

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.

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## 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

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## 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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