



## UNITED SOUTH AND EASTERN TRIBES, INC.

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USET Resolution No. 2004:065

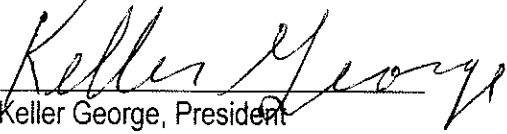
### **ISSUANCE OF TAX-EXEMPT BONDS BY INDIAN NATIONS: S. 1637 AND THE NEED FOR TREASURY DEPARTMENT GUIDANCE**

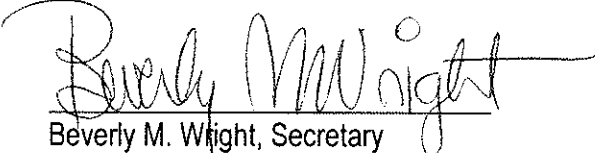
- WHEREAS,** United South and Eastern Tribes Incorporated (USET) is an intertribal organization comprised of twenty-four (24) federally recognized tribes; and
- WHEREAS,** the actions taken by the USET Board of Directors officially represent the intentions of each member tribe, as the Board of Directors comprises delegates from the member tribes' leadership; and
- WHEREAS,** many Indian nations are unable to procure financing for governmental projects on reasonable terms and at acceptable interest rates, because of their economic circumstances and restrictions on their ability to pledge their land; and
- WHEREAS,** historically the United States 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 impaired the ability of Indian nations to issue tax-exempt securities; and
- WHEREAS,** the United States Senate is currently considering a bill, S.1637-Section 613, that would provide some clarity regarding the ability of Indian nations to issue tax-exempt bonds; and
- WHEREAS,** the enactment of S. 1637-Section 613 will not resolve the numerous issues and problems that are the product of the U.S. Treasury Department's failure to promulgate interpretative regulations concerning the meaning of "essential governmental function;" therefore, be it
- RESOLVED** that the USET Board of Directors strongly urges the U.S. Senate to amend Section 613 of S. 1637 to include a provision compelling the U.S. Treasury Department to draft and promulgate 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 the USET Board of Directors 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.

*"Because there is strength in Unity"*

**CERTIFICATION**

This resolution was duly passed at the Semi-Annual Meeting, at which a quorum was present, in Hollywood, FL, on Thursday, June 17, 2004.

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

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