CREATING A TRIBAL MUNICIPALITY FOR ECONOMIC DEVELOPMENT

APPENDIX 1

Tulalip Tribal Code Chapter 1.25 – Political Subdivisions Act
Chapter 1.25
POLITICAL SUBDIVISIONS ACT

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1.25.010 Political Subdivisions Act – Tulalip Tribes of the Tulalip Reservation – Subdivisions authorized.
This chapter shall be known as the Tulalip Tribal Political Subdivisions Act. There are hereby authorized to be created by duly adopted
resolutions of the Board of Directors (Board) of the Tulalip Tribes of the Tulalip Reservation (Tribes), chartered subdivisions of the Tribes which will be arms, political subdivisions, municipal corporations, agencies and/or instrumentalities of the Tulalip Tribal government. The subdivisions organized and created by charters under this chapter shall be subject to the Constitution and Bylaws of the Tulalip Tribes, Tribal law and this chapter. The right to repeal, alter or amend this chapter at any time is expressly reserved to the Board. Any such charters, repealers, alterations or amendments shall be reviewed by the Secretary of the Interior when required by a provision of the Constitution of the Tulalip Tribes. [Ord. 111 § 1.1, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.1, 10-7-2000 (Res. 2000-347)].

1.25.020 Purpose, constitutional authority.
(1) Indian tribes have been consistently recognized throughout the history of the United States of America to retain as governmental powers, where consistent with the trusteeship of the United States, all powers necessary to utilize their undivided resources for the general welfare and economic benefit of the tribes and the citizens of the Reservation and it has been further recognized that tribes may organize political subdivisions or municipal corporations to do so. This chapter is intended to exercise and implement Tulalip Tribal governmental, corporate, economic, and commercial powers, which are hereby declared by the Tulalip Tribes to be of the same nature as all other Tribal powers, pursuant to the provisions of the Constitution of the Tribes.

(2) The Constitution of the Tribes in its Preamble, in Article VI, Sections 1(H), (K), (M), and (V), and in Article VIII, Sections 2, 11 and 12, provides for the exercise of governmental, corporate, economic and commercial powers by the Tribes and its Board of Directors to further the advancement of the Tulalip Indian people.

(3) The Tribes and its members have endured a century of deprivation and oppression. This fact has been recognized by the Congress of the United States through numerous Acts intended to assist in the development of Indian and Reservation resources. There is now a need and an opportunity to organize and develop Tulalip political, natural resources and human resources to provide a standard of living, local municipal government and education to all Tribal members equal to that of all citizens of the United States. The Tribes adopts this chapter in order to meet the following independent goals:
(a) Carry out a Tribal constitutional mandate;

(b) Develop Tribal government to obtain the highest standard of local government possible on the Reservation;

(c) To raise the standard of living, education and general welfare for all Tribal members and all citizens of the Reservation;

(d) To enter into and take advantage of governmental, business and commercial opportunities available to the Tribes;

(e) To modernize Tribal government to take advantage of the powers and flexibility of political subdivision and municipal government on the Tulalip Reservation.

(4) To accomplish the goals set out in subsection (3) of this section, this chapter is designed to further the governmental development of the Tulalip Tribes, as follows:

(a) To provide for the chartering of political subdivisions of the Tulalip Tribes within the Tulalip Reservation including but not limited to schools, agencies, municipal corporations, port districts, trade zones, health districts, and cultural or religious zones.

(b) To provide for localized government appropriate to the diverse lands, waters and populations of the Tulalip Reservation.

(c) To provide employment and education for Native American people within the Tulalip Reservation.

(5) To accomplish the goals set out in subsections (3) and (4) of this section, the Board hereby finds that for purposes of efficiency and wise stewardship, it is necessary for the development of certain territories of the Tribes, where boundaries shall be set out in the charters of the political subdivisions, to be divided from other governmental territories of the Tribes and placed within the responsibility of persons or entities different from the Board, so that governmental development may take place within, and be based upon, the sphere of local government rather than within the sphere of overall Tribal governmental concerns.

(6) The Tribes for many years has operated governmental programs to protect the general health, safety and welfare of Tribal members and to protect the health and security of all persons on and near the Tulalip
Reservation. To support these programs, the Tribes has depended upon surplus revenues from the sale and utilization of Tribal natural resources and from Tribal business enterprises. It is intended that the corporations created under this chapter will increase the revenues to the Tribes by taxing those who consume services on the Reservation. Such surplus and additional revenues may be used to fund governmental programs and for the protection and security of Tribal members and residents of the Reservation. [Ord. 111 § 1.2, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.2, 10-7-2000 (Res. 2000-347)].

1.25.030 Privileges and immunities.
The political subdivisions established by charter and boundary description under this chapter shall be considered to be governmental agencies and instrumentalities of the Tribes; and their officers and employees considered officers and employees of the Tribes, notwithstanding the fact that their work rules and conditions may differ from those of other Tribal officers and employees; carrying out responsibilities imposed upon the Board for advancement of the Tribes and their members by the Constitution and Bylaws of the Tulalip Tribes of the Tulalip Reservation. Such political subdivisions, their officers and employees shall, therefore, be entitled to all of the privileges and immunities enjoyed by the Tribes; including, but not limited to, immunities from suit in Tribal, Federal and State Courts, and from Federal and State taxation, or regulation, except as specifically set out in the charters granted pursuant to this chapter. [Ord. 111 § 1.3, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.3, 10-7-2000 (Res. 2000-347)].

1.25.040 Tribal taxation.
All activities of political subdivisions created under this chapter shall be subject to taxation by the Tribes. [Ord. 111 § 1.4, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.4, 10-7-2000 (Res. 2000-347)].

1.25.050 Organization.
The Board may, by resolution, appoint the officers and representatives of political subdivisions created pursuant to this chapter. The election or appointment of officers and the appointment or the election of subsequent officers shall be governed by this chapter and by the provisions of a charter granted under this chapter by the Board to the political subdivision. [Ord. 111 § 1.5, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.5, 10-7-2000 (Res. 2000-347)].

1.25.060 Powers, duration.
The powers of political subdivisions created pursuant to this chapter shall be set out in the charters of the corporations and may include, but shall not be limited to, all standard powers of municipal corporations, certain designated sovereign powers and the powers of annexation and eminent domain; provided, no power shall be granted or exercised which shall be beyond those powers provided to the Tribes in the Constitution and Bylaws of the Tribes or in Federal law. The duration of subdivisions created under this chapter shall be perpetual unless a different duration is stated in the charter. [Ord. 111 § 1.6, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.6, 10-7-2000 (Res. 2000-347)].

1.25.070 Lands.
Real property acquired by a political subdivision created pursuant to this chapter may be transferred, where permitted by the Federal law governing the ability of the Tribes to make such a transfer, to the ownership of the United States in trust for the Tribes and shall be by appropriate, lawful transfer placed into the control of the political subdivision by the Tribes. [Ord. 111 § 1.7, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.7, 10-7-2000 (Res. 2000-347)].

1.25.080 Tribal Courts - Jurisdiction, enforcement of act.
Notwithstanding the immunity from suit conveyed upon political subdivisions created pursuant to this chapter; the provisions of this chapter, other Tribal laws and ordinances, or Tribal enactments pursuant to this chapter, may be enforced against any political subdivision or other entity created under this chapter and its employees or officers; by an action in law or equity in the Tribal Courts of the Tribes, when brought by a constitutional quorum of the Board. [Ord. 111 § 1.8, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.8, 10-7-2000 (Res. 2000-347)].

1.25.090 Agent.
All political subdivisions created under this chapter shall publicly designate and maintain a registered agent for service of documents on the Tulalip Indian Reservation. [Ord. 111 § 1.9, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.9, 10-7-2000 (Res. 2000-347)].

1.25.100 Assets.
The assets of each and every political subdivision created under this chapter, when specifically granted to the political subdivision by the Tribes or when obtained through a standard acquisition by the political subdivision, shall be separate and distinct from those of the Tribes. In no
case shall Tribal assets not specifically pledged to the political subdivision in a manner permitted by law be considered assets of a political subdivision created under this chapter for any purpose. [Ord. 111 § 1.10, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.10, 10-7-2000 (Res. 2000-347)].

1.25.110 Audits.
The governing body of every municipal corporation or political subdivision chartered under this chapter shall require that an annual audit of the entity by an outside auditor be conducted and made available to the Board within a reasonable time of completion of the audit. The Board, by duly adopted resolution, may at any time require that any political subdivision created under this chapter be audited by an independent auditor hired by the Board and shall have the absolute right to require access to all corporate documents necessary for such an audit. [Ord. 111 § 1.11, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.11, 10-7-2000 (Res. 2000-347)].

1.25.120 Annual report.
The governing body and management of each political subdivision created pursuant to this chapter shall hold at least one open meeting per year, on 10 days’ public notice, within the boundaries of the Tulalip Indian Reservation, at which the governing body shall answer any questions asked of them by the Board. Each governing body shall also file a full report of the financial activities of the political subdivision with the Board on an annual basis. [Ord. 111 § 1.12, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.12, 10-7-2000 (Res. 2000-347)].

1.25.130 Contracts with officers.
Notwithstanding any other provision of this chapter or charters or articles of incorporation of any political subdivision granted pursuant to provisions of this chapter, all directors or officers of any political subdivision chartered under this chapter, and any firm in which said directors or officers hold office, or are shareholders or owners, shall be disqualified from dealing or contracting with Tribal political subdivisions chartered under this chapter, or subsidiaries thereof, as either a vendor, purchaser, or otherwise; and such contracts or transactions shall be void, unless such contract or transaction has been fully disclosed to, and approved by, the Board; provided, this section shall not apply to the employment contracts of persons employed by a political subdivision or a subsidiary thereof. [Ord. 111 § 1.13, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.13, 10-7-2000 (Res. 2000-347)].
1.25.140 Bonding.
Notwithstanding any other provision of this chapter, or charters or articles of incorporation (and supplementing bylaws) granted pursuant to provisions of this chapter, all officers, contractors and key employees of any political subdivision chartered or licensed under this chapter who are:

(1) Authorized, either individually or in conjunction with others, to expend funds on behalf of the governmental corporation or any of its subsidiaries or agencies; or

(2) Responsible for accounting for the funds of a political subdivision or any of its subsidiaries or agencies;

shall at all times be bonded or insured by the corporation to protect the assets of the political subdivision in an amount consistent with the financial responsibilities of the director, officer, contractor or employee. Such bonds or policies of insurance shall be obtained at the expense of the political subdivision or the contractor and must be approved by the corporate governing body before the officer, contractor or employee is permitted to expend or account for funds.

No director, officer, contractor, or employee of a political subdivision shall have authority under this chapter, or a charter granted under this chapter, to expend or account for corporate funds unless bonded or insured in compliance with this section. Any signature of a corporate director, officer, contractor or employee of a political subdivision purporting to authorize expenditure of corporate funds shall be void if at the time the signature is given the director, officer, contractor, or employee is not bonded or insured as required by this section. [Ord. 111 § 1.14, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.14, 10-7-2000 (Res. 2000-347)].

1.25.150 Employment.
All political subdivisions chartered pursuant to this chapter shall be subject to the preference laws of the Tribes and of the United States governing the employment of Native American workers on or near the Tulalip Indian Reservation. [Ord. 111 § 1.15, 10-31-2003 (Res. 2003-462); Ord. 111 § 1.15, 10-7-2000 (Res. 2000-347)].

1.25.160 Creation – By resolution – Process.
(1) The Board may create by ordinance, pursuant to authority granted by this chapter and Article VI, Sections 1(L) and (S) of the Constitution and Bylaws of the Tulalip Tribes, any of the following entities which will be subject to the provisions of this chapter and to the provisions of a charter which shall be attached to the creating ordinance and adopted by reference in the resolution creating the entity: any borough, village, town, city, municipal corporation, or special purpose district.

(2) The Board may by resolution or ordinance consolidate or expand any borough, village or special purpose district using the same form as set out in subsection (1) of this section, or dissolve by resolution any entity created under subsection (1) of this section.

(3) The Board may, by a resolution or ordinance setting forth with specificity the actions to be taken:

(a) Allow the assumption by any city or town of all or part of the assets, facilities, or indebtedness of a special purpose district which lies partially within such village, borough, city or town; or

(b) Allow the establishment of or change in the boundaries of a mutual water and sewer system or separate water or sewer system by a water-sewer district; or

(c) Allow the extension of permanent water or sewer service outside of its existing service area by a borough, village, city, town, or special purpose district. The service area of a borough, village, city, town, or special purpose district shall include all of the area within its corporate boundaries plus, (i) for extensions of water service, the area outside of the corporate boundaries which it is designated to serve pursuant to a coordinated water system plan; and (ii) for extensions of sewer service, the area outside of the corporate boundaries which it is designated to serve pursuant to a comprehensive sewerage plan.

(d) Amend any charter granted under this chapter. [Ord. 111 § 2.1, 10-31-2003 (Res. 2003-462)].

1.25.170 Filing notice of proposed actions with or by Board. Whenever any of the following described actions are proposed within the Tulalip Reservation, the initiators of the action shall file a Notice of Intention with the Secretary of the Board of Directors; provided, that when the initiator is the Board of Directors itself, no Notice of Intention
need be filed. The Board shall within a reasonable time from the date of filing of the notice review proposed actions contained in the Notice of Intention pertaining to:

(1) The (a) creation, incorporation, or change in the boundary of any borough, village, county, city, town, municipal corporation, or special purpose district; (b) consolidation of any borough, village, or special purpose district, but not including consolidation of cities and towns; or (c) dissolution or disincorporation of any borough, village, county, city, town, or special purpose district, except that the Board may not review the dissolution or disincorporation of a special purpose district which was dissolved or disincorporated pursuant to the provisions of Tribal law; or

(2) The assumption by any city or town of all or part of the assets, facilities, or indebtedness of a special purpose district which lies partially within such village, borough, city or town; or

(3) The establishment of or change in the boundaries of a mutual water and sewer system or separate water or sewer system by a water-sewer district; or

(4) Allow the extension of permanent water or sewer service outside of its existing service area by a borough, village, city, town, or special purpose district. The service area of a borough, village, city, town, or special purpose district shall include all of the area within its corporate boundaries plus, (a) for extensions of water service, the area outside of the corporate boundaries which it is designated to serve pursuant to a coordinated water system plan; and (b) for extensions of sewer service, the area outside of the corporate boundaries which it is designated to serve pursuant to a comprehensive sewerage plan. [Ord. 111 § 2.2, 10-31-2003 (Res. 2003-462)].

1.25.180 Notice of Intentions – Contents.
The Notice of Intention shall contain the following information:

(1) The nature of the action sought;

(2) A brief statement of the reasons for the proposed action with specific reference to objectives and factors set out in TTC 1.25.190 and 1.25.200;
(3) The legal description of the boundaries proposed to be created, abolished or changed by Board action; provided, that the legal description may be altered, with concurrence of the initiators of the proposed action, if a person designated by the Board of Directors as one who has expertise in legal descriptions makes a determination that the legal description is erroneous; and a map on which the boundaries proposed to be created, abolished or changed by such action are designated. [Ord. 111 § 2.3, 10-31-2003 (Res. 2003-462)].

1.25.190 Objectives of the Board.
The decisions of the Board regarding the incorporation of municipalities or districts under this chapter shall attempt to achieve the following objectives:

(1) Preservation of natural neighborhoods and communities;

(2) Use of physical boundaries, including but not limited to bodies of water, highways, and land contours;

(3) Creation and preservation of logical service areas;

(4) Prevention of abnormally irregular boundaries;

(5) Discouragement of multiple incorporations of small municipalities and encouragement of incorporation of municipalities in excess of 10,000 population in heavily populated urban areas;

(6) Dissolution of inactive special purpose districts;

(7) Adjustment of impractical boundaries;

(8) Incorporation as boroughs, villages, cities or towns or annexation to boroughs, villages, cities or towns of unincorporated areas which are urban in character; and

(9) Protection of agricultural and rural lands which are designated for long-term productive agricultural and resource use by a comprehensive plan adopted by appropriate governmental entities including the Tribes. [Ord. 111 § 2.4, 10-31-2003 (Res. 2003-462)].

1.25.200 Factors to be considered by Board.
In reaching a decision on a proposal or an alternative, the Board shall consider the factors affecting such proposal, which shall include, but not
be limited to, the following:

(1) Population and territory; population density; land area and land uses; comprehensive plans and zoning, comprehensive plans and development regulations; applicable service agreements; applicable interlocal annexation agreements between a county and its cities; per capita assessed valuation; topography, natural boundaries and drainage basins, proximity to other populated areas; the existence and preservation of prime agricultural soils and productive agricultural uses; the likelihood of significant growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years; location and most desirable future location of community facilities;

(2) Municipal services; need for municipal services; effect of ordinances, governmental codes, regulations and resolutions on existing uses; present cost and adequacy of governmental services and controls in area; prospects of governmental services from other sources; probable future needs for such services and controls; probable effect of proposal or alternative on cost and adequacy of services and controls in area and adjacent area; the effect on the finances, debt structure, and contractual obligations and rights of all affected governmental units; and

(3) The effect of the proposal or alternative on adjacent areas on mutual economic and social interests, and on the local governmental structure of the area of the Reservation affected. [Ord. 111 § 2.5, 10-31-2003 (Res. 2003-462)].

1.25.210 Review of proposed actions by Board – Procedure.
The Board shall set a hearing to review and approve, disapprove, or modify any of the actions set forth in TTC 1.25.160 when any of the following shall occur:

(1) Any governmental unit affected, including the governmental unit for which the incorporation, change or extension of permanent water or sewer service is proposed, requests a review hearing.

(2) A petition requesting review is filed with the Board and is signed by:

(a) Five percent of the registered voters residing within the area which is being considered for the proposed action; or

(b) An owner or owners of property consisting of five percent of the assessed evaluation within such area requests a hearing.
If a period of 45 days shall elapse, without a decision by the Board as set forth in this section, when the Board's jurisdiction has been invoked as set forth in subsections (1) and (2) of this section, the proposed action shall be deemed approved.

If a hearing for review of a proposal is properly requested, the Board shall make a finding on the record within 180 days after the filing of such a request for review. If this period of 180 days shall elapse without the Board making a finding, the proposal shall be deemed approved unless the Board and the person or persons who submitted the proposal agree to an extension of the 180-day period. [Ord. 111 § 2.6, 10-31-2003 (Res. 2003-462)]

1.25.220 Hearings — Notice — Record — Subpoenas — Decision of Board.
(1) When the review jurisdiction of the Board has been properly invoked under TTC 1.25.210, the Board shall set the date, time and place for a public hearing on the proposal. The Board shall give at least 30 days' advance written notice of the date, time and place of the hearing to the governing body of each governmental unit having jurisdiction within the boundaries of the territory proposed to be annexed, formed, incorporated, disincorporated, dissolved or consolidated, or within the boundaries of a special district assets and facilities are proposed to be assumed by a borough, village, city or town, and to the governing body of each city within three miles of the exterior boundaries of the area and to the proponent of the change. Notice shall also be given by publication in any public media of general circulation in the area of the proposed boundary change at least twice, the last publication of which shall be not less than five days prior to the date set for the public hearing. Notice shall also be posted in five public places in the area affected for five days when the area is 10 acres or more.

(2) A verbatim record shall be made of all testimony presented at the hearing, and upon request and payment of the reasonable costs thereof, a copy of the transcript of the testimony shall be provided to any person or government unit.

(3) If a hearing is required, within 40 days after the final decision on the proposal, the Board shall file a written decision, setting forth the reasons therefor, with the Secretary of the Board. The written decision shall indicate whether the proposed incorporation, direction or change is approved, rejected or modified and, if modified, the terms of the
modification. The written decision need not include specific data on every factor required to be considered by the Board, but shall indicate that all standards were given consideration. Dissenting members of the Board shall have the right to have their written dissents included as part of the decision. [Ord. 111 § 2.7, 10-31-2003 (Res. 2003-462)].

1.25.230 Decision of Board not to affect existing franchise, permits, codes, ordinances, etc., for 10 years.
For a period of 10 years from the date of the final decision, no proceeding, approval, action, or decision on a proposal or an alternative shall be deemed to cancel any franchise or permit theretofore granted by the authorities governing the territory to be annexed, nor shall it be deemed to supersede the application as to any territory to be annexed, of such construction codes and ordinances (including but not limited to fire, electrical, and plumbing codes and ordinances) as shall have been adopted by the authorities governing the territory to be annexed and in force at the time of the decision. [Ord. 111 § 2.8, 10-31-2003 (Res. 2003-462)].

1.25.240 Definition – Board of Directors.
The term “Board,” “Board of Directors,” or “Board of Directors of the Tulalip Tribes” shall mean, for purposes of this chapter, the elected governing body of the Tulalip Tribes established by the Constitution and Bylaws of the Tulalip Tribes. [Ord. 111 § 2.9, 10-31-2003 (Res. 2003-462)].

1.25.250 Suit by municipal corporation or district.
Any municipal corporation or district established pursuant to this chapter may be permitted by charter to bring suit in its own name or in the name of the Tribes. [Ord. 111 § 2.10, 10-31-2003 (Res. 2003-462)].
The Tulalip Tribal Codes are current through legislation passed June 3, 2017.
Disclaimer: The Tribes' Office has the official version of the Tulalip Tribal Codes. Users should contact the Tribes' Office for ordinances and resolutions passed subsequent to the date cited above.

To be notified when additions, amendments, or revisions are made to any of the Tulalip Tribal Codes, send your e-mail address to CPC@codepublishing.com (mailto:CPC@codepublishing.com).

Tribes Website: http://www.tulaliptribes-nsn.gov/ (http://www.tulaliptribes-nsn.gov/)
Tribes Telephone: (360) 716-4530
Code Publishing Company (http://www.codepublishing.com/)
consultation with the Secretary of the Interior, we conclude that within the meaning of § 7871(d), A has been delegated the power to exercise one or more of the substantial governmental functions of Tribe. Therefore, for purposes of § 7871, A will be treated as a political subdivision of a state.

CONCLUSION

A is a political subdivision of Tribe.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

Although A is not required to file federal income tax returns, a copy of this letter must be attached to any income tax return to which it is relevant.

This ruling is based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the submissions, the material is subject to verification on examination.

Sincerely,
Elizabeth Purcell
Chief, Exempt Organizations Branch 2
Office of District Counsel/Associate Chief Counsel
(Tax Exempt and Government Entities)

Enclosure:
Copy for 6110 purposes
CREATING A TRIBAL MUNICIPALITY FOR ECONOMIC DEVELOPMENT

APPENDIX 2

Charter of The Consolidated Borough of Quil Ceda Village
Charter of The Consolidated Borough of Quil Ceda Village

ARTICLE I
INCORPORATION; FORM OF GOVERNMENT; POWERS AND BOUNDARIES

Section One. Incorporation.
The unincorporated area of Quil Ceda on the Tulalip Indian Reservation, within the geographic limits now established herein or that may hereafter be established in the manner provided by law, shall be and is hereby declared pursuant to Tulalip Ordinance No. 111 to be the Consolidated Borough of Quil Ceda Village, a municipal body politic and corporate, in perpetuity, of the Tulalip Tribes under the name of the Consolidated Borough of Quil Ceda Village; hereinafter “the Village”.

Section Two. Form of Government.
The municipal government provided by this charter shall be known as the council-manager form of government. Pursuant to the provisions of and subject only to the limitations imposed by the constitution and laws of the Tulalip Tribes of Washington and by this charter, all powers of the Village shall be vested in Village council, herein referred to as council, which shall enact local legislation, approve budgets, determine policies, and appoint the Village manager and such other officers deemed necessary and proper for the orderly government and administration of the affairs of the Village, as prescribed by the constitution, applicable laws, and ordinances hereafter adopted by the Village. All powers of the Village shall be exercised in the manner prescribed by this charter or, if the manner is not so prescribed, then in such manner as may be prescribed by ordinance. The Village shall be a political subdivision of the Tulalip Tribes as that term is defined by federal law and shall be entitled to all the powers and benefits of that designation.

Section Three. Powers of Village.
The Village shall have all general and specific powers granted to municipal and quasi municipal corporations by the various states of the United States and the laws of the Tulalip Tribes of Washington and by its Charter, including but not limited to the
taxing and police powers, the powers of annexation and eminent domain, the power to protect the public safety, health and welfare of all persons within the Village, and the power to contract together with all the implied powers necessary to carry into execution all the powers herein granted. In addition, the Village shall have all the powers and privileges of a political subdivision of an Indian tribal government.

Section Four. Intergovernmental relations.

The Village may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by contract or otherwise, with any one or more Indian tribes, states or political subdivisions or civil divisions or agencies thereof, or the United States or any agency thereof, or with any private entity or agency.

Section Five. Boundaries.

The boundaries of the Village shall be as established in Exhibit A to the Charter, being the boundaries established at the time this charter takes effect, or such boundaries as may be established to increase or decrease the territory within the Village thereafter in the manner authorized by law.

Section Six. Debts, Immunity from Suit.

The Village is an agency, instrumentality, political subdivision and arm of the Tulalip Tribes and shall possess the same immunity from suit as is possessed by the Tulalip Tribes; provided that this immunity may be waived only by duly adopted written resolution of the Village Council; and further provided that the immunity shall not be available to the Village in any suit brought by the Board of Directors of the Tulalip Tribes; and further provided that the debts and liabilities of the Village shall not be the debts of the Tulalip Tribes.

Section Seven. Suit

The Village shall have the power to bring suit in its own name and, where approved by resolution of the Board of Directors, in the name of the Tulalip Tribes, in any court of competent jurisdiction.

Section Eight. Purposes.

The purposes of this incorporation shall be as follows: To provide responsible local government to the Consolidated Borough of Quil Ceda Village consistent with the
needs of the area of development within its borders as it now exists or shall in the future be increased within the boundaries of the Tulalip Indian Reservation and to provide the persons and enterprises located within the Village and the people of the Tulalip Indian Reservation with the opportunity to organize their human and natural resources to provide for their economic security and to provide for the health, safety and general welfare of the people of the Village and the Reservation.

ARTICLE II
VILLAGE COUNCIL

Section One. Powers of council.
All powers of the Village not in conflict with the laws and constitution of the Tulalip Tribes and subject to the limitations of this charter, shall be vested in the Village council, which shall enact appropriate legislation and do and perform any and all acts and things that may be necessary and proper to carry out these powers or any provisions of this charter.

Section Two. Electing, Removal and Composition.
The council shall consist of a president and two council members elected by a majority vote of the Board of Directors of the Tulalip Tribes of Washington. The president and council members may be removed by the Board of Directors of the Tulalip Tribes in the same manner as they are elected.

Section Three. Term of President of Village Council.
The term of office of the president shall commence at the first regular meeting of the council following appointment, beginning in 2001, and shall be for one year.

Section Four. Terms of council members.
The term of office of each Village council member shall commence at the first regular meeting of the council following election, and shall be for one year.

Section Five. Qualifications.
The president and council members shall be adult citizens of the United States, shall be duly elected members of the Board of Directors of the Tulalip Tribes at the time of their appointment and shall not hold any other public or private office that in any way conflicts with the office of president or council member.
Section Six. Duties of President.

The President:

(a) Shall be the chairperson of the council and preside over its meetings; the president may make and second motions and shall have a voice and vote in all its proceedings;

(b) Shall be recognized as head of the Village government for all ceremonial purposes but shall have no regular administrative authority or duties;

(c) Shall govern the Village by proclamation during times of riot, civil insurrection, major disaster, and times of great public danger.

Section Seven. President pro-tempore.

The council shall designate one of its members as president pro-tempore, who shall serve in such capacity at the pleasure of the council. The president pro-tempore shall perform the presidential duties during absence or disability of the president.

Section Eight. Salaries of President and council members.

While council members serve on the Board of Directors of the Tulalip Tribes, council members shall receive no salary for their service on the Village Council but may receive a meeting stipend as may be established by the Tulalip Board of Directors.

The annual salaries of any council president or council member who shall not be a member of the Board of Directors shall be the same salary as received by a member of the Tulalip Tribes Board of Directors annually, until changed by an Ordinance or Resolution of the Tulalip Tribes.

Section Nine. Induction of president and council into office.

At the first regular meeting following election, the council shall hold a meeting for the purposes of inducting a newly appointed president or council members and organizing the council.

Section Ten. Vacancies in council and office of president.

The Board of Directors by a majority vote of its members, shall within forty-five (45) days of resignation, removal, retirement, death or incapacity of a council member
or president fill a vacancy, including the office of president, by electing a person to serve in the office. Prior to a Board election to fill a vacancy, the remainder of the Village council may elect, by unanimous vote, any person to act in an interim capacity any adult to serve as a replacement for the vacated position. No interim councilmember shall serve in the interim position more than 45 days.

Section Eleven. Council meetings.

The council shall meet regularly at such times and at such places as may be prescribed by its rules, but shall hold regular meetings for which public notice has been given no less frequently than two (2) times each calendar month. All meetings of the council to conduct official business shall be open to the public; provided, that meetings involving any commercial dealings of the Village, consideration of bids, and any personnel actions of the Village may be in a closed session.

Section Twelve. Special meetings.

Special meetings may be called by the president or two members of the council, with reasonable written notice given to all members of the council.

Section Thirteen. Rules of procedure; journal.

The council shall determine its own bylaws, rules and order of business subject to the provisions of this charter. It shall keep a journal of its proceedings, and the journal shall be open to public inspection during regular office hours.

Section Fourteen. Quorum; ayes and nays.

A majority of the members of the council shall constitute a quorum. The vote on any question shall be by ayes and nays and shall be entered in the journal. At the request of any member of the council, a roll call vote shall be taken.

Section Fifteen. Consideration of petitions.

Any leaseholder of the Village or other person may appear before the council at any regular meeting and present a written petition; such petition shall be acted upon by the council in the regular course of business within forty-five (45) days.

Section Sixteen. Interference in administrative service.

Neither the council nor any of its members shall direct or request the Village manager or any of his subordinates to appoint or remove any person to or from office,
or take part in any manner in the appointment or removal of officers and employees in the administrative service of the Village. Except for the purpose of inquiry, the council and its members shall deal with the administrative service of the Village solely through the Village manager, and neither the council nor any member thereof shall give orders to any subordinates of the Village manager, either publicly or privately. However, nothing in this section shall be construed as prohibiting the council while in open sessions from fully and freely discussing with or suggesting to the Village manager anything pertaining to the Village affairs or the interests of the Village. Violation of this section shall be cause for removal from office of any member of the council found, after hearing before the Board of Directors, to have committed a violation of this section. Removal shall require a majority vote of the Board of Directors.

Section Seventeen. Conduct of council as to powers authorized by charter when no procedure established by law.
Whenever it is prescribed herein that any power, duty, or procedure shall or may be exercised, performed, or adopted in the manner established by any law of the Tribes, and there is no procedure established by law therefor, then the council may prescribe such procedure.

ARTICLE III
VILLAGE MANAGER

Section One. Appointment of Village manager.
The council shall appoint an officer of the Village who shall have the title of Village manager and shall have the powers and perform the duties provided in this charter. No Village president or council member or member of the Board of Directors of the Tulalip Tribes shall hold the position of Village manager while at the same time holding Village or elective office.

Section Two. Qualifications; compensation.
The Village manager shall be chosen by the council on the basis of executive and administrative qualifications, with special reference to actual experience in, or knowledge of, accepted practice in respect to the duties of the office as herein set forth. Compensation of the Village manager shall be fixed by the council.

Section Three. Powers and duties.
The Village manager shall be the chief executive of the administrative branch of
the Village government; shall be responsible to the council for proper administration of all affairs of the Village; and to that end, subject to the provisions of this charter, shall have power and/or be required to:

(a) See that all ordinances are enforced and that the provisions of all franchises, leases, contracts, permits, and privileges granted by the Village are observed;

(b) Appoint and, when he deems necessary for the good of the service, remove or suspend all officers and employees of the Village except as otherwise provided by this charter, by law, or by personnel rules adopted pursuant to this charter; and authorize the head of a department or office subject to direction and supervision of the Village manager to appoint and remove subordinates in such department or office; in selecting employees of the Village, the manager and other Village managers and supervisors shall be bound by the Indian preference laws of the United States; provided, that the Village may contract with the Tulalip Tribes to provide services to the Village without being bound by such preference laws.

(c) Prepare the annual budget estimates and submit them to the council, and be responsible for the administration of the budget after adoption;

(d) Keep the council advised at all times of the affairs and needs of the Village, and make reports annually, or more frequently if requested by the council, of all the affairs of the Village;

(e) Supervise purchasing for all departments of the Village;

(f) Perform such other duties as may be prescribed by this charter or required of the Village manager by the council, not inconsistent with this charter;

(g) Furnish a surety bond to be approved by the council, such bond to be conditioned on the faithful performance of duties; the premium of the bond shall be paid by the Village.

Section Four. Acting Village manager.

If the Village manager is absent from the Village, is unable to perform his duties, or is suspended by the council, or if there is a vacancy in the office of Village manager,
the council shall appoint an acting Village manager to serve until the Village manager returns, until the disability or suspension ceases, or until another Village manager is appointed and qualifies, as the case may be.

Section Five. Removal.

The council shall contract with the Village manager for a definite term and may remove the Village manager by a majority vote of its members. Severance pay will be at the discretion of the council. The action of the council in suspending or removing the manager shall be final and conclusive on everyone, it being the intention of this charter to vest all authority and fix all responsibility for such suspension and removal in the council.

ARTICLE IV
ADMINISTRATIVE DEPARTMENTS

Section One. Administrative departments and officers.

The council, by ordinance not inconsistent with this charter, shall provide for the organization, conduct, and operation of the several offices and departments of the Village as established by this charter, for the creation of additional departments, divisions, offices, and agencies, and for their alteration, or abolition. These offices and departments shall include, but not be limited to administration, revenue, police, fire, and public works. The Tulalip Tribal Courts shall have jurisdiction over and provide judicial services to the Village; provided, this section shall not be interpreted to waive the immunity of the Village.

The council, by ordinance not inconsistent with this charter, may assign additional functions or duties to office, departments, or agencies. Where the positions are not incompatible, the council may combine in one person the powers and duties of two or more officers created or authorized by this charter.

The council shall provide the number, titles, qualifications, powers, duties, and compensation of all officers and employees of the Village.

Section Two. Village clerk.

The council shall appoint an officer of the Village, with the title of Village clerk, who shall give notice of all council meetings; keep the journal of the council's proceedings, authenticate by the clerk's signature, and record in full in books kept for the purpose all ordinances and resolutions; and perform such other duties as shall be
required by this charter or by ordinances. The Village clerk will serve at the pleasure of the council.

Section Three. Village treasurer, Audits.

The council shall appoint an officer of the Village, with the title of Village treasurer, who shall receive and have custody of all the money of the Village and shall keep and save the money and dispense the same only as provided by law, and who shall always be bound by the constitution, laws, and ordinances and on whom legal garnishments and demands may be served. The Village treasurer will serve at the pleasure of the council. The council shall annually appoint a general auditor with the concurrence of the Tulalip Board of Directors. The annual audit shall be available to the Board of Directors at the same time it is made available to the Council.

Section Four. Village attorney.

The council shall appoint a Village attorney who shall be the chief legal adviser of all offices, departments, and agencies and of all officers and employees in matters relating to their official powers and duties. It shall be the duty of the Village attorney to perform all services incident to the position as may be required by statute, by this charter, or by ordinance. The Village attorney will serve at the pleasure of the council.

ARTICLE V
APPOINTEEBOARDS AND COMMISSIONS

Section One. Appointive boards and commissions.

The council may by ordinance create, change, and abolish boards or commissions as in its judgment are required, or as are now or hereafter provided by law, and may grant to them such power and duties as are consistent with the provisions of this charter.

Section Two. Ex officio members.

The president and Village manager and all members of the Board of Directors shall be an ex officio member, without voting privileges, of all Village boards and commissions.

ARTICLE VI
FINANCE AND TAXATION

Section One. Fiscal year.
The fiscal year of the Village shall commence on the first day of each calendar year and end on the last day of each calendar year.

Section Two. Tax system; use of Tribal services.

The council may by ordinance provide a system not inconsistent with the provisions of this charter, for the assessment, levy, and collection of all Village taxes. The council shall have power to avail itself of any law of the Tulalip Tribes now or hereafter in force, and comply with the requirements thereof whereby assessments may be made by the Tribes and taxes collected by the tax collector of the Tribes for and on behalf of this Village.

Section Three. Submission of estimates to council; scope of Village manager's estimate.

On or before the second regular council meeting in September of each year, or on such date in each year as shall be fixed by the council, the Village manager shall prepare and submit in writing to the council the estimates of each department and the Village manager's own personal report and recommendations and estimate as to the probable expenditures for the next ensuing fiscal year, stating the amount in detail required to meet all expenditures necessary purposes, including interest and sinking funds and outstanding indebtedness, if any, an estimate of the amount of income expected from all sources in each department, and the probable amount required to be raised by taxation to cover such expenditures, interest, and sinking fund.

Section Four. Preparation and tentative adoption of budget; publication of budget and notice of meeting to fix tax levies.

The council shall meet annually prior to fixing tax levies where necessary and make a tentative budget of the estimated amounts required to pay the expenses of conducting the business of the Village for the ensuing fiscal year. The budget shall be prepared in such detail as provided by law, and, together with a notice that the council will meet for the purpose of making tax levies in accordance with the budget at the time and place set out in the notice, shall be published in the official public media of the Village once a week for at least two (2) consecutive weeks following the tentative adoption of such budget.

Section Five. Public hearing and adoption of budget.

The council shall, at the first regular meeting in September, at the time and place designated in the notice, hold a public hearing at which any taxpayer may appear and
be heard in favor of or against any proposed expenditure or tax levy. After conclusion of the public hearing, the council shall finally determine and adopt estimates of proposed expenditures for the various purposes as set forth in the published proposal, and such adopted estimates will constitute the budget for the next fiscal year. The council may insert new items or may increase or decrease the items of the budget. It may not vary the titles, descriptions, or conditions of administration specified in the budget. Before inserting any additional item or increasing any item or appropriation, the council must cause to be published, at least once in the official newspaper of the Village, a notice setting forth the nature of the proposed increase and fixing a place and time not less than ten (10) days after publication at which the council will hold a public hearing thereon.

The council shall adopt a budget on or before the Fifteenth (15th) day of November of the fiscal year currently ending. If it fails to adopt the budget by this date, the amounts appropriated for current operation for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items in it prorated accordingly, until such time as the council adopts a budget for the ensuing year.

Section Six. Exceeding adopted budget.

Nothing in this article shall be construed to limit the power of the council to appear before the Tulalip Tribes or any other duly authorized tribal body for the purpose of requesting authorization to exceed the adopted budget for emergency or unanticipated expenditures.

Section Seven. Adoption of ordinances fixing tax rates.

On the day set for making tax levies, but not later than the third Monday in October, the council shall meet and adopt an ordinance levying on the assessed valuation of certain property within the village, sales conducted within the village, business conducted within the village, and all other matters upon which taxes may be lawfully assessed within the village, the taxes which are necessary to provide for the purposes for which the Village is incorporated; provided that the tax burden borne by persons and entities for transactions within the village shall not exceed the tax burden imposed upon property, transactions, persons and entities within any incorporated municipality within Snohomish County, Washington.

Section Eight. Additional taxes for special purposes.
The council shall have the power to levy and collect taxes in addition to the taxes herein authorized to be levied and collected, sufficient to pay the interest and maintain the sinking fund of the bonded indebtedness of the Village and an additional amount deemed to be advisable and necessary for any public or municipal purposes within the Tulalip Indian Reservation.

Section Nine. Tax exemptions.

All the property, and transactions, including leaseholds, within the Village shall be subject to taxation, except these properties and transactions which are exempt from taxes under the laws of the United States and the laws of the Tribes.

Section Ten. Transfer appropriations.

The Village manager, subject to the approval of the council, may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within the last three (3) months of the fiscal year, the council may transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another.

Section Eleven. Claims or demands against the Village.

The council shall prescribe by ordinance the manner and limitations of time in which claims or demands against the Village shall be presented, audited, and paid.

Section Twelve. Transfer of sums from any funds to principal and interest funds.

Whenever the interest or principal reduction funds for the bonded indebtedness of the Village are insufficient to pay the interest or any principal payment on the bonded indebtedness when due, the council shall direct the transfer from the general fund or any other fund having monies therein to such interest or principal funds, the necessary amounts of money to pay the interest or principal payment due on the bonded indebtedness, and the amount so transferred shall be returned to the respective funds from which the transfer was made whenever sufficient monies have accrued in the bonded indebtedness funds.

Section Thirteen. Lapse of appropriations.

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the...
purpose for which it is made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation.

Section Fourteen. Independent annual audit.

Prior to the end of each fiscal year, the council with the concurrence of the Tulalip Board of Directors shall designate certified public accountants who, as of the end of the fiscal year, shall make an independent audit of the Village government and shall submit their report to the council, the Board of Directors, and to the Village manager. All such audit reports shall be a matter of public record. Such accountants shall have no personal interest, direct or indirect, in the fiscal affairs of the Village government or of any of its officers. They shall not maintain any accounts or records of the Village business, but within specifications approved by the council, shall post audit the books and documents kept by the Village in any separate or subordinate accounts kept by any other office, department, or agency of the Village government.

ARTICLE VII
ORDINANCES AND RESOLUTIONS

Section One. Council to act by resolution or ordinance.

The council shall act by resolution or ordinance.

Section Two. Actions requiring an ordinance.

In addition to those actions required by law or other provisions of this charter to be done by ordinance, the following acts of the council shall be done by ordinance:

(a) Adopting or amending an administrative code, or establishing, altering, or abolishing any Village department, office or agency;

(b) Providing for a fine or other penalty or establishing a rule or regulation for violation of which a fine or other penalty is imposed;

(c) Levying taxes, except as otherwise provided herein;

(d) Granting, renewing, or extending a franchise;
(e) Regulating the rate charged by a public utility for its services;

(f) Authorizing the borrowing of money;

(g) Conveying or leasing, or authorizing the conveyance or leasing, of any lands of the Village.

(h) Adopting, with or without amendment, ordinances proposed under the initiative power; and

(i) Amending or repealing any ordinance previously adopted, except as otherwise provided herein.

(j) Exercising the powers of eminent domain and annexation within the Tulalip Indian Reservation.

Acts other than those referred to in this section may be done either by ordinance or resolution.

Section Three. Ayes and nays to be recorded.

The ayes and nays shall be taken on the passage of all ordinances and resolutions and entered in the journal of council proceedings.

Section Four. When majority vote required.

A majority vote of all the members of the council shall be necessary to pass any ordinance or resolution having the effect of an ordinance.

Section Five. Enacting style.

The enacting clause of all ordinances passed by the council shall be in these words: ["Be it ordained by the council of the Consolidated Borough of Quil Ceda Village as follows:"].

Section Six. Reading or posting and passage of ordinances and resolutions; effective date.

All proposed ordinances and resolutions having the effect of ordinances shall either be read in full or posted in a public place at least twenty-four (24) hours prior to their adoption. If any amendments are proposed to a posted ordinance, such
amendments shall be read in full prior to adoption of the ordinance.

A measure may be placed upon final passage at the same meeting as when introduced, by unanimous consent of the council.

Measures without an emergency clause shall take effect and become operative thirty (30) days after the date of their passage.

Section Seven. Emergency measures; effective date.

An emergency measure is one necessary for the immediate preservation of the public peace, health, or safety, in which the emergency is set forth and defined. An emergency measure may be placed upon its second reading and final passage at the same meeting as when first introduced, on the affirmative vote of all members of the council.

An emergency measure shall take effect immediately on its passage.

Section Eight. Signing of ordinances and resolutions.

All ordinances and resolutions shall be signed by the president and attested to by the Village clerk.

Section Nine. Publication of ordinances and resolutions.

All ordinances and resolutions having the effect of ordinances, except emergency measures, shall be published once in the official public media of the Village within twenty (20) days of their passage before they become effective and operative.

Emergency ordinances that have been passed by the necessary unanimous vote of the council shall be published one time in the official media of the Village within Fourteen (14) days after their passage.

Section Ten. Revision of ordinances and resolutions.

Ordinances or resolutions having the effect of ordinances shall not be revised, reenacted, or amended by reference to title only, but such ordinances or resolutions to be revised or reenacted, or the section or sections thereof to be amended, or the new section or sections to be added thereto, shall be set forth and adopted in the method provide herein for the adoption of ordinances and resolutions.

Section Eleven. Repealing or suspending ordinances or resolutions.

No ordinance, or resolution having the effect of an ordinance, or section thereof shall be repealed or suspended except by ordinance or resolution adopted in the
manner provided herein.

Section Twelve. Filing, recording, and certification of ordinances and resolutions.

All ordinances and resolutions shall be filed and safely kept by the Village clerk and duly recorded and certified by the Village clerk in books kept for the purpose. Recorded copies thereof certified by the Village clerk or the originals thereof shall be prima facie evidence of the contents of such ordinances or resolutions and of the due passage and publication of the same, and shall be admissible in evidence in any court or in any proceeding where the contents of such ordinances or resolutions are in question. Nothing herein contained shall be construed to prevent the proof of passage and publication of any ordinance or resolution in the manner otherwise prescribed by law.

Section Thirteen. Adoption by reference.

The council may enact the provisions of a code or public record theretofore in existence without setting forth such provisions, but the adopting such code or public record by reference; provided, such ordinance shall be published in full. At least three (3) copies of the code or public record shall be filed in the office of the Village clerk and kept available for public use and inspection. A code or public record enacted by reference may be amended in the same manner.

No penalty clause shall be enacted by reference thereto. A penalty clause contained in a code or public record adopted by reference shall be set forth in full in the adopting reference.

Section Fourteen. Codification of ordinances.

Any or all ordinances of the Village that have been enacted and published in the manner required at the time of their adoption, and that have not been repealed, shall be compiled, consolidated, revised, indexed, and arranged as a comprehensive code, and such code may be adopted by reference, with the same effect as an ordinance, by the passage of any ordinance for such purpose. Such code need not be published in the manner required for other ordinances, but not less than two (2) copies thereof shall be filed for use and examination by the public in the office of the Village clerk prior to the adoption thereof. Ordinances codified shall be repealed as of the effective date of the code. Amendments to the code shall be enacted in the same manner as ordinances.
ARTICLE VIII
CONTRACTS

Section One. Execution.
All contracts shall be executed by the president in the name of the Consolidated Borough of Quil Ceda Village, except as may otherwise be provided either by this charter or by law, and must be countersigned by the Village clerk, who shall number and register the contracts in a book kept for that purpose.

Section Two. Contracts for Village improvements.
Any Village improvement costing more than ten-thousand Dollars ($10,000.00) shall be executed by a written contract except where such improvement is authorized by the council to be executed directly by a Village department in conformity with detailed plans, specifications, and estimates. All contracts for more than twenty-thousand Dollars ($20,000.00) shall be subject to Tulalip contracting preference laws and Ordinances.

Section Three. Purchases.
The Village manager shall contract for and purchase or issue purchase authorizations for all supplies, materials, equipment, and services for the offices, departments, and agencies of the Village.

No bids shall be required for any purchase not in excess of five-thousand Dollars ($5,000.00). For any purchases from five-thousand Dollars ($5,000.00) to fifty-thousand Dollars ($50,000.00) inclusive, the Village manager or agents of the Village manager hereunder shall invite written bids from at least three [3] qualified bidders and keep a record of the bids and of the awards of purchase for public examination or inspection.

Every purchase exceeding the sum of fifty-thousand Dollars ($50,000.00) shall be awarded to the lowest responsible bidder after such public notice and competition as provided by law, unless the council rejects all bids.

All such purchases shall be subject to the provisions of Tulalip Tribal contracting preference laws and ordinances.

Section Four. Bids.
Advertisements for bids shall distinctly and specifically state the character of the Village improvement contemplated and/or the kind of supplies, materials, equipment,
and services required. Such notice shall be published at least once in the official public media of the Village, not less than thirty (30) days prior to the opening of bids. Bidding will be by sealed proposals only and under such regulations as may be prescribed by the council.

Section Five. Transfer of property.

The Village manager may transfer supplies, materials, and equipment to or between offices, departments, and agencies, subject to such regulations as the council may prescribe.

Section Six. Fraud and collusion.

Any member of the council or any officer or employee of the Village who aids or assists a bidder in securing a contract to furnish labor, material, equipment, supplies, or services at a higher price than proposed by any other bidder, or who favors one bidder over another by giving or withholding information, or who willfully misleads any bidder in regard to the character of the labor, material, equipment supplies, or services called for, or the conditions under which the proposed work is to be done, or who knowingly accepts materials, supplies, or equipment of a quality inferior to that called for by any contract, or who knowingly certified to a greater amount of labor or service performed than has been actually performed or to receipt of a greater amount or different kind of material, supplies, or equipment than was actually received, shall be guilty of a misdemeanor and on condition thereof shall be removed from office or position.

Section Seven. Personal interest.

No member of the council or any officer or employee of the Village shall have a substantial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract or in the sale to the Village of or to a contractor supplying the Village with any land, or rights or interests in any land, or material, supplies, equipment, or services. Any willful violations of this section shall constitute malfeasance in office, and any officer or employee of the Village found guilty thereof shall thereby forfeit his or her office or position. Any violation of this section with the knowledge, express or implied, of the persons contracting with the Village shall render the contract voidable by the Village manager or the council.

Section Eight. Lease of Village property.

The council may lease any Village land, buildings, or personal property on such
terms and conditions as the council may prescribe. All leases shall be made to the highest responsible bidder, after publication of notice thereof in the official public media of the Village once a week for at least two (2) weeks, stating explicitly the terms and conditions of the proposed lease. At its discretion, the council may reject any and all bids.

Section Nine. Sale of Village property.

The Village may not sell or convey all or any part of its real property. Personal property may be sold or conveyed in the manner provided by law.

ARTICLE IX
FRANCHISES AND PUBLIC UTILITIES

Section One. Franchises.

A person desiring to obtain a franchise to operate a public utility from the Village shall present the franchise desired to the Village council, and it shall be filed among Village records.

If the council deems the granting of the franchise beneficial to the Village, it shall pass a resolution, stating that fact.

A franchise shall not be granted for a longer term than 10 (ten) years.

Section Two. Establishment of municipally owned and operated utilities.

The Village shall have the power to own and operate any public utility, to construct and install all facilities that are reasonably needed, and to lease or purchase any existing utility properties used or useful for public service. The Village may also furnish service to adjacent and nearby territories that may be conveniently and economically served by a municipally owned and operated utility, subject to the limitations of the provisions of the general laws of the state. The council may provide by ordinance for the establishment of such utility and provide for its regulation and control and the fixing of rates to be charged.

The council may be ordinance provide for the extension, enlargement, or improvement of existing utilities, and provide reasonable reserves for such purpose.

Section Three. Establishment of classifications and regulation of rates of public utilities.

The Village shall have full power to and may prescribe just and reasonable
classifications to be used and just and reasonable rates and charges to be made and collected by all corporations rendering public utility service within the corporate limits of the Village as now or hereafter constituted, except public service corporations.

ARTICLE X
GENERAL PROVISIONS

Section One. Publicity of records.
All records and accounts of every office, department, or agency of the Village shall be open for inspection by any person or any representative of the press at all reasonable times and under reasonable regulations established by the council, except the personnel records of employees and records and documents the disclosure of which would tend to defeat the lawful purpose that they are intended to accomplish.

Section Two. Official bonds.
All elected and appointed officers, and such other employees as the council may by ordinance or resolution require to do so, shall give bond in such amount and with such surety as may be approved by the council. The premium on such bonds shall be paid by the Village.

Section Three. Oath of office.
Every officer of the Village, whether elected or appointed under the provisions of this charter, or under any ordinance of the Village, shall, before assuming the duties of the office, take and subscribe an oath required by the Tribes.

Section Four. Short title.
This charter, adopted pursuant to Ordinance 111 of the Tulalip Tribes, shall be known and may be cited as the Charter of the Consolidated Borough of Quil Ceda Village.

Section Five. Plenary and implied powers of council.
The council shall have plenary power to enact and make all proper and necessary ordinances, resolutions, and orders to carry out and give effect to the express as well as the implied powers granted in this charter to the end that a complete, harmonious, and effective municipal government may be initiated, installed, operated, and maintained in the Village, and thereby protect and safeguard the rights, interests,
safety, morality, health, and welfare of the Village and its inhabitants.

ARTICLE XI
CONSTRUCTION OF TERMS

Wherever the context of this charter so requires, the singular number includes the plural, and the plural includes the singular; the word "person" includes a corporation, company, partnership or association, or society, as well as a natural person.

ARTICLE XII
AMENDMENTS

This charter, or any part or article or section thereof, may be amended in the manner provided by the municipal government enabling legislation adopted as Tulalip Ordinance 111.
CREATING A TRIBAL MUNICIPALITY FOR ECONOMIC DEVELOPMENT

APPENDIX 3

Internal Revenue Service Private Letter Ruling No. 200148038, 11/30/2001
This letter is in response to a request submitted by your representative on March 9, 2000 for a ruling that A is a political subdivision of Tribe.

FACTS AND REPRESENTATIONS

Tribe is listed in 65 Fed. Reg. 13298 (March 13, 2000) as a federally recognized tribe and in Rev. Proc. 2001-15, 2001-5 I.R.B. 465 as a tribe that is treated as a state for specified purposes under the Internal Revenue Code ("the Code"). Council, as the governing body of Tribe, approved Act pursuant to its role of exercising the general governmental functions of Tribe. The purpose of Act is to provide for governance at the local level by delegating to local bodies certain governmental authority over local matters, consistent with Tribal tradition. Pursuant to Act, A was formed and was delegated local governing authority by Committee of the Council.

A represents that it has police powers. Under the terms of an agreement between A and the Department of Interior and Bureau of Indian Affairs, A will provide 24-hour law enforcement and detention services on their reservation, provide effective crime prevention and community oriented police services, and ensure that secure
detention facilities are maintained. The scope of work includes the investigation of all federal crimes pursuant to an agreement with the United States Attorney. Law enforcement activities include investigation of misdemeanor crimes, traffic enforcement, preventive patrols, sobriety checkpoint and saturation patrols, response to domestic violence calls, and participation in a domestic violence prevention program. A will also provide youth oriented services such as a police explorer program and gang resistance education and training programs.

Under Act, A may adopt certain ordinances, including ordinances to amend the land use plan to meet the changing needs of the community; to acquire property by eminent domain; zoning ordinances consistent with A’s community-based land use plan; regulatory ordinances for governmental purposes, the enforcement of which shall be by A for the general health, safety and welfare of the A community and consistent with Tribe’s law; and local taxes pursuant to a local tax code developed by Tribe. A also has a limited power of eminent domain which can be applied to certain improvements to land and intangibles of individuals.

**LAW AND ANALYSIS**

The Indian Tribal Governmental Tax Status Act of 1982 (Title II of Pub. L. No. 97-473, 1983-1 C.B. 510, 511, as amended by Pub. L. No. 98-21, 1983-2 C.B. 309, 315) added provisions to the Internal Revenue Code that pertain to the tax status of Indian tribal governments. For two years beginning in 1983, Indian tribal governments were to be treated as states for some federal tax purposes.

Section 1065 of the Tax Reform Act of 1984, 1984-3 (Vol. 1) C.B. 556, made permanent the rules treating Indian tribal governments (or subdivisions thereof) as states (or political subdivisions thereof) for specified federal tax purposes. See Rev. Proc. 86-17, 1986-1 C.B. 550.

Section 7701(a)(40)(A) defines the term "Indian tribal government" as the governing body of any tribe, band, community, village, or group of Indians, or (if applicable) Alaska Natives, which is determined by the Secretary, after consultation with the Secretary of the Interior, to exercise governmental functions.

Section 7871(a) treats an Indian tribal government as a state for certain specified tax purposes. In the legislative history to § 7871(a), Congress indicated that this provision of the Code will not apply to any Indian tribal government unless it is recognized by the Treasury Department, after consultation with the Interior Department, as exercising sovereign powers. The legislative history provides that sovereign powers include the power to tax, the power of eminent domain, and police powers (such as control over zoning, police protection, and fire protection). H.R. Conf. Rep. No. 984, 97th Cong., 2d Sess. 15 (1982), 1983-1 C.B. 522.
Indian tribes possess inherent sovereignty except where it has been limited by treaty or statute, or by implication as a necessary result of their dependent status. Indian tribes are viewed as having certain inherent powers, including the power to tax and administer justice, whether they choose to take actions to exercise them or not. A written constitution or other governing document is not a prerequisite for the exercise of inherent sovereign powers. See United States v. Mazurie, 419 U.S. 544 (1975); Merrion v. Jicarilla Apache Tribe, 455 U.S. 130 (1982); United States v. Wheeler, 435 U.S. 313 (1978); Kerr-McGee Corp. v. Navajo Tribe of Indians, 471 U.S. 195 (1985); Washington v. Confederated Tribes of Colville Indian Reservation, 447 U.S. 134 (1980); Iron Crow v. Oglala Sioux Tribe of the Pine Ridge Reservation, South Dakota, 231 F.2d 89 (8th Cir. 1956); and Powers of Indian Tribes, 55 I.D. 14 (1934), 1 Op. Sol. on Indian Affairs, 445 (U.S.D.I. 1979).

Section 7871(d) provides that for purposes of § 7871(a), a subdivision of an Indian tribal government shall be treated as a political subdivision of a state if (and only if) the Secretary of the Treasury determines (after consultation with the Secretary of the Interior) that such subdivision has been delegated the right to exercise one or more of the substantial governmental functions of the Indian tribal government.

Rev. Proc. 84-36, 1984-1 C.B. 510, provides a list of subdivisions of Indian tribal governments that are to be treated as political subdivisions of a state for specified purposes of the Code.

Rev. Proc. 84-37, 1984-1 C.B. 513, modified, Rev. Proc. 86-17,1986-1 C.B. 550, provides procedures for a governmental unit of an Indian tribe or a political subdivision of an Indian tribal government not included on the list published in Rev. Proc. 84-36 to request a ruling qualifying it for treatment as a state or a political subdivision of a state as provided under § 7871 of the Code.

Section 2.03 of Rev. Proc. 84-37 provides that a subdivision of an Indian tribal government that has been delegated one of the generally accepted sovereign powers may qualify as a political subdivision of a state as provided under § 7871(d). Section 2.03 indicates that the generally accepted sovereign powers of states are the power to tax, the power of eminent domain, and the police power.

A has the police power described above; the power to amend the local land use plan; a limited power of eminent domain; the power to enact zoning ordinances; the power to regulate for the general health, safety and welfare of the A membership; and the power to collect local taxes. When these powers are viewed as a whole, they are equivalent to the power of government.

Further, this office has consulted with the United States Department of the Interior regarding Tribe and A. The United States Department of the Interior has opined that Tribe has effectively delegated sovereign powers to A. Accordingly, after
consultation with the Secretary of the Interior, we conclude that within the meaning of § 7871(d), A has been delegated the power to exercise one or more of the substantial governmental functions of Tribe. Therefore, for purposes of § 7871, A will be treated as a political subdivision of a state.

CONCLUSION

A is a political subdivision of Tribe.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

Although A is not required to file federal income tax returns, a copy of this letter must be attached to any income tax return to which it is relevant.

This ruling is based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the submissions, the material is subject to verification on examination.

Sincerely,
Elizabeth Purcell
Chief, Exempt Organizations Branch 2
Office of District Counsel/Associate Chief Counsel
(Tax Exempt and Government Entities)

Enclosure:
Copy for 6110 purposes
CREATING A TRIBAL MUNICIPALITY FOR ECONOMIC DEVELOPMENT

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APPENDIX 5

Complaint for Declaratory and Injunctive Relief

Tulalip Tribes v. Washington State Department of Revenue
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

THE TULALIP TRIBES, and THE
CONSOLIDATED BOROUGH OF QUIL CEDA VILLAGE,

Plaintiffs,

v.

Washington State Department of Revenue Director
VIKKI SMITH, SNOHOMISH COUNTY,
Snohomish County Treasurer KIRKE SIEVERS,
and Snohomish County Assessor CINDY PORTMANN,

Defendants

The Tulalip Tribes ("Tulalip"), a federally-recognized Indian tribal government, and the Consolidated Borough of Quil Ceda Village ("Quil Ceda Village" or the "Village"), a political subdivision of the Tulalip Tribes, by and through counsel, state and allege as follows:

INTRODUCTION

1. Over the course of the past two decades, the Tulalip Tribes and its political subdivision, Quil Ceda Village, have transformed hundreds of acres of previously vacant Tribally owned trust
lands within the Tulalip Reservation into a thriving municipality and economic center housing over 150 businesses, attracting thousands of visitors each day, and generating hundreds of millions of dollars in economic activity each year. This Complaint seeks to vindicate the right of Tulalip and the Village to collect Tribal tax revenues on economic activities occurring within the boundaries of the Village through a declaratory judgment and injunction enjoining Defendants’ imposition and enforcement of state and county sales and use, business and occupation, and personal property taxes within the Village to the extent of like taxes imposed by Tulalip or the Village. Defendants’ taxes currently preclude Plaintiffs from imposing Tribal taxes.

2. The development of the Village was accomplished through the implementation of a unique federal statute authorizing Tulalip to lease its lands under federally-approved Tribal laws for economic development purposes. Act of June 2, 1970, Pub. L. No. 91-274, § 3, 84 Stat. 302, codified as 25 U.S.C. § 415(b) (“Tulalip Leasing Act”). The development of the Village advances congressional policies promoting the Tulalip Tribes’ self-determination, self-sufficiency, and economic development. In furtherance of these Congressional objectives, Tulalip and the Village, to the exclusion of the State of Washington and its political subdivision Snohomish County, have planned, designed, financed, constructed, and maintained the physical and governmental infrastructure that supports activities within the Village; maintain authority to determine which businesses may locate within the Village and select tenants to maximize the Village’s appeal as a premier retail and entertainment destination; and provide the day-to-day government services upon which businesses within the Village, their employees, suppliers, and patrons depend, and which enable those businesses to thrive.

3. However, the State of Washington and Snohomish County, to the exclusion of Tulalip and the Village, annually collect tens of millions of dollars in sales and use, business and occupation, and personal property tax revenues from these businesses and their patrons. The collection of
these taxes unduly burdens Tulalip and commerce within the Village and interferes with
Tulalip’s achievement of the self-determination, self-sufficiency, and economic development
goals that it shares with the United States. Defendants’ taxes preclude Tulalip and the Village
from imposing and enforcing their own like Tribal taxes. Tribal tax revenues would support the
infrastructure and government services essential to attract and retain commercial tenants and
visitors, finance further infrastructure and economic development activities within the Village,
and support essential government services for Tribal members and the Reservation community.
The imposition of state and county taxes to the exclusion of Tribal taxes frustrates federal
statutory and regulatory provisions that support Tulalip’s economic development of its
Reservation trust lands without interference by state and local governments.

4. The Tulalip Tribes and Quil Ceda Village therefore bring this action for declaratory and
injunctive relief to restrain Defendants from administering and enforcing their taxes within the
Village, which, to the extent of any like taxes imposed by Plaintiffs, unlawfully burden Tulalip
and commerce on the Tulalip Reservation, are preempted by federal law, and unlawfully
interfere with Plaintiffs’ sovereign right of self-government.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331 and § 1362. Tulalip
maintains government-to-government relations with the United States and has a governing body
duly recognized by the United States Secretary of the Interior. Tulalip and the Village assert
claims arising under the Constitution and laws of the United States, including the Indian
Commerce Clause, Article I, § 8, cl.3, the Supremacy Clause, Article IV, § 2, and federal
common law. The allegations of the Complaint give rise to an actual controversy within the
6. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b), in that one or more of the Defendants reside in this District, the actions or omissions giving rise to the claims occurred in this District, and the property that is the subject of the action is situated in this District.

**PLAINTIFFS**

7. Plaintiff Tulalip Tribes is a federally-recognized Indian tribal government organized pursuant to the Indian Reorganization Act of 1934, 25 U.S.C. § 476, and recognized by the Secretary of the Interior. See Indian Entities Recognized and Eligible To Receive Services From the United States Bureau of Indian Affairs, 80 Fed. Reg. 1,942, 1,946 (Jan. 14, 2015). Tulalip exercises sovereign powers of self-governance and jurisdiction over the Tulalip Reservation, which is located within the exterior boundaries of the State of Washington. Tulalip brings this action on its own behalf and on behalf of its members.

8. Plaintiff the Consolidated Borough of Quil Ceda Village is a municipal corporation chartered under the laws of the Tulalip Tribes, the boundaries of which encompass approximately 2,163 acres within the Tulalip Reservation held in trust by the United States for the benefit of Tulalip. The Village is recognized as a political subdivision of an Indian tribal government by the United States pursuant to federal statute. The Village has been delegated and exercises broad governmental powers within Village boundaries, including taxing and police powers.

**DEFENDANTS**

9. Defendant Vikki Smith is the Director of the Washington State Department of Revenue, charged with the administration and enforcement of taxes at issue in this Complaint, and is sued in her official capacity.

10. Defendant Snohomish County is a municipal government organized under Washington law that administers and enforces taxes at issue in this Complaint.
11. Defendant Kirke Sievers is the Snohomish County Treasurer, charged with the administration and enforcement of taxes at issue in this Complaint, and is sued in his official capacity.

12. Defendant Cindy Portmann is the Snohomish County Assessor, charged with the administration and enforcement of taxes at issue in this Complaint, and is sued in her official capacity.

THE TULALIP TRIBES’ CREATION OF QUIL CEDA VILLAGE

13. The Tulalip Tribes is the successor in interest to tribes and bands signatory to the 1855 Treaty of Point Elliott, including the Snohomish, Snoqualmie, and Skykomish. The Tulalip Reservation was established by the Treaty of Point Elliott and was subsequently enlarged by the Executive Order of President Grant on December 23, 1873. Tulalip possesses inherent sovereign authority and rights of self-government over the Reservation, including the powers to tax and undertake economic activities on the Reservation.

14. Pursuant to the Constitution and Bylaws for the Tulalip Tribes, approved by the Secretary of the Interior in 1936, Tulalip is governed by the duly elected seven-member Tulalip Board of Directors. The Board has broad constitutional powers, including, *inter alia*, the power to tax tribal members and non-members doing business on the Reservation, the power to enact ordinances and resolutions, the power to charter subordinate organizations for economic purposes, and the power to safeguard and promote the peace, safety, morals, and general welfare of the Reservation.

15. In the early 1990s, the Board of Directors directed the Tulalip Economic Development Department to devise a plan for the development of more than 2,000 acres of vacant Reservation lands held in trust for Tulalip by the United States immediately adjacent to Interstate 5 near Marysville, Washington. The Board of Directors recognized the commercial value and economic development potential of these lands.
16. The Board of Directors further directed that Tulalip, not non-Indian developers, retain control 
over the planning, design, and development of the project, and that the project advance Tulalip’s 
economic diversification, attract visitors to the Reservation, provide a tax base to generate 
revenues for essential government services, and create on-Reservation employment and business 
opportunities for Tribal members.

17. Tulalip determined to fulfill these objectives by creating an integrated commercial development 
offering a broad range of retail and entertainment activities that would transform the area into a 
regional commercial destination attractive to business lessees, patrons, and other visitors. The 
Board of Directors recognized that the Tulalip Leasing Act provided a vehicle for implementing 
this plan, which would require the development of a comprehensive infrastructure and service 
plan for the designated trust lands.

18. In 2000, the Board of Directors adopted Tulalip Tribes Code Title 1 Chapter 1.25 (“TTT 1.25”), 
which authorized the creation of political subdivisions of Tulalip. TTT 1.25 was submitted to 
and approved by the Secretary of Interior. Soon thereafter the Board of Directors chartered the 
Consolidated Borough of Quil Ceda Village as a municipal corporation under TTT 1.25.

19. The surveyed boundaries of the Village, as set out in the Charter of the Consolidated Borough of 
Quil Ceda Village, encompass the Tribal trust lands that had been targeted for economic 
development by the Board of Directors. An express purpose of incorporating these lands into 
the Village was to diversify and strengthen Tulalip’s economic base by advancing this 
development.

20. Pursuant to its Charter, the Village is governed by a three-member Village Council elected by 
the Board of Directors and is authorized, inter alia, to exercise tax, police, and eminent domain 
powers and to protect the public safety, health, and welfare within Village boundaries.
21. The Village may impose property, sales, business, and other taxes to provide for the purposes for which the Village is incorporated and for any public or municipal purpose within the Tulalip Indian Reservation. As set forth under the Village Charter, the cumulative tax burden imposed within the Village may not exceed the tax burden imposed upon property, transactions, persons and entities within municipalities in Snohomish County, Washington.

PLAINTIFFS' DEVELOPMENT OF INFRASTRUCTURE AT QUIL CEDA VILLAGE

22. When the Board of Directors first targeted the lands comprising Quil Ceda Village for development, those lands were vacant and lacked any infrastructure to support municipal functions or economic development. Access to the lands was largely blocked by a hole approximately 200 feet in diameter and 50 feet deep that had been created during the construction of Interstate 5. Tulalip filled the hole and regraded the land.

23. Since that time, at a cost of tens of millions of dollars to Plaintiffs and the United States, Plaintiffs have undertaken comprehensive infrastructure development within the Village necessary to support municipal functions and economic development. Plaintiffs have been responsible for, inter alia, the planning, engineering, design, construction, installation, and maintenance of: roads and sidewalks, including entrance to the Village from Interstate 5; parking areas and medians; sewer and stormwater lines; a four-million gallon capacity flat membrane sewage treatment facility; two two-million gallon water reservoirs; natural gas lines; ductile iron water lines, pumping stations sufficient for consumptive water use and fire suppression, and fire hydrants; 200 separate satellite-controlled irrigation zones; an electrical substation and electrical utility lines; telecommunications lines; and signage and appropriate traffic control devices, including traffic and street lighting. These expenditures were designed to attract and retain lessees, their patrons and suppliers, and other visitors to the Village.
24. Tulalip managed and completed the above infrastructure projects with Tribal staff and Native American employees and businesses, using tens of millions of Tribal hard dollars and federal funds. No non-Indian developer participated in these projects.

25. The planning, engineering, design, construction, and installation of this infrastructure and its ongoing management and maintenance have provided significant employment and business opportunities for Tribal members, including as contractors, government officials, and employees. These projects are subject to federal and Tribal Indian preference in employment laws and regulations.

26. Tulalip and the Village have secured federal funding to help finance substantial portions of these infrastructure development activities, such as the Village’s freshwater, wastewater, and stormwater systems; phone, fiber, cable, natural gas, and electrical lines; and street lighting throughout the Village. Tulalip and the Village have received other forms of federal assistance as well, including participation in planning, designing, engineering, environmental review, and construction of a new road system in the Village.

27. The State of Washington has performed or financed few if any infrastructure development activities within Quil Ceda Village.

28. Snohomish County has performed or financed few if any infrastructure development activities within Quil Ceda Village.

29. Other local governments have performed or financed few if any infrastructure development activities within Quil Ceda Village.

30. Tulalip and the Village have also invested tens of millions of Tribal dollars, and the United States has invested millions of federal dollars, for the improvement of 88th and 116th Streets and of the Interstate 5 interchanges at 88th and 116th Streets, which provide access to the southern and northern ends of the Village.
PLAINTIFFS’ ECONOMIC DEVELOPMENT ACTIVITIES AT QUIL CEDA VILLAGE

31. Tribal and Village funds dedicated to planning and development have remained under direct Tribal control. Tulalip has not contracted with any outside developer in connection with economic development activities within Quil Ceda Village.

32. Pursuant to its authority under the Tulalip Leasing Act and the Tulalip Leasing Code, Tulalip first sought to attract “anchor” tenants that would encourage additional investment and development at the Village. In 1999, Tulalip entered into a ground lease for up to 75 years with Wal-Mart Corporation for lands within the boundaries of Quil Ceda Village. Wal-Mart agreed to locate at the Village site only after learning of Tulalip’s unique leasing authority, the long-term economic and infrastructure development plans for the Village, and the economic growth potential for that site. Tulalip worked closely with Wal-Mart to ensure that the initial infrastructure development, including roads, traffic flow, and utility services, would meet the needs of future tenants. In 2000, Tulalip secured a second anchor tenant when it leased lands within the Village to Home Depot Corporation for up to 50 years.

33. In 2001, Tulalip constructed the Tulalip Retail Center containing 16 storefronts. Tulalip owns and operates the retail center, which leases to commercial tenants, which currently include a Tribally owned pharmacy, United Postal Service store, salon, restaurants, and the Marysville-Tulalip Chamber of Commerce, which Tulalip financially supports. Tulalip has also entered land leases with approximately 15 other commercial tenants at free-standing locations within the Village, including retail merchants, service providers, and restaurants.

34. In 2003, seeking to further expand Tulalip’s economic base, to create a magnet for new businesses, and to attract new patrons to Village businesses, Tulalip opened a Tribally constructed, owned, and operated gaming facility strategically located in the center of the Village.
Village north of Home Depot and Wal-Mart. Tulalip also owns and operates a Bingo Hall within the Village.

35. In 2004, Tulalip entered a master lease with Chelsea Property Group (now a subsidiary of Simon Property Group) for lands within the Village just north of the casino for Seattle Premium Outlets, which today has approximately 140 sublessees. Tulalip invested millions of dollars in “build to suit” infrastructure for these lands for Chelsea Property Group. In 2011 and 2012, Tulalip expanded the Seattle Premium Outlets lease by approximately 100,000 square feet of additional retail space and 877 additional parking stalls in a two-story parking structure.

36. In 2005, Tulalip opened a Tribally constructed, owned, and operated amphitheater within the Village that hosts nationally-known entertainment acts during the summer months, as well as local charitable and recreational events. Tulalip and the Village provide all crowd, security, and traffic control for amphitheater events within the Village.

37. In 2008, Tulalip opened a Tribally constructed, owned, and operated hotel, resort, and spa adjacent to the casino. The hotel, resort, and spa expand and diversify Tulalip’s economic base, attracting additional visitors to the Village for longer periods of time.

38. In 2011, Tulalip entered a 75-year, build-to-suit lease with Cabela’s outdoor outfitter for a 110,000 square foot retail store, which opened in 2012. Tulalip owns the building in which Cabela’s conducts its operations.

39. Tulalip also regularly leases open lands within the Village for one-time events and sales, such as “Black Friday” and the sale of a variety of seasonal items. For these events and sales, Tulalip and the Village provide most or all crowd, security, and traffic control within the Village.

40. Tulalip operates several other businesses within the Village, including Tulalip Data Services and Tulalip Broadband, a pharmacy, the 116th Chevron gas and convenience store, and Tulalip Liquor Store & Smoke Shop.
41. The Quil Ceda Village Administration Center is located within the Village. It houses all Village
government staff and administrative activities and also operates an employment, job training,
and hiring hall that places Tribal members and other Native Americans at jobs within the
Village.

42. Large portions of the Village, including the areas surrounding Quil Ceda Creek, are dedicated
and maintained by Plaintiffs as parkland, picnic areas, walking and biking trails, an interpretive
science path, and wetland preserves. Tulalip has received U.S. Environmental Protection
Agency approval to administer various federal environmental programs within the Village.

43. Tulalip comprehensively regulates the leasing of Quil Ceda Village lands pursuant to the
federally-approved Tulalip Leasing Code. Tulalip and the Village do not permit any business
that seeks to locate within the Village to do so. Tulalip and the Village are selective in which
businesses they allow to participate in the Village economy so as to maintain an appropriate mix
of businesses and services and to maximize the appeal of the Village as a premier retail and
entertainment destination. Decisions regarding applications to locate and operate businesses
within the Village are reviewed by the Board of Directors and Village Council to ensure the
long-term goals of Tulalip and the Village are fulfilled. To that end, Plaintiffs also exercise
design control over all buildings within the Village.

**GOVERNMENT SERVICES PROVIDED BY PLAINTIFFS AND THE UNITED
STATES AT QUIL CEDA VILLAGE**

44. Tulalip comprehensively regulates all aspects of the leasing of Tribal trust lands within the
Village, and the use of those lands by Village businesses, pursuant to the Tulalip Leasing Code
and lease provisions. The Tulalip Leasing Code, for example, includes provisions regarding land
use planning and zoning, building codes, environmental impacts, taxation, lease enforcement,
insurance, assignment and encumbrances, and improvements to leased lands.
45. Tulalip and the Village are responsible for the ongoing regulation, permitting, planning, and
inspection of economic activities within the Village, which enable Plaintiffs to govern and
manage the Village and to attract and retain visitors and lessees. Tulalip maintains its own
community development agency and building inspector.

46. Tulalip and the Village provide (or pay for on a fee-for-service contract basis) virtually all day-
to-day government services within the Village to Village businesses and their employees,
suppliers, and patrons. These services include, *inter alia*, police protection by nine full-time
officers dedicated to the Village; traffic control and ongoing traffic flow improvements; fire
protection; emergency medical and 911 services; water supply and transmission services; sewer,
stormwater, and wastewater services; garbage and debris collection and disposal; road and
sidewalk maintenance and snow removal; parking design and construction; environmental
protection; landscaping and maintenance of all common areas; pest control; phone, internet, and
cable television; utility maintenance and planning; and a civil court system for the resolution of
disputes arising within the Village.

47. Tulalip Tribal police officers assigned to the Village are recognized and authorized to act as
general authority Washington peace officers under State law, and thus have the same powers as
any other general authority Washington peace officer to enforce the criminal and traffic laws of
the State of Washington, including the power to arrest non-Indians for violations of state laws.
Tulalip Tribal police officers are also cross-deputized as County officers by the Snohomish
County Sheriff.

48. These government services are carried out in significant part by Tribal members and other
Native Americans who are employed as government officials, employees, and contractors. The
Tulalip Employment Rights Office, assisted and funded by the U.S. Department of Labor,
requires employment preference to be given to Native American persons and businesses.
49. The United States also provides regulatory and government services that protect the health and welfare of businesses and visitors within the Village. For example, Indian Health Services ("IHS") provides food, health and safety inspections and certifications throughout the Village, including at restaurants, construction sites, community events, and the sewage treatment facility. IHS also trains the Tribal food inspectors who inspect and certify restaurants and food services within the Village. The U.S. Environmental Protection Agency helps safeguard environmental quality by regulating motor vehicle fuel stations in the Village; monitoring, treating, and mitigating for hazardous materials; and overseeing other activities affecting the environment. The U.S. Army Corps of Engineers also provides government services, including wetlands permitting activities within the Village.

50. All retail businesses in the Village must obtain and display federal Indian Traders Licenses from the Bureau of Indian Affairs, pursuant to comprehensive federal regulations. To obtain an Indian Traders License, each business must submit to a federal background check, including personal and corporate financial status, capital to finance the business, prior business experience, and criminal and licensing history.

51. The Village Council and the Board of Directors have also adopted Tribal ordinances and codes that regulate businesses and activities within the Village (for example, through permitting and inspections), including, inter alia, the Health and Safety Ordinance, Animal Control Ordinance, Noise Control Ordinance, Civil Infractions Ordinance, Rights of Way and Easements Ordinance, Right to Work Ordinance, Transient Accommodation Code and Licensing Ordinance, Environmental Infractions Ordinance, Air Pollution Control Ordinance, Business License Ordinance, Tribal and Indian Preference in Hiring and Contracting Ordinances, Zoning Ordinance, Food Service Sanitation Ordinance, Liquor Sales and Distribution Ordinance, Road Construction Code, Uniform Building Code, Uniform Electrical Code, International Fire Code,

52. The State of Washington provides and funds few if any day-to-day government services within Quil Ceda Village.

53. Snohomish County and other local governments provide and fund few if any day-to-day government services within Quil Ceda Village.

PLAINTIFFS’ ACTIVE ROLE IN GENERATING ACTIVITIES OF VALUE AT QUIL CEDA VILLAGE

54. Through their own planning, design, and development activities, their investment in infrastructure, their provision of government services and amenities, and their selection and management of commercial tenants, Tulalip and the Village have implemented the Tulalip Leasing Act and other federal statutes and regulations and have converted a vacant stretch of land on the Tulalip Reservation into a thriving regional retail and entertainment destination.

55. Tulalip and the Village have attracted well over 150 businesses (plus their vendors, suppliers, contractors, and builders), millions of dollars of commercial investment, and hundreds of thousands of visitors to the Reservation. In doing so, they have generated hundreds of millions of dollars in annual sales activities and tens of millions of dollars in annual tax revenues. None of these sales and revenues was generated as a result of a competitive tax advantage offered by Tulalip and the Village vis-à-vis comparable businesses and economic activities off-Reservation.

56. Tulalip and the Village have created thousands of new jobs for Tribal members and non-members, including jobs in, inter alia, planning, construction, public utilities, maintenance, Village and Tribal government and administration, retail sales, and management. These activities have provided Tribal members previously unavailable educational, job, business-
ownership, training, and contractor and vending opportunities on the Reservation. In total, approximately 6,000 people are employed within the Village.

57. Through development of Quil Ceda Village, Tulalip and the Village have spurred economic development outside the boundaries of the Village and Reservation, including along the east side of Interstate 5 and in the greater Marysville area.

58. Tulalip and the Village have not sought, and do not seek, to attract patrons or businesses to the Village by offering a competitive advantage with respect to the taxes challenged in this action. Therefore, Tulalip and the Village have not offered, do not currently offer, and will not offer any tax advantage to businesses, suppliers, or patrons at Quil Ceda Village in relation to other municipalities in Snohomish County with respect to the taxes challenged in this action.

59. Quil Ceda Village includes tribal artwork, tribal signage, and tribal businesses that contribute to its unique character and atmosphere as an upscale tribal retail and entertainment destination.

60. Tulalip and the Village have generated value by engaging in ongoing and long-term municipal planning and management, designing and constructing infrastructure, attracting and selecting tenants and defining the terms of their tenancy, providing government services and regulation, and operating highly successful Tribal businesses that attract visitors and other businesses to the Village. Tulalip and the Village have played and continue to play an active role in generating activities of value within Quil Ceda Village.

**FEDERAL INTERESTS IN THE TULALIP TRIBES' SELF-DETERMINATION, SELF-SUFFICIENCY, AND ECONOMIC DEVELOPMENT AT QUIL CEDA VILLAGE**

61. The Tulalip Reservation was created to support an Indian population through economic activity. The United States has maintained a constant interest in the use of the lands comprising Quil Ceda Village for this purpose. The lands within the Village have never been converted into fee lands; they have remained held in trust by the United States; they have never been subject to
state or county jurisdiction; and they have been used for the economic benefit of Tulalip and its members.

62. For the past 40 years, the United States' Indian policy has been to encourage and promote tribal self-determination, self-sufficiency, and economic development. To advance this policy, Congress has vested the Tulalip Tribes with responsibility for and control over the economic development of Tulalip Reservation lands and who may do business there. In passing the Tulalip Leasing Act, Congress authorized Tulalip to lease Tribal trust lands for business, recreational, and other purposes in accordance with the terms of Tribal law approved by the Secretary of the Interior. Tulalip has adopted and gained federal approval of its own leasing statute, Tulalip Tribes Code Title 6 Chapter 6.15 ("TTT 6.15"). When the Tulalip Leasing Act was first enacted in 1970, federal law required that all other federally-recognized Indian tribes obtain Secretarial approval for surface land leases. And while the original Act limited Tulalip leases to 30-year periods without Secretarial approval, Congress amended the Act in 1986 to extend that period to 75 years.

63. The Indian Tribal Governmental Tax Status Act of 1982 also furthers the federal policy supporting Native American economic self-sufficiency. The Act recognizes the authority of Indian tribes to incorporate political subdivisions, and further recognizes the governmental authority of those subdivisions to generate revenue through taxation. By a letter ruling dated November 14, 2001, the United States Internal Revenue Service recognized and listed the Village as a political subdivision of the Tulalip Tribes. As a federally recognized Indian municipality, the Village is entitled to be treated as a state for certain purposes under the Indian Tribal Governmental Tax Status Act, and under the Act has authority to support infrastructure financing through the issuance of tax favored securities or municipal bonds.
64. Congress has provided by statute that lands held in trust by the United States for the benefit of an Indian tribe or its members are not subject to state and local taxation.

65. Congress and the U.S. Department of the Interior, Bureau of Indian Affairs, comprehensively regulate all aspects of the leasing and use of tribal trust lands, including state and local taxation of economic activities and property on Indian trust lands. For example, 25 C.F.R. § 162.017 provides that (a) “permanent improvements on the leased land, without regard to ownership of those improvements, are not subject to any fee, tax, assessment, levy, or other charge imposed by any State or political subdivision of a State;” (b) “activities under a lease conducted on the leased premises are not subject to any fee, tax, assessment, levy, or other charge (e.g., business use, privilege, public utility, excise, gross revenue taxes) imposed by any State or political subdivision of a State”; and (c) “the leasehold or possessory interest is not subject to any fee, tax, assessment, levy, or other charge imposed by any State or political subdivision of a State.”

66. The Secretary of the Interior has found that state and local taxes preclude tribes from exercising their own tax authority to generate revenues to support infrastructure and government services, increase project costs and discourage investment on Indian lands, impede tribes’ ability to secure financing and private capital to support development, and threaten the status of tribes and their citizens as the primary beneficiary of the leasing of trust lands and economic activities on those lands. The Secretary has further found that such state and local taxes obstruct federal policies supporting tribal economic development, self-determination, and strong tribal governments, and that federal statutes and regulations occupy and preempt the field of Indian leasing.

67. In 2013, the Board of Directors adopted the substantive language of 25 C.F.R. § 162.017 into the Tulalip Leasing Code, TTT 6.15.300. The BIA Northwest Regional Director and Acting Superintendent approved this Tribal law provision.
68. Congress has further implemented the self-determination policy through general legislation, beginning with the Indian Self-Determination and Education Assistance Act, which provides that "the United States is committed to supporting and assisting Indian tribes in the development of strong and stable tribal governments, capable of administering quality programs and developing the economies of their respective communities," 25 U.S.C. § 450a(b), and which seeks to maximize effective and meaningful Indian participation in the direction, planning, conduct, and administration of federal services to Indian communities. 25 U.S.C. § 450a(a)-(b). Other statutes implementing this policy include, *inter alia*, the Indian Tribal Regulatory Reform and Business Development Act of 2000, the Indian Gaming Regulatory Act, the Native American Business Development, Trade Promotion and Tourism Act of 2000, and the Indian Tribal Justice Technical and Legal Assistance Act of 2000. Likewise, every President since President Lyndon B. Johnson has embraced this policy, which is also manifested in other sources of federal law and policy.

69. Plaintiffs' imposition and collection of Tribal sales and use, business and occupation, and other tax revenues within the Village would further the achievement of self-determination, self-sufficiency, and economic development under the Tulalip Leasing Act and other federal statutes and regulations enacted in furtherance of these policies.

**DEFENDANTS' TAXATION OF ACTIVITIES AT QUIL CEDA VILLAGE**

70. Pursuant to RCW Chapters 82.08, 82.12, and 82.14, Defendants administer and enforce state and county sales and use taxes on retail sales and services provided within Quil Ceda Village, with various exceptions. The state sales tax rate is 6.5%, and the county sales tax rate is 2.1% in certain unincorporated areas, including the Village.

71. Pursuant to these provisions, in 2013 Defendant Smith or her predecessor collected an estimated $37 million in sales and use taxes on activities within the Village. These revenues were
deposited in the State general fund for general statewide expenditures, with the exception of
approximately $9 million in county sales and use taxes remitted to Snohomish County.

72. Pursuant to RCW Chapter 82.04, Defendant Smith administers and enforces a state business and
occupation tax on businesses operating within Quil Ceda Village, with various exceptions. The
tax rate is 1.5% for service activities, .471% for retail activities, and .484% for wholesale and
manufacturing activities.

73. Pursuant to these provisions, in 2013 Defendant Smith or her predecessor collected an estimated
$2.1 million in business and occupation taxes on activities within the Village. These revenues
were deposited in the State general fund for general statewide expenditures.

74. Pursuant to RCW Title 84, Defendants administer and enforce state and county property taxes
with respect to certain property within the boundaries of the Village, with various exceptions.
The state property tax levy for 2013 was approximately $2.43 per $1,000 assessed value, and the
county property tax levy for 2013 was approximately $11.30 per $1,000 assessed value.

75. Pursuant to these provisions, in 2013 Defendants collected approximately $1 million in state and
county property taxes on property within the Village. The State’s share of these revenues,
approximately $177,000, was deposited in the State general fund for general statewide
expenditures, and the county’s share of these revenues, approximately $823,000, was retained by
Snohomish County.

76. In March 2014, the Department of Revenue issued Property Tax Advisory 1.1.2014, which
admits that state and local governments cannot assess property tax on permanent improvements
on land owned by the United States and held in trust for Indians. Such lands include Quil Ceda
Village. The Property Tax Advisory does not address state or local taxation of personal property
on Indian trust lands. Upon information and belief, Defendants continue to assess property tax
on certain personal property within the Village.
77. In 2013, revenues from the aforementioned state and county taxes at Quil Ceda Village totaled an estimated $40.1 million. This sum far exceeds the total annual lease payments and fees received by Plaintiffs from lessees in the Village.

78. Defendants’ administration and enforcement of these taxes is ongoing.

79. The State of Washington uses few if any of the tax revenues derived from activities within the Village to provide day-to-day government services within the Village to businesses, their employees, suppliers, or patrons.

80. Snohomish County uses few if any of the tax revenues derived from activities within the Village to provide day-to-day government services within the Village to businesses, their employees, suppliers, or patrons.

81. Defendants remit none of those tax revenues to Tulalip or the Village, despite Tulalip’s requests that they do so.

82. Tulalip and the Village have a strong government to government relationship with the State of Washington, Snohomish County, and other local governments and cooperate with them in many areas. Tulalip has entered into cooperative governmental agreements with the State and County, including with respect to state taxation of cigarette and motor vehicle fuel. To date, the State and County have been unwilling to enter into any agreement with respect to the sales and use, business and occupation, and personal property taxes collected at Quil Ceda Village.

DEFENDANTS’ ACTIONS UNDULY BURDEN AND IRREPARABLY INJURE PLAINTIFFS AND PREVENT PLAINTIFFS FROM IMPOSING TRIBAL TAXES ON ECONOMIC ACTIVITIES WITHIN THE VILLAGE

83. Plaintiffs have been and remain responsible for the planning, design, development, and overall management of the economic activities within the Village; the planning, design, construction, and installation of infrastructure within the Village; and the provision of essential government services and regulation within the Village to businesses, their employees, suppliers, and patrons.
All of these activities successfully implement the Tulalip Leasing Act and other federal laws and policies at the Village and have been undertaken at substantial and continuing expense to Plaintiffs. Plaintiffs’ comprehensive governmental activities have left the State of Washington and Snohomish County with few if any duties or responsibilities within the Village.

84. Village businesses and their employees, suppliers, and patrons impose great and increasing demands on infrastructure and government services provided by Plaintiffs. The present and future success and competitiveness of the Village depends on Plaintiffs continuing to meet the needs of these businesses and persons.

85. In order to raise revenues to support infrastructure and government services, and to support further economic development within the Village, the Village has enacted a comprehensive Municipal Tax Code, as amended. The Code imposes, among other taxes, a sales and use tax, a business and occupation tax, and a restaurant privilege tax on economic activities occurring within the Village. Plaintiffs do not currently implement or enforce these taxes with respect to any non-Tribal businesses in the Village.

86. Defendants' imposition and collection of sales and use, business and occupation, and personal property taxes at Quil Ceda Village effectively prevents Plaintiffs from implementing and enforcing the Municipal Tax Code with respect to any non-Tribal business in the Village and displaces and nullifies as a practical matter Tulalip's sovereign taxation authority with respect to those activities. This is because Tribal taxes, when added to Defendants' taxes, would subject Village businesses and their patrons to as much as twice the tax burden that they would bear off the Reservation and would force Village businesses to operate at a competitive disadvantage in relation to off-Reservation businesses.

87. This double taxation would significantly reduce or extinguish sales and commerce within the Village, would significantly reduce or extinguish the Village’s success as a commercial center,
and would strongly deter new and existing businesses from locating and remaining there. For this reason, Village lessees have negotiated provisions in their leases with Tulalip that prohibit double taxation. For the same reason, the Village Charter limits the cumulative tax burden borne by businesses within the Village to that borne within other municipalities in Snohomish County.

88. Defendants' actions burden and interfere with Plaintiffs' achievement of the federal goals of self-determination, self-sufficiency, and economic development because they cannot generate tax revenues to support the infrastructure and government services provided within the Village, to support further economic development, and to support the Reservation community. Defendants' actions also burden and interfere with Plaintiffs' ability to pay for improvements to support development of the 1,100 acres of undeveloped Village lands.

89. As a result of Defendants' actions, the Village is dependent on Tulalip to subsidize with Tribal funds the government services and infrastructure provided by the Village and the future infrastructure, government services, and economic development that is necessary to maintain the success and competitiveness of the Village.

90. As a result of Defendants' actions and this subsidization, Tulalip cannot devote these Tribal funds to essential government services for Tribal members and the Reservation community, which services include, inter alia, police protection; schools and education funding; health care; job training and counseling; senior citizens housing; elder care; emergency housing for parents and children; child care, youth, and family services; alcohol counseling and rehabilitation; veterans programs; water quality and environmental programs; natural resources management; and cultural resources protection.

91. By denying Plaintiffs a tax revenue stream, Defendants' actions also limit meaningful access by Plaintiffs to the municipal bond market, which bonds Plaintiffs could use to finance additional economic and infrastructure development projects and government services.
92. Defendants' imposition and collection of sales and use, business and occupation, and personal property taxes at the Village targets reservation value, unduly burdens Plaintiffs, and interferes with the comprehensive infrastructure, service, regulatory and tax scheme by which Plaintiffs have implemented federal laws and policies. Plaintiffs will continue to suffer these and other irreparable injuries unless and until Defendants' actions are enjoined.

93. Defendants' imposition and collection of sales and use, business and occupation, and personal property taxes at the Village is barred by federal law.

COUNT I

94. The Indian Commerce Clause of the United States Constitution prohibits state and local action that imposes undue burdens on sovereign Indian tribes and Indian reservation commerce.

95. By failing to provide a credit against state and county taxes to the extent of any like taxes imposed by Plaintiffs in connection with activities at Quil Ceda Village, Defendants impose undue burdens on Tulalip, the Village, and commerce within the Tulalip Reservation.

96. Economic activities within the Village would be significantly reduced or eliminated if both Defendants' and Plaintiffs' taxes were enforced. Double taxation would place Tulalip, and Village businesses and patrons, at a severe competitive disadvantage with respect to commerce that has occurred and will continue to occur within Quil Ceda Village without any tax advantage, but as a result of Plaintiffs' own efforts in developing, managing, supporting, and regulating economic activities within the Village.

97. Defendants' administration and enforcement of state and county sales and use, business and occupation, and personal property taxes in connection with activities at Quil Ceda Village impermissibly taxes reservation value and precludes Tulalip from exercising its own sovereign authority to tax.
98. Defendants' administration and enforcement of state and county sales and use, business and
occupation, and personal property taxes in connection with activities at Quil Ceda Village is not
tailored to government services provided within the Village to businesses, their employees,
suppliers, and patrons.

99. Defendants' administration and enforcement of state and county sales and use, business and
occupation, and personal property taxes in connection with activities at Quil Ceda Village
violates the Indian Commerce Clause to the extent of any like taxes imposed by Plaintiffs.

COUNT II

100. Federal law preempts state and local taxes imposed on non-Indians and their activities
within Indian country where those taxes interfere or are incompatible with tribal and federal
interests, and where the state or local interests in taxing those activities are insufficient to justify
the taxes.

101. Plaintiffs have a strong interest in generating revenues from activities at the Village
through the imposition of their own Tribal taxes. This interest arises from their implementation
of the Tulalip Leasing Act and other federal laws and policies through, inter alia, the planning,
design, and development of Quil Ceda Village; their infrastructure investments; their selection
and management of lessees; their pervasive regulation of the leases and activities conducted
thereunder; their provision of day-to-day government services to businesses, their employees,
suppliers, and patrons within the Village; the employment of Tribal members in connection with
the development and ongoing operation of the Village and businesses in the Village; and their
own interest in self-determination, self-sufficiency, and economic development. Plaintiffs, in
conjunction with the United States, have assumed comprehensive control over all governmental
activities in the Village, which leaves no room for the imposition of additional burdens by
Defendants.
Plaintiffs have played and continue to play an active role in generating activities of value at Quil Ceda Village. The State of Washington and Snohomish County have played no such role. The sales and use, business and occupation, and personal property taxes administered and enforced by Defendants are directed at reservation value. None of the economic activities occurring within Quil Ceda Village has been the result of a competitive tax advantage.

The United States also has a strong interest in the self-determination, self-sufficiency, and economic development of the Tulalip Tribes and Quil Ceda Village through the implementation of the Tulalip Leasing Act, the Tax Status Act, as well as other federal statutes, executive orders, and other sources of federal law and policy which support Indian self-determination. Plaintiffs' infrastructure and economic development activities and provision of government services at the Village have furthered and continue to further this interest. The United States has made a substantial financial investment in these activities and has a strong interest in Tulalip and the Village receiving the tax revenue benefits arising from them.

Implementation of these federal laws and policies and maintenance of Tribal activities and services would be advanced by Plaintiffs' taxation of economic activities within the Village.

Lands held in trust by the United States for the benefit of an Indian tribe or its members are not subject to state or local taxation. The leasing of Tulalip trust lands and activities on those lands are subject to comprehensive oversight and regulation by the United States and the Tulalip Tribes, and there is no room for state or local regulation or taxation. The Secretary of the Interior has further provided by regulation that state and local taxation of business activities, improvements, and leasehold interests on leased Indian trust lands interferes and is incompatible with Tribal and federal interests, is preempted by federal law, and is invalid.

The State of Washington and Snohomish County—which have made few if any contributions to the infrastructure or economic development of the Village; which provide few if
any day-to-day government services within the Village to Village businesses, their employees, suppliers, and patrons; and which use few if any of the tax revenues generated at the Village to support services or activities there—have a weak interest in taxing activities at Quil Ceda Village, limited to their general desire to raise revenue.

107. The Tribal and federal interests in economic activities within Quil Ceda Village greatly outweigh Defendants’ interest in administering and enforcing state and county sales and use, business and occupation, and personal property taxes in connection with those activities.

108. Defendants’ actions interfere and are incompatible with these Tribal and federal interests and frustrate the purposes of the Tulalip Leasing Act and other federal laws. These purposes include the specific federal policy of promoting Tulalip Tribal self-determination, self-sufficiency, and economic development and the general federal policy of supporting Native American self-determination, self-sufficiency, and economic development.

109. Federal law preempts Defendants’ administration and enforcement of state and county sales and use, business and occupation, and personal property taxes in connection with activities at Quil Ceda Village to the extent of any like taxes imposed by Plaintiffs.

COUNT III

110. Tulalip possesses the inherent and federally-recognized sovereign right to make its own laws and to be ruled by them, and state or local action that interferes with or frustrates this right is invalid as a matter of federal law.

111. Plaintiffs’ creation, development, and management of the Village, and the delivery of essential government services to Village businesses, their employees, suppliers, and patrons is an exercise of Tulalip’s federally-protected power of self-government.
112. The right and ability of Tulalip and its political subdivision Quil Ceda Village to exercise their taxation authority, and to financially support government services, infrastructure projects, and economic development, is a federally-protected right of self-government.

113. Defendants’ taxation of activities at Quil Ceda Village burdens and interferes with Tulalip’s ability to exercise its sovereign taxation authority and deprives Tulalip and the Village of the opportunity to raise tax revenues to support infrastructure and essential government services, and to ensure the health, safety, and welfare of its members, and those visiting the Village.

114. Defendants’ administration and enforcement of state and county sales and use, business and occupation, and personal property taxes in connection with activities at Quil Ceda Village interferes with and frustrates Tulalip’s sovereign right to make its own laws and to be ruled by them, and violates federal law to the extent of any like taxes imposed by Plaintiffs.

PRAayer FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that this Court:

115. Enter a declaratory judgment pursuant to 28 U.S.C. § 2201 in favor of Plaintiffs that Defendants’ administration and enforcement of state and county sales and use, business and occupation, and personal property taxes in connection with activities and property at Quil Ceda Village burdens commerce within the Tulalip Reservation in violation of the Indian Commerce Clause to the extent of any like taxes imposed by Plaintiffs.

116. Enter a declaratory judgment pursuant to 28 U.S.C. § 2201 in favor of Plaintiffs that federal law preempts Defendants’ administration and enforcement of state and county sales and use, business and occupation, and personal property taxes in connection with activities and property at Quil Ceda Village to the extent of any like taxes imposed by Plaintiffs.
117. Enter a declaratory judgment pursuant to 28 U.S.C. § 2201 in favor of Plaintiffs that
Defendants' administration and enforcement of state and county sales and use, business and
occupation, and personal property taxes in connection with activities and property at Quil Ceda
Village interferes with Plaintiffs' sovereign right of self-government and violates federal law to
the extent of any like taxes imposed by Plaintiffs.

118. Permanently and preliminarily enjoin Defendants from imposing, seeking to collect,
collecting, or enforcing the collection of state and county sales and use, business and occupation,
and personal property taxes in connection with activities and property at Quil Ceda Village to
the extent of any like taxes imposed by Plaintiffs.

119. Award Plaintiffs such other relief as the Court deems just and appropriate.

Dated this 12th day of June, 2015.

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