



# SQUAXIN ISLAND TRIBE

## RESOLUTION NO. 22-47

of the

### SQUAXIN ISLAND TRIBAL COUNCIL

**WHEREAS**, the Squaxin Island Tribal Council is the Governing Body of the Squaxin Island Tribe, its members, its lands, its enterprises and its agencies by the authority of the Constitution and Bylaws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965;

**WHEREAS**, the Tribe is a federally-recognized Indian Tribe possessing reserved powers, including the powers of self-government;

**WHEREAS**, under the Constitution, Bylaws and inherent sovereignty of the Tribe, the Squaxin Island Tribal Council is charged with the duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing the lands and treaty resources and rights of the Tribe;

**WHEREAS**, the Squaxin Island Tribal Council has been entrusted with the creation of ordinances and resolutions in order to fulfill their duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing the lands and treaty resources of the Tribe;

**WHEREAS**, the Squaxin Island Court wishes to adopt a General Welfare Code to provide assistance in order to promote the general welfare and best interests of the Tribe and its citizens; and

**WHEREAS**, the Squaxin Island Tribal Council further finds that all such need-based assistance provided to promote the general welfare to the Tribe is, and has been, intended to reflect the sovereign act of a legislative body under the General Welfare Doctrine;

**WHEREAS**, the Tribe desires to affirm its sovereign right to provide assistance on non-taxable basis, pursuant to the General Welfare Doctrine, recognized by the Internal Revenue Service, permitting a sovereign tribal government, subject to certain conditions, to provide assistance to its citizens without that assistance subjecting the recipients to federal income tax liabilities;

**NOW THEREFORE BE IT RESOLVED**, the Squaxin Island Tribal Council hereby adopts the attached General Welfare Code and "Opt-In Program," effective immediately.

### CERTIFICATION

The Squaxin Island Tribal Council hereby certifies that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 28 day of July, 2022, at which time a quorum was present and was passed by a vote of 5 for and 0 against, with 0 abstentions.

*Kristopher K Peters*

Kristopher K Peters (Jul 29, 2022 13:12 PDT)

**Kris Peters, Chair**

Attested by:   
Patrick Braese (Jul 29, 2022 13:13 PDT)

**Patrick Braese, Secretary**

*Jaimie Cruz*

Jaimie Cruz (Aug 1, 2022 11:50 PDT)

**Jaimie Cruz, Vice Chair**

**SQUAXIN ISLAND TRIBE CODE**  
**CHAPTER 2.70 – TRIBAL ASSISTANCE PROGRAMS**

**2.70.010 Definitions**

For purposes of this Chapter, the following words and phrases shall have the meanings set forth below:

- A. “Administrative Entity(s)” means a department or official of the Tribal government that is authorized and funded, through a Tribal Council approved budget, to administer and provide Assistance under an Approved Program under this Chapter;
- B. “Applicant(s)” means an enrolled Tribal citizen or qualified non-citizen who has applied for Assistance under this Chapter. It also includes an Identified Group, as defined in subsection L, below;
- C. “Approved Program(s)” means any program or programs approved by the Tribal Council to provide general welfare assistance to Applicants that is intended to qualify for treatment under the General Welfare Doctrine, as defined herein. It includes, for example, the payment of benefits related to housing, education, elder or disabled status, cultural and religious programs or for other qualifying assistance, such as transportation costs, etc.;
- D. “Assistance” means benefits or payments under an approved program, which are paid to or on behalf of a beneficiary pursuant to this Chapter, provided, that such Assistance shall be owed back to the Tribe from the Tribal citizen recipient in the event the Assistance is deemed forfeited as provided for in 2.70.150 (“Forfeiture”) of this Chapter;
- E. “Beneficiary” means an enrolled citizen of the Squaxin Island Tribe entitled to receive welfare assistance payments or services pursuant to this Chapter;
- F. “Citizen” or “Tribal citizen” shall mean an individual who is enrolled in the Squaxin Island Tribe.
- G. “Code” means the Internal Revenue Code of 1986, as amended;
- H. “Council” or “Tribal Council” means the duly elected governing body of the Squaxin Island Tribe, a federally recognized Indian tribal government;
- I. “General Welfare Doctrine” means the doctrine, as recognized by the Internal Revenue Service, permitting a sovereign tribal government, subject to certain conditions, to provide assistance to its citizens without that assistance subjecting the recipients to federal income tax liabilities;
- J. “Lavish” and/or “Extravagant” shall have the meaning determined by the Tribal Council in its sole discretion based on all facts and circumstances, taking into account needs unique to the Tribe as well as the social purpose being served by the particular Assistance at hand, except as otherwise may be required for compliance with final guidance issued under IRS Code Section 139E following consultation between the Tribe and the IRS;
- K. “Qualified non-citizen” means an individual who is a spouse, dependent, ancestor, domestic partner or descendant of a Tribal citizen, but who is not themselves an enrolled citizen of the Tribe or identified group of Tribal citizens and or qualified non-citizens;

- L. “Identified Group” means Tribal citizens and qualified non-citizens who are members of an identified group, such as veterans; and
- M. “Safe Harbor Program” shall refer to an Assistance program that meets the safe harbor requirements set forth herein and IRS Revenue Procedure 2014-35, as the same may hereafter be amended. Need shall be presumed for Assistance provided under a Safe Harbor Program.

#### **2.70.020 Purpose**

The Tribe provides Assistance to Applicants and desires to affirm its sovereign right to do so on a non-taxable basis, pursuant to the General Welfare Doctrine. Both the United States Congress, through its enactment of the Tribal General Welfare Exclusion Act of 2014, and the Internal Revenue Service, through its traditional application of the general welfare doctrine and subsequent guidance, has recognized the sovereign right of Indian tribal governments to provide financial assistance to its citizens under certain circumstances on a non-taxable basis. The purpose of this Chapter is to establish guidelines for (1) Applicants applying for Assistance and (2) Tribal staff making eligibility determinations for Assistance. Further, it is the intent of the Tribal Council that all Assistance provided under this Chapter:

- A. Is made under an Approved Program;
- B. Is available to any Applicants who satisfy the program guidelines, subject to budgetary restraints;
- C. Is made under an Approved Program that does not discriminate in favor of members of the Tribal Council;
- D. Is not provided as compensation for goods and/or services; and
- E. Is not lavish or extravagant under the facts and circumstances, as determined by the Tribal Council.

#### **2.70.030 Ratification of Prior Acts; Legislative Intent**

- A. The Tribal Council, acting as the legislative body of the Tribe and through its duly-elected members, has traditionally exercised the Tribe’s sovereign right to provide Assistance in order to promote the general welfare and best interests of the Tribe;
- B. The enactment of this Chapter shall not be construed in a manner to invalidate any prior acts and exercises of the sovereign authority of the Tribe in providing Assistance prior to the effective date of this Chapter and the Tribal Council hereby specifically ratifies its prior acts providing Assistance;
- C. The Tribal Council hereby further finds that all such need-based Assistance provided to promote the general welfare of the Tribe is, and has been intended to reflect the sovereign act of a legislative body under the General Welfare Doctrine; and
- D. This Chapter, therefore, does not create or establish new general welfare assistance rights or any related program. It merely memorializes, confirms and codifies existing procedures used by the Tribe in administering its Assistance programs and services, which are hereby declared to be an inherent right of Tribal sovereignty exercised by the Council. Finally, it is intended to establish a framework to improve the coordination and accomplishment of compliance with the General Welfare Doctrine when providing Assistance.

#### **2.70.040           General Welfare Doctrine and IRS Revenue Procedure 2014-35/Tribal General Welfare Exclusion of 2014**

The Internal Revenue Service recognizes that Assistance to Applicants under a legislatively provided Approved Program for the promotion of the general welfare of the Tribe is excludable from the gross income of those Applicants. In addition, the Service, in IRS Revenue Procedure 2014-35, provided for safe harbor programs under which, if approved and in writing, need would be presumed and benefits would be excluded. The Assistance authorized by this Chapter is intended to qualify for such favorable tax treatment under the General Welfare Doctrine to the fullest extent permitted at law. All amounts budgeted by the Tribe for Assistance shall remain general assets of the Tribe until such payments are disbursed. Further, Assistance authorized by this Chapter shall be an unfunded arrangement and shall be limited to funds appropriated, at the discretion of the Council. Finally, Assistance is not subject to information reporting by the Tribe to the Internal Revenue Service.

Without limitation, the following benefits shall be treated as non-taxable hereunder:

- A.       Benefits that satisfy the requirements for the exemption under Code Section 139E;
- B.       Benefits that are provided under an IRS Safe Harbor Program;
- C.       Benefits that qualify for exclusion under the IRS General Test of General Welfare exclusion; or
- D.       Benefits that meet another express exemption under the Internal Revenues Code, such as the exemption provided for tribal medical expenses under Internal Revenue Code Section 139D, or that meet other recognized exemptions including, for example, resource or land-based exemptions under 25 USC Sections 117a-b, 1407 and 1408.

#### **2.70.050           Non-Resource Designation**

Since the Assistance to Applicants is made from the assets of the Tribal government and, as such, all payments are subject to the availability of budgeted Tribal government funds, the Tribe does not guarantee Assistance under this Chapter. Assistance is paid on the basis of need and shall not be treated as a resource of an Applicant for any purpose. The Council reserves the right to cancel, adjust, modify or revoke any such Assistance that is treated as a resource of an Applicant.

#### **2.70.060           Governing Law; Sovereignty**

All the rights and liabilities associated with the enactment of this Chapter, or the Assistance made hereunder, shall be construed and enforced according to the laws of the Tribe and applicable federal law. Nothing in this Chapter or the related policies or procedures adopted for its implementation, if any, shall be construed to make applicable to the Tribe any laws or regulations (1) which are otherwise inapplicable to the Tribe, or (2) from which the Tribe is entitled to exemption because of its sovereign status.

#### **2.70.070           Federal Trust Obligations**

The Tribe reserves the right to provide Assistance in circumstances where federal funding is insufficient to operate federal programs designed to benefit Applicants and when federal funding is insufficient to adequately and consistently fulfill federal trust obligations. The Tribe's adoption of its Approved Programs is not intended to relieve or diminish the federal government of its funding and trust responsibilities. Nothing herein shall waive the Tribe's right to seek funding shortfalls or to enforce the trust rights of the

Tribe and its citizens. The Tribe shall be entitled to government-to-government consultation and coordination rights in regard to this Chapter with the federal government.

#### **2.70.080 Tribal Council Approved Programs**

The Tribal Council shall designate Approved Programs for which funds will be budgeted each fiscal year, consistent with the purposes of this Chapter. Each Approved Program shall be consistent with the General Welfare Doctrine as to purpose, eligibility, and funding.

#### **2.70.090 Purpose of Approved Programs**

Each Approved Program shall be limited to purposes consistent with treatment under the General Welfare Doctrine. An Approved Program must be established and operated to promote the general welfare of the Tribe, including programs designed to enhance the promotion of health, education, self-sufficiency, self-determination, Tribal image and the maintenance of culture and tradition, entrepreneurship, and employment.

#### **2.70.100 Eligibility and Application Procedures**

Assistance intended to qualify for General Welfare Doctrine treatment shall be limited to enrolled citizens of the Tribe and qualified non-citizens. Each Approved Program shall set forth the specific eligibility rules and limitations applied to that program.

#### **2.70.110 Limited Use of Assistance Payments**

All Assistance must be used for the purpose stated in the Approved Program description and in the Applicant's application. In the event that Assistance is used or pledged for a purpose inconsistent with the purpose set forth in an Approved Program or the Applicant's application, the payment will be deemed forfeited. The Administrative Entity responsible for the Approved Program under which the misused Assistance was made shall secure repayment from the Applicant. The Administrative Entity is also authorized to offset any other payments owed to such an Applicant, if an offset is necessary to secure repayment of Assistance under this Chapter.

#### **2.70.120 Programs not limited to Means Testing**

Programs that qualify under Code Section 139E or the IRS Safe Harbor shall not require a showing of individual need or means testing in order to achieve non-taxable treatment under the General Welfare exclusion. The Tribe also reserves the right to provide community-based Programs and programs based on non-financial need under the General test that are not individually means tested. The Tribe recognizes that means testing can distort certain tribal cultural and community values. However, the Tribe can have some programs which are financial need based in order to help those most in need of the assistance.

#### **2.70.130 Limitations on Welfare Assistance Payments**

The Council may adopt guidelines establishing the maximum assistance payments to be made to Applicants for certain specified purposes. Such guidelines shall also include factors to be used in determining whether the Council should deviate from the payment limitations in certain circumstances and limitations with respect to the frequency of applications for Assistance.

#### **2.70.140 Annual Budgeting: Unfunded Program**

When applicable per program requirements, the Council shall annually designate those funding sources that are available for Approved Programs as part of the annual budgeting process. Notwithstanding anything to the contrary, the Assistance authorized hereunder shall be "unfunded" for tax purposes and

no Applicant shall have an interest in or right to any funds budgeted for or set aside for Approved Programs until paid. Assistance funds shall remain assets of the Tribe until distributed.

#### **2.70.150 Forfeiture**

Notwithstanding anything herein to the contrary, the Tribe may forfeit Assistance to any Applicant who is found to have violated the terms of this Chapter, or the policies and procedures for any Approved Program. The Tribe may also forfeit Assistance should said Assistance be treated as a resource detrimental to the Tribe or an Applicant. In the event of any such forfeiture, all Assistance provided to the Applicant pursuant to this Chapter must be immediately returned to the Tribe or addressed as provided for under the Approved Program.

#### **2.70.160 Anti-Alienation**

An Applicant's right to apply for Assistance is not subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the Applicant.

#### **2.70.170 General**

Each Approved Program shall be administered by the Administrative Entity to which it has been assigned by the Tribal Council. All the powers and duties conferred on each respective Administrative Entity shall be exercised or performed by it in the exercise of its discretion regardless of whether the provision conferring such power or imposing such duty specifically refers to its discretion. All decisions of a given Administrative Entity regarding an Approved Program, within the scope of its authority, shall be binding and conclusive upon all Applicants under the Approved Program.

#### **2.70.180 Program Guidelines**

Guidelines for Approved Programs shall be developed by the respective Department staff responsible for a given Assistance Program, and approved by the Tribal Council. At a minimum, such guideline shall satisfy the requirements of this Chapter including the following:

- A. Indian General Welfare Benefits (Code Section 139E) Programs that meet the following criteria for exemption under Code Section 139E shall be treated as non-taxable Assistance under the General Welfare exclusion without the applicant having to demonstrate individual need:
  - 1. The program is administered under specified guidelines and does not discriminate in favor of the members of the Tribal Council;
  - 2. Program benefits are available to any Tribal citizen who meets such guidelines;
  - 3. Program benefits are for the promotion of the general welfare;
  - 4. Program benefits are not lavish or extravagant; and
  - 5. Program benefits are not compensation for services.
- B. Ceremonial Activities: Any items of cultural significance, reimbursement of costs or cash honorarium for participation in cultural or ceremonial activities for the transmission of tribal culture shall not be treated as compensation for services.

- C. Safe Harbor programs: Programs that meet the following general criteria for safe harbor treatment, and provide qualifying safe harbor benefits, shall be treated as non-taxable Assistance under the General Welfare Exclusion without the applicant having to demonstrate individual need:

1. General Criterial for Safe Harbor Treatment:

- a. The benefit is provided under a specific approved program of the Tribe;
- b. The program has written guidelines specifying how individuals may qualify for the benefit;
- c. The benefit is available to any Tribal citizen, identified group of Tribal citizens, or qualified non-citizen who satisfy the program guidelines, subject to budgetary restraints;
- d. The distribution of benefits from the program does not discriminate in favor of the governing body of the Tribe;
- e. The benefit is not compensation for goods or services; and
- f. The benefit is not lavish or extravagant under the facts and circumstances, as determined by the Tribal Council.

2. Specific Safe Harbors: The following benefits may be provided under a Safe Harbor program (Note: the benefits listed in the parenthetical language herein are for example purposes only, and are not an exhaustive list):

- a. Housing programs. Programs relating to principal residences and ancillary structures that are not used in any trade or business, or for investment purposes that
  - i Pay mortgage payments, down payments, or rent payments (including but not limited to security deposits) for principal residences;
  - ii Enhance habitability of housing, such as by remedying water, sewage, or sanitation service, safety issues (including, but not limited to, mold remediation), or heating or cooling issues;
  - iii Provide basic housing repairs or rehabilitation (including, but not limited to, roof repair and replacement);
  - iv Pay utility bills and charges (including, but not limited to, water, electricity, gas, and basic communications services such as phone, internet, and cable); or
  - v Pay property taxes or make payments in lieu of taxes (PILOTs).
- b. Educational programs. Programs to
  - i Provide students (including, but not limited to, post-secondary students) transportation to and from school, tutors, and supplies (including, but not limited to, clothing, backpacks, laptop computers, musical instruments, and sports equipment) for use in school activities and extracurricular activities;
  - ii Provide tuition payments for students (including, but not limited to, allowances for room and board on or off campus for the student, spouse, domestic partner, and



- dependents) to attend preschool, school, college or university, online school, educational seminars, vocational education, technical education, adult education, continuing education, or alternative education;
  - iii Provide for the care of children away from their homes to help their parents or other relatives responsible for their care to be gainfully employed or to pursue education; and
  - iv Provide job counseling and programs for which the primary objective is job placement or training, including, but not limited to, allowances for expenses for interviewing or training away from home (including, but not limited to, travel, auto expenses, lodging, and food); tutoring; and appropriate clothing for a job interview or training (including, but not limited to, an interview suit or a uniform required during a period of training).
- c. Elder and disabled programs. Programs for individuals who have reached age 55 or are
- i mentally or physically disabled (as defined under applicable law, including, but not limited to, tribal government disability codes or laws) that provide -- Meals through home-delivered meal programs or at a community center or similar facility;
  - ii Home care such as assistance with preparing meals or doing chores, or day care outside the home;
  - iii Local transportation assistance; and
  - iv Improvements to adapt housing to special needs (including but not limited to grab bars and ramps).
- d. Cultural and religious programs. Programs to
- i Pay expenses (including, but not limited to, admission fees, transportation, food, and lodging) to attend or participate in an Indian tribe's cultural, social, religious, or community activities such as pow-wows, ceremonies, and traditional dances;
  - ii Pay expenses (including, but not limited to, admission fees, transportation, food, and lodging) to visit sites that are culturally or historically significant for the Tribe, including, but not limited to, those on other Indian reservations;
  - iii Pay the costs of receiving instruction about an Indian tribe's culture, history, and traditions (including, but not limited to, traditional language, music, and dances);
  - iv Pay funeral and burial expenses and expenses of hosting or attending wakes, funerals, burials, other bereavement events, and subsequent honoring events; and
  - v Pay transportation costs and admission fees to attend educational, social, or cultural programs offered or supported by the Tribe or another tribe.
- e. Other qualifying assistance programs. Programs to
- i. Pay transportation costs such as rental cars, substantiated mileage, and fares for bus, taxi, and public transportation between an Indian reservation, service area, or service unit area and facilities that provide essential services to the public (such as medical facilities and grocery stores);
  - ii. Pay for the cost of transportation, temporary meals, and lodging of a Tribal citizen or Qualified Non-citizen while the individual is receiving medical care away from home;
  - iii. Provide assistance to individuals in exigent circumstances (including, but not limited to, victims of abuse), including, but not limited to, the costs of food, clothing, shelter, transportation, auto repair bills, and similar expenses;

- iv. Pay costs for temporary relocation and shelter for individuals displaced from their homes (including, but not limited to, situations in which a home is destroyed by a fire or natural disaster);
  - v. Provide assistance for transportation emergencies (for example, when stranded away from home) in the form of transportation costs, a hotel room, and meals; and
  - vi. Pay the cost of nonprescription drugs (including but not limited to traditional Indian tribal medicines).
- 2. Compensation Safe Harbor: For Safe Harbor Programs, and subject to amendments to Revenue Procedure 2014-35 hereafter, the Tribe will presume that individual need is met for religious leaders or spiritual officials or leaders (including but not limited to medicine men, medicine women, and shamans) receiving the following benefits, and that the benefits do not represent Compensation for services: benefits provided under an Indian tribal governmental Program that are items of cultural significance that are not lavish or extravagant under the facts and circumstances, as determined by the Tribal Council, or nominal cash honoraria provided to religious or spiritual officials or leaders (including, but not limited to, medicine men, medicine women, and shamans) to recognize their participation in cultural, religious, and social events (including, but not limited to, pow-wows, rite of passage ceremonies, funerals, wakes, burials, other bereavement events, and subsequent honoring events).
- 3. Safe Harbor Effective Dates: Safe harbor treatment shall be afforded to any Program or benefit that otherwise satisfies the safe harbor rule as of, or after the effective date of this Chapter, or for any earlier taxable period for which the period of limitation on refund or credit under Internal Revenue Code Section 6511 has not expired.
- 4. Non-Safe Harbor Programs: Nothing in this Chapter or the IRS safe harbor guidance shall limit the Tribe's right to provide Assistance outside of the safe harbor rules.
- 5. Any changes to the Safe Harbor programs as a result of the Indian General Welfare Exclusion Act of 2014 will be immediately incorporated, by reference, into this Chapter.