TRIBAL ECONOMIC DEVELOPMENT:
Indian Country’s Policy Recommendations for the Federal Government

Introduction: Across Indian Country, more and more tribal nations are forging impressive records of economic progress. From creating successful nation-owned enterprises to cultivating tribal citizen-owned businesses to preparing their people to take advantage of expanding job opportunities through workforce education and training, they are building sustainable tribal economies to revitalize their communities. Driving this remarkable yet uneven renaissance is tribal self-determination, specifically the responsibility each tribal nation exercises to create a robust economy based on its cultural values, distinct challenges, particular circumstances, and community development priorities. Yet key federal government actions must be taken to foster – and remove the barriers impeding – tribal nations’ efforts to create and sustain jobs and economic growth.

Policy Recommendations: Below are top-line policy priorities that will enhance tribal nations’ ability to achieve greater economic prosperity and provide their citizens with job opportunities and a good quality of life. These recommendations must lead to rigorous, fruitful dialogue between tribal nations and the Administration and Congress about key actions the federal government should take to support tribal nations’ economy building efforts.

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<tr>
<th>TOP-LINE POLICY RECOMMENDATIONS</th>
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<td><strong>INFRASTRUCTURE DEVELOPMENT</strong></td>
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<td>• Modernize tribal bond treatment to facilitate tribal infrastructure development and the financing of shovel-ready projects.</td>
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<td>• Invest direct federal funds to address unmet deferred maintenance needs to provide secure and sustainable water resources (including safe drinking water and sanitation infrastructure), and safe roads and housing infrastructure.</td>
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<td>• Directly fund and incentivize the development of Indian Country’s telecommunications infrastructure to create new economic development opportunities, streamline tribal government operations, and increase access to quality healthcare, education, and workforce training opportunities.</td>
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<td>• Improve the infrastructure permitting process to include tribal nations in planning from the outset to ensure tribal lands, resources, and cultural sites are respected and protected, and that tribal economic development priorities are considered.</td>
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<td><strong>TAX REFORM FOR ECONOMIC GROWTH</strong></td>
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<td>• Eliminate the harms of dual taxation of tribal commerce on tribal nations’ economy building efforts (see NCAI resolutions <a href="#">SAC 12-042</a>, <a href="#">SD-15-045</a>, and <a href="#">DEN-18-018</a>).</td>
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<td>• Eliminate the “essential government function” test for tribal government tax-exempt bonds, which will: provide parity for tribal governments in accessing tax-exempt bond markets, assist in sustainable job creation, and help develop sorely needed private sector economies on tribal lands.</td>
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<td>• Make permanent the accelerated depreciation, employment tax, and other Indian Country-related credits; and provide other tax incentives to create certainty for businesses and attract investment in Indian Country.</td>
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<td>• Establish a 10 percent set-aside for Native Community Development Entities, such as community development financial institutions (or CDFIs), in the New Markets Tax Credits program to seed investment and jobs in underserved tribal areas.</td>
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<td>• Enact Low-Income Housing Tax Credit (LIHTC) legislation that treats tribal nations as states for the purpose of LIHTC allocation and establishes a set-aside of LIHTC credits for Indian Country.</td>
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### TRIBAL PLANNING AND FEDERAL SUPPORT

- Swiftly enact legislation that provides full redress for all contracted employees of small businesses financially impacted by the government shutdown, namely S. 162, the Fair Compensation for Low-Wage Contractor Employees Act of 2019.
- Enact S. 212, the Indian Community Economic Enhancement Act, to increase federal procurement with Native businesses, spur greater investment in Native CDFIs, and mandate federal inter-agency coordination to support tribal economic development.
- Appoint a Director to lead the Department of Commerce’s Office of Native American Business Development (ONABD), and properly fund ONABD at a minimum of $2 million per year.
- Enact S. 294, the Native American Business Incubators Program Act, to establish a program within the Department of the Interior (DOI) to allocate $5 million annually for business incubators to assist with Native business startups and expansion.
- Ensure all federal agencies abide by the spirit and letter of the 2017 Indian Employment, Training, and Related Services Consolidation Act by deferring to tribal nations and Native organizations’ choice of programs for inclusion in 477 Plans.
- Fund American Indian Procurement Technical Assistance Centers at $4.5 million through Department of Defense (DOD).
- Exempt tribal nations from the maximum income thresholds under the federal government’s Opportunity Zones initiative to maximize its potential to fuel economic growth in tribal communities.

### MARKETPLACE COMPETITIVENESS

- Ensure any enacted internet gaming or sports betting legislation specifically recognizes tribal nations’ inherent right to opt in to a federal regulatory scheme to ensure broad-based access to markets.
- Enact legislation that recognizes tribal tort claims jurisdiction and exempts tribal governments and government-owned businesses from the National Labor Relations Act.
- Enable tribal nations to establish Subchapter S Corporations by amending Section 1361 of the federal tax code.
- Expand Buy Indian Act implementation by requiring the Bureau of Indian Affairs, other DOI agencies, and the Indian Health Service to prioritize Native employment and purchasing from Native vendors.
- Increase other federal contracting opportunities available to tribally owned and Native citizen-owned businesses.
- Increase annual funding beyond $25 million for 5% Indian Incentive Program (IIP) payments to DOD prime contractors that subcontract to eligible Native businesses, so as to reduce the backlog of overdue IIP payments and strongly incentivize more contractors to do business with Native contractors and vendors.

### ACCESS TO CAPITAL AND CREDIT

- Establish stand-alone assessment area specifically for Indian Country through the modernized Community Reinvestment Act (CRA) regulations, and create strong requirements to incentivize investment in that area. Also, expand CRA-eligible activities to incentivize investment in Native CDFIs (for more info, click [here](#)).
- Increase credit subsidies for federal loan guarantee programs best suited to leverage greater private sector financing for business, economic, infrastructure, energy and agriculture development (i.e., $25 million for DOI’s loan guarantee program, $9 million for the Department of Energy’s (DOE) Tribal Energy Loan Guarantee Program, and level funding for Department of Agriculture-Rural Development (USDA-RD) loan and loan guarantee programs).
- Allocate greater percentages of Economic Development Administration, USDA-RD, DOE, SBA, and CDFI Fund funding to Indian Country, with more Native-focused program support for Native CDFIs, including access to bond guarantees.
- Reinstate and make permanent the waiver for the non-federal match requirement for the CDFI Fund’s Native American CDFI Assistance (NACA) financial assistance program, and fund the NACA program at no less than $20 million for FY 2020.
- Launch initiative to expand Native CDFIs’ participation in SBA’s Capital Access Programs.
- Amend the Community Facilities Direct Loan Program re-lending regulations to accommodate Native CDFIs.
- Expand financial education programs for Native people in unbanked/under-banked communities to increase their opportunities to build their financial skills, which are key to asset building, home ownership, and business development.

### LAND AND ENERGY DEVELOPMENT

- Pass a clean Carcieri fix to bring long-overdue certainty and consistency to the tribal land-into-trust process.
- Implement the 2016 Indian Trust Asset Management Reform Act, including appointing a DOI Under Secretary for Indian Affairs to establish clear lines of authority and ensure accountability for trust reform efforts by DOI divisions.
- Continue to place land into trust for tribal nations so they can consolidate allotted lands, which they can then use for grazing, forestry, agriculture, housing, economic development, health clinics, tribal schools, and other essential purposes.

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**Contributing Organizations:** These recommendations emerge from a collaborative effort of the following national organizations serving the needs and interests of tribal nations: the National Center for American Indian Enterprise Development, National Congress of American Indians, National Indian Gaming Association, Native American Contractors Association, Native American Finance Officers Association, and Native CDFI Network. For more information about these recommendations, contact NCAI at [irecord@ncai.org](mailto:irecord@ncai.org).