the USET Board of Directors calls upon the Internal Revenue Service to reallocate the unissued bond authority in consultation with Indian Tribes as soon as practicable.

CERTIFICATION

This resolution was duly passed at the USET Annual Meeting, at which a quorum was present, in Choctaw, MS, on Thursday, November 10, 2011.

Brian Patterson, President
United South and Eastern Tribes, Inc.

Brenda Lintinger, Secretary
United South and Eastern Tribes, Inc.

“Because there is strength in Unity”