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BAUCUS-SMITH BILL WILL BOOST COMMUNITY DEVELOPMENT ON TRIBAL LANDS

Legislation would put tribal governments on par with states, cities to fund projects

Washington, DC – U.S. Finance Committee Chairman Max Baucus (D- Mont.) and Senator Gordon Smith (R- Ore.) have introduced legislation that will allow Tribal governments to issue tax-exempt government bonds to finance community development. The Tribal Government Tax-Exempt Bond Parity Act of 2007 will give Indian Tribes the same opportunities that state and local governments have to fund development programs such as construction of community recreational facilities, public buildings, and conference centers.

“This bill strengthens our commitment to the futures of Indian tribes in my home state of Montana and across the country, putting Native governments on equal footing with cities and states when it comes to economic development,” said Baucus. **“It’s common sense that Tribal Governments should have the same opportunities as other municipalities to build safer roads, better schools, and stronger communities in areas in great need of new development.”**

“Tribes should have the same financial tools as a county or state to grow their communities,” Smith said. **“There is no reason Indian Country should be at a disadvantage. This bill brings much needed parity.”**

The Indian Tribal Governmental Tax Status Act of 1982 currently allows bonds to be issued exclusively for “essential governmental functions” – a term generally defined only as state and local government projects. The Baucus-Smith proposal allows Native governments broader use of tax exempt bonds, thereby placing Indian Tribes on an equal footing with state and local governments to issue tax-exempt bonds to fund development programs.

The bill is expected to be referred to Senate Finance Committee. Smith is also member of that panel, which oversees U.S. tax policy. Congressmen Xavier Becerra (D-Calif.) and Devin Nunes (R-Calif.) are expected to introduce identical legislation in the House later this week.

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