

108TH CONGRESS
1ST SESSION

S. 1526

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, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 31 (legislative day, JULY 21), 2003

Mr. CAMPBELL (for himself and Mr. INOUE) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

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, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act maybe cited as the “Tribal Government
5 Tax-Exempt Bond Fairness Act of 2003”.

6 **SEC. 2. DECLARATIONS AND AFFIRMATIONS.**

7 Congress declares and affirms that—

1 (1) The United States Constitution, United
2 States Federal court decisions, and United States
3 statutes recognize that Indian tribes are govern-
4 ments, retaining sovereign authority over their
5 lands.

6 (2) Through treaties, statutes, and Executive
7 orders, the United States set aside Indian reserva-
8 tions to be used as “permanent homelands” for In-
9 dian tribes.

10 (3) As governments, Indian tribes have the re-
11 sponsibility and authority to provide governmental
12 services, develop tribal economies, and build commu-
13 nity infrastructure to ensure that Indian reservation
14 lands serve as livable “permanent homelands”.

15 (4) Congress is vested with the authority to
16 regulate commerce with Indian tribes, and hereby
17 exercises that authority and affirms the United
18 States government-to-government relationship with
19 Indian tribes.

20 **SEC. 3. MODIFICATIONS OF AUTHORITY OF INDIAN TRIBAL**
21 **GOVERNMENTS TO ISSUE TAX-EXEMPT**
22 **BONDS.**

23 (a) IN GENERAL.—Subsection (c) of section 7871 of
24 the Internal Revenue Code of 1986 (relating to Indian

1 tribal governments treated as States for certain purposes)
2 is amended to read as follows:

3 “(c) ADDITIONAL REQUIREMENTS FOR TAX-EXEMPT
4 BONDS.—

5 “(1) IN GENERAL.—Subsection (a) of section
6 103 shall apply to any obligation issued by an In-
7 dian tribal government (or subdivision thereof) only
8 if—

9 “(A) such obligation is part of an issue 95
10 percent or more of the net proceeds of which
11 are to be used to finance any facility located on
12 an Indian reservation, or

13 “(B) such obligation is part of an issue
14 substantially all of the proceeds of which are to
15 be used in the exercise of any essential govern-
16 mental function.

17 “(2) EXCLUSION OF GAMING.—An obligation
18 described in subparagraph (A) or (B) of paragraph
19 (1) may not be used to finance any portion of a
20 building in which class II or III gaming (as defined
21 in section 4 of the Indian Gaming Regulatory Act
22 (25 U.S.C. 2702)) is conducted or housed.

23 “(3) DEFINITIONS.—For purposes of this sub-
24 section—

1 “(A) INDIAN TRIBE.—The term ‘Indian
2 tribe’ means any Indian tribe, band, nation,
3 pueblo, or other organized group or community,
4 including any Alaska Native village, or regional
5 or village corporation, as defined in or estab-
6 lished pursuant to the Alaska Native Claims
7 Settlement Act (43 U.S.C. 1601 et seq.), which
8 is recognized as eligible for the special pro-
9 grams and services provided by the United
10 States to Indians because of their status as In-
11 dians.

12 “(B) INDIAN RESERVATION.—The term
13 ‘Indian reservation’ means—

14 “(i) a reservation, as defined in sec-
15 tion 4(10) of the Indian Child Welfare Act
16 of 1978 (25 U.S.C. 1903(10)), and

17 “(ii) lands held under the provisions
18 of the Alaska Native Claims Settlement
19 Act (43 U.S.C. 1601 et seq.) by a Native
20 corporation as defined in section 3(m) of
21 such Act (43 U.S.C. 1602(m)).”.

22 **SEC. 4. EXEMPTION FROM REGISTRATION REQUIREMENTS.**

23 The first sentence of section 3(a)(2) of the Securities
24 Act of 1933 (15 U.S.C. 77c(a)(2)) is amended by inserting
25 “or by any Indian tribal government or subdivision thereof

1 (within the meaning of section 7871 of the Internal Rev-
2 enue Code of 1986),” after “or Territories,”.

3 **SEC. 5. EFFECTIVE DATE.**

4 The amendments made by this Act shall apply to obli-
5 gations issued after the date of the enactment of this Act.

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