

IN THE SENATE OF THE UNITED STATES

May 18, 1967

Mr. Jackson (by request) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs.

A BILL

To provide for the economic development and management of the resources of individual Indian and Indian tribes, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indian Resources Development Act of 1967".

STATEMENT OF PURPOSE

SEC. 2. Congress recognizes that, notwithstanding the significant social and economic advances the American Indian has made, his progress has not been sufficient to enable him to share fully in our national life.

While the full range of Federal programs is being increasingly applied to Indian reservations, and while State and local governments are being encouraged to provide services to Indian citizens, economic development has been impeded by lack of free access to the private financial and credit markets of the Nation and by limitations placed upon Indians which prevent them from managing their lands and resources.

It is the purpose of this Act to provide Indians with managerial, credit, and corporate tools to enable them to participate more fully in American social, economic, educational, and political life; and to permit them to exercise greater initiative and self-determination.

TITLE I - INDIAN DEVELOPMENT LOAN AUTHORITY

SEC. 101. (a) The Secretary of the Interior is authorized, through an Indian Development Loan Authority, or otherwise, to undertake an accelerated and expanded program:

- (1) to encourage the development of industrial, commercial, and agricultural enterprises on or near Indian reservations;
- (2) to promote Indian ownership and management of such enterprises; and
- (3) to provide the best economic use of Indian-owned property and financial resources.

(b) Such program shall include, among other things:

- (1) the preparation of reservation profiles for industrial development;
- (2) grants for economic surveys and project feasibility studies;
- (3) guarantee or insurance of private loans to Indians or Indian organizations if such loans are not otherwise available;
- (4) direct loans to Indians or Indian organization if private loans are not available;
- (5) interest subsidies when needed to stimulate loans for industrial development;
- (6) leadership and management training for directors, officers, and managers of Indian enterprises;
- (7) research, undertaken either directly or by contract;
- (8) technical assistance;
- (9) advice regarding the issuance of tribal tax-exempt bonds or obligations for purposes related to the governmental affairs or operation of the tribe;
- (10) advice on use of tribal funds;
- (11) advice on proposals to provide Indians greater latitude in the management of their property and financial resources;



- (12) Advice regarding proposals and requests to reduce multiple-ownership of property by petition and sale; and
- (13) advice on charters for tribal corporations and operations.

(c) For the purpose of assisting the Secretary in the performance of his functions under this Act, the President shall appoint an Advisory Committee of not more than fifteen members, who shall serve at the pleasure of the President. Committee members shall, while performing Committee business, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including traveltime, and while so serving away from their homes or regular places of business they may be paid travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code. The President shall appoint the Chairman.

#### LOAN GUARANTY AND INSURANCE

SEC. 102. In order to provide access to private money markets that otherwise would not be available, the Secretary is authorized (a) to guarantee not to exceed 90 per centum of the amount of any loan made (1) to an organization of Indians having a form of organization satisfactory to the Secretary, and (2) to individual Indians of one-quarter or more degree of Indian blood; and (b) in lieu of such guaranty, to insure loans under an agreement approved by the Secretary whereby the lender will be reimbursed for losses in an amount not to exceed 15 per centum of the aggregate of such loans made by it, but not to exceed 90 per centum of the loss on any one loan. The Secretary may, to the extent he deems consistent with the purposes of the program, fix such premium charges for the insurance and guarantee of loans as are in his judgment adequate to cover expenses and probable losses, and to deposit receipts from such charges in the Indian loan guaranty and insurance fund established pursuant to section 119 of this Act. Such loans shall bear interest (exclusive of premium charges for insurance, and service charges, if any) at rates not to exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Federal agency. When ever the Secretary determines that such rate of interest would require a level of interest payments by the borrower that would impair the prospects for successful economic development or other primary purposes of the loan, he may agree with the borrower to pay from the fund established in section 119 of this Act not in excess of 25 per centum of the interest payments on such loan. No loan in excess of \$60,000 or such lower amount as the Secretary may determine to be appropriate shall be insured under this Act unless prior approval of the loan is obtained from the Secretary.

SEC. 103. No loan may be guaranteed or insured hereunder until the applicant shows to the satisfaction of the Secretary on loans requiring his approval, or to the satisfaction of the lender on insured loans that do not require the Secretary's approval, that financing is otherwise unavailable on reasonable terms and conditions, or unless there is a reasonable assurance of repayment. No loan to an individual Indian may be guaranteed or insured which would cause the total unpaid principal indebtedness thereunder to exceed \$60,000.

SEC. 104. Any loan guaranteed hereunder, including the security given therefor, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the United States or of any State, including the District of Columbia.

SEC. 105. Loans made by any agency or instrumentality of the Federal Government, or by an organization of Indians from funds borrowed from the United States, and loans the interest on which is excluded from gross income by section 103(a)(3) of the Internal Revenue Code of 1954, shall not be eligible for guaranty or insurance hereunder.

SEC. 106. Any loans insured hereunder shall be restricted to those made by a financial institution subject to examination and supervision by a agency of the United States, a State, or the District of Columbia, and to loans made by Indian organizations to other tribes or organizations of Indians.

SEC. 107. Loans guaranteed hereunder may be made by any lender satisfactory to the Secretary, except as provided in section 105 of this Act. The liability under the guaranty shall decrease or increase pro rata with any decrease or increase in the amount of the unpaid portion of the obligation.



SEC. 108. Any loan made by any national bank or Federal savings and loan association, or by any bank, trust company, building and loan association, or insurance company authorized to do business in the District of Columbia, at least 20 per centum of which is guaranteed hereunder, may be made without regard to the limitations and restrictions of any other Federal statute with respect to (a) ratio of amount of loan to the value of the property; (b) maturity of loan; (c) requirement of mortgage or other security; (d) priority of lien; or (e) percentage of assets which may be invested in real estate loans.

SEC. 109. The maturity of any loan guaranteed or insured hereunder shall not exceed thirty years.

SEC. 110. The application for a loan to be guaranteed hereunder shall be submitted to the Secretary for prior approval. Upon approval, the Secretary will issue a certificate as evidence of the guaranty.

SEC. 111. In the event of a default of a loan guaranteed hereunder, the holder of the guaranty certificate may (1) immediately notify the Secretary in writing of such default and the Secretary shall thereupon pay to such holder the pro rata portion of the amount guaranteed and shall be subrogated to the rights of the holder of the foreclosure of such default, and within thirty days thereafter the Secretary may, if he determines it would be in the financial interests of the United States, or the tribe may, pay such holder the entire unpaid balance of the obligation, plus accrued interest, even though the total payment exceeds the amount of the guaranty, and receive an assignment of the obligation and security. The Secretary shall then take such further collection action as may be warranted upon receipt of an assignment of the obligation and security. The Secretary may cancel the uncollectable portion of any obligation to which he has an assignment or a subrogated right under this section. Nothing in this section shall be construed to preclude any forbearance for the benefit of the borrower as may be agreed upon by the parties to the loan and approved by the Secretary. The Secretary may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

SEC. 112. When a lender suffers a loss on a loan insured hereunder, including accrued interest, a claim therefor shall be submitted to the Secretary. If the Secretary finds that the loss has been suffered, he will reimburse the lender therefor, and the amount payable to the lender for a loss on any one loan shall not exceed 90 per centum of such loss: Provided, That no reimbursement may be made for losses in excess of 15 per centum of the aggregate of insured loans made by the lender: Provided further, That, before any reimbursement is made, all reasonable collection efforts shall have been exhausted by the lender, and the security for the loan shall have been liquidated to the extent feasible, and the net proceeds applied on the debt. Upon reimbursement, in whole or in part, to the lender, the note or judgment evidencing the debt shall be assigned to the United States, and the lender shall have no further claim against the borrower or the United States. The Secretary shall then take such further collection action as may be warranted, or may cancel the uncollectable portion of any debt assigned pursuant hereto. The Secretary may establish a date upon which accrual of interest or charges shall cease.

SEC. 113. Whenever the Secretary finds that any lender or holder of a guaranty certificate fails to maintain adequate accounting records, or to demonstrate proper ability to service loans guaranteed or insured adequately, or to exercise proper credit judgment, or has willfully or negligently engaged in practices otherwise detrimental to the interests of a borrower or of the United States, he may refuse, either temporarily or permanently, to guarantee or insure any further loans made by such lender or holder, and may bar such lender or holder from acquiring additional loans guaranteed or insured hereunder: Provided, That the Secretary shall not refuse to pay a valid guaranty or insurance claim on loans previously made in good faith.

SEC. 114. Any evidence of guaranty or insurance issued by the Secretary shall be conclusive evidence of the eligibility of the loan for guaranty or insurance under the provisions of this Act and the amount of such guaranty or insurance: Provided, That nothing in this section shall preclude the Secretary from establishing, as against the original lender, defenses based on fraud or material misrepresentation or bar him from establishing, by regulations in force at the date of such issuance or disbursement, whichever is the earlier, partial defenses to the amount payable on the guaranty or insurance.



SEC. 115. The Secretary may sell to any person or entity any loan heretofore or hereafter made from the revolving loan fund established by section 120 of this Act, and its predecessor constituent funds; and may guarantee any loan thus sold, subject to the same conditions, terms, and limitations of any loans guaranteed pursuant to this Act. The receipts from any such sale shall be deposited in the revolving fund for loans and be available for other loans from such fund.

SEC. 116. Title to any land acquired by a tribe or an individual Indian with loans guaranteed or insured pursuant to this title may be taken in trust unless the land is located outside the boundaries of the reservation or approved tribal consolidation area. Title to any land acquired by a tribe or an individual Indian that is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust of restricted interests in the land before the purchase, otherwise, title shall be taken in the name of the purchaser without any restriction on alienation, control, or use. Title to any personal property purchased with loans guaranteed or insured hereunder shall be taken in the name of the purchaser.

SEC. 117. For the purpose of securing loans guaranteed or insured pursuant to this Act, Indian tribes are authorized, subject to approval by the Secretary, to execute mortgages or deeds of trust to land, title to which is held in the United States in trust for the tribe, and to any other land, title to which is in a tribe, without regard to limitations or restrictions in any other statute. Such land shall be subject to foreclosure or sale pursuant to the terms of such mortgage or deed of trust in accordance with the laws of the State in which the land is located. The United States shall be an indispensable party to, and may be joined in, any such proceeding with the right to remove the action to the United States district court for the district in which the land is located, according to the procedure provided in section 1446 of title 28, United States Code: PROVIDED, That the United States shall have the right to appeal from any order of remand entered in such action.

SEC. 118. (a) The financial transactions of the Secretary incident to or arising out of the guaranty or insurance of loans, and the acquisition, management, and disposition of property, real, personal, or mixed, incident to such activities, shall be final and conclusive upon all officers of the Government. With respect to matters arising out of the guaranty or insurance program authorized by this Act, and notwithstanding the provisions of any other laws, the Secretary may:

- (1) sue and be sued in his official capacity in any court of competent jurisdiction;
- (2) subject to specific limitations in this Act, consent to the modification with respect to the rate of interest, time of payment on principal or interest, or any portion thereof, security, or any other provisions of any note, contract, mortgage, or other instrument securing a loan which has been guaranteed or insured hereunder;
- (3) pay, or compromise, any claim on, or arising because of, any loan guaranty or insurance;
- (4) pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or right of redemption;
- (5) purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to property, real, personal, or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of such property; and
- (6) complete, administer, operate, obtain, and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to the guaranty or insurance program authorized by this Act.

(b) The powers of this section may be exercised by the Secretary without regard to any other provisions of law which would govern the expenditure of public funds: Provided, That section 5 of title 41, United States Code, shall apply to any contract for services or supplies on account of any property acquired pursuant to this section if the amount of such contract exceeds \$1,000.

SEC. 119. There is hereby established an Indian loan guaranty and insurance fund, which shall be available to the Secretary, without fiscal year limitation, for all loan guaranty and insurance operations hereunder. The total loans guaranteed and insured under this fund shall not exceed \$100 million at any one time, or such other amount as may be provided in appropriation Acts. Obligations shall be recorded against



the funds in an amount not less than 15 per centum of the contractual liability related to any guaranty or insurance issued pursuant to this title, and the funds so obligated, together with fees and premiums, shall constitute a single reserve for the payment of claims under such contracts. Except as provided in section 115 of this Act, all amounts received by the Secretary incident to loan guaranty and insurance operations shall be deposited in the fund. In the event the amount in the fund is sufficient to meet payments required at any one time by sections 111 and 112 of this Act, the Secretary is authorized to advance temporarily to the fund for such payments so much of the unobligated balances of any funds available to the Bureau of Indian Affairs as he deems desirable.

#### REVOLVING LOAN FUND

SEC. 120. In order to provide credit that is not available from private money markets, either with or without guarantee or insurance as authorized by section 102 of this Act, all funds that are now or hereafter a part of the revolving fund authorized by the Act of June 18, 1934 (48 Stat. 986), the Act of June 26, 1936 (49 Stat. 1968), and the Act of April 19, 1950 (64 Stat. 44), as amended and supplemented, including sums received in settlement of debts of livestock pursuant to the Act of May 24, 1950 (64 Stat. 190), and sums collected in repayment of loans heretofore or hereafter made, shall hereafter be administered as a single revolving loan fund and shall be available for loans to organizations of Indians having a form or organization that is satisfactory to the Secretary, and to individual Indians of one-quarter degree or more of Indian blood who are not members of or eligible for membership in an organization that is making loans to its members. Loans may be made for any purpose that will promote the economic development of (i) the individual Indian borrower, including loans for education purposes, and (ii) the Indian organization and its members, including loans by such organizations to other organizations and investments in other organizations regardless of whether they are organizations of Indians.

SEC. 121. Loans shall be made from the revolving loan fund only when in the judgment of the Secretary there is a reasonable prospect of repayment, and only to applicants who in the opinion of the Secretary are unable to obtain financing from other sources on reasonable terms and conditions. Indian tribes that have available funds on deposit in the United States Treasury or elsewhere shall be required to use their own funds before a loan may be made from the revolving fund. Expenses of administering loans may be paid out of the revolving loan fund to the extent deemed desirable by the Secretary.

SEC. 122. Loans made from the revolving loan fund shall be for terms that do not exceed thirty years and shall bear interest at a rate not less than (i) a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus (ii) such additional charge, if any, toward covering other costs of the program as the Secretary of the Interior may determine to be consistent with its purposes: Provided, That, whenever and otherwise eligible borrower is unable to obtain a guaranteed loan with the interest subsidy authorized by section 102 of this Act, the Secretary may make a loan from the revolving loan fund at an interest rate equal to the net subsidized interest rate plus the guarantee premium which the borrower would have been required to pay on a guaranteed loan: Provided Further, That educational loans may provide for no interest while the borrower is in school or in the military service. The Secretary shall pay from the fund into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the cumulative amount of appropriations, and of sums received in settlement of debts on livestock pursuant to the Act of May 24, 1950 (64 Stat. 190), available as capital to the fund, less (a) the average undisbursed cash balance in the fund during the year, and (b) the amounts of any loans that are canceled or adjusted. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. The Secretary may cancel, adjust, compromise, or reduce the amount of any loan or any portion thereof heretofore or hereafter made from the revolving loan fund established by section 120 of this Act, and its predecessor constituent funds, which he determines to be uncollectable in whole or in part, or which is collectable only at an unreasonable cost, when such action would, in his opinion, be in the best interest of the United States; and may adjust, compromise,



subordinate, and modify the terms of mortgages, leases, assignments, contracts, agreements, and other such documents taken to secure such loans.

SEC. 123. Title to any land purchased by a tribe or by an individual Indian with loans made from the revolving loan fund shall be taken in trust unless the land is located outside the boundaries of the reservation or approved tribal consolidation area. Title to any land acquired by a tribe or individual Indian that is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise, title shall be taken in the name of the purchaser without restriction on alienation, control, or use. Title to any personal property purchased with loans made pursuant to this section shall be taken in the name of the purchaser.

SEC. 124. Title to property purchased with a loan made from the revolving loan fund shall be pledged or mortgaged to the lender as security for the unpaid indebtedness to the lender, in such manner and upon such terms as may be prescribed by the Secretary: Provided, That this requirement may be waived or modified if the Secretary determines that the repayment of the loan is otherwise reasonably assured.

SEC. 125. An organization receiving a loan made from the revolving loan fund shall be required to assign to the United States as security for the loan all securities acquired in connection with the loan made to its members from such funds, unless the Secretary determines that the repayment of the loan to the United States is otherwise reasonably assured.

SEC. 126. A loan made from the revolving loan fund that becomes delinquent, and the interest thereon, may be collected by the Secretary from per capita payments or other distributions of tribal assets due the delinquent borrower, without prejudice to the right to foreclose on the securities for the loan. If, during the period of repayment, a tribe is awarded a money judgment against the United States, and if the payment of any installment on a loan is in default, the installment(s) in default, or the balance of the loan, in the discretion of the Secretary, shall be collected from the appropriation to satisfy the judgment insofar as the amount of the appropriation will cover the same.

SEC. 127. (a) The Secretary may sell participations in loans from the revolving loan fund and enter into agreements with the Federal National Mortgage Association for the sale of such participations under section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U. S. C. 1717(c)).

(b) Section 302 (c) (2) of the Federal National Mortgage Association Charter Act, as amended, (12 U.S.C. 1717(c) (2)), is amended by adding after "(F) The small Business Administration.", the words "(G) The Department of the Interior, but only with respect to loans made from the revolving loan fund established by section 120 of the Indian Resources Development Act of 1967."

SEC. 128. There are authorized to be appropriated, to provide capital and to restore any impairment of capital, for the Indian loan guaranty and insurance fund established by section 119 of this Act, and for the revolving loan fund established by section 120 of this Act, a total of \$500,000,000, exclusive of prior appropriations, but not more than \$100,000,000 for the first five fiscal years ending after the enactment of this Act.

#### TRIBAL BONDS

SEC. 129. (a) IN GENERAL.--A recognized tribe with governmental authority over a reservation of similar geographic area (or a federally chartered tribal corporation wholly owned in perpetuity by such a recognized tribe) may, pursuant to the authorization of its established governing body, issue tribal bonds or similar obligations (the interest on which is exempt from tax under section 103 of the Internal Revenue Code of 1954) for purposes related to the governmental affairs or operation of the tribe.

(b) TRIBAL BONDS DEFINED.--

(1) The term "tribal bonds or similar obligations" shall not include an obligation the payment of the principal or interest on which is--

(A) secured in whole or in part by a lien, mortgage, pledge, or other security interest in any property (or in payments made with respect to such property) loaned, leased, or sold on a deferred payment basis for industrial or commercial purposes; or



(B) to be derived primarily from payments to be made in respect of property loaned, leased, or sold on a deferred payment basis for industrial or commercial purposes; or

(C) to be derived from the earnings of an active industrial or commercial trade or business owned and operated by a tribe or federally chartered tribal corporation.

(2) EXCEPTIONS - Nothing in paragraph (1) shall prevent a tribe or federally chartered tribal corporation from issuing tribal bonds with respect to property owned by the tribe and used--

(A) to provide entertainment, recreation, or civic facilities;

(B) to provide transportation terminals or similar facilities related to transportation;

(C) in the furnishing or sale of electric energy, gas, water, sewage disposal, or other utility services to the tribe or others.

(c) APPLICATION OF SECTION. -- Nothing in this section providing for the issuance of tribal bonds the interest on which is exempt from Federal income tax shall limit the authority of any tribe or tribal corporation to issue bonds or other obligations the interest on which is not exempt from Federal income tax.

(d) TAX STATUS OF TRIBAL BONDS. --

(1) Section 103(a) of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by renumbering paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph(3):

"(3) tribal bonds issued by a recognized Indian tribe (or federally chartered tribal corporation wholly owned in perpetuity by a recognized tribe) as defined in section 313 of the Indian Resources Development Act of 1967."

(2) Section 103(c) of the Internal Revenue Code of 1954 (relating to certain cross references) is amended by adding at the end thereof the following new paragraph:

"(24) Tribal bonds of a recognized Indian tribe, see section 313 of the Indian Resources Development Act of 1967."

(e) TAX STATUS OF TRIBAL INCOME. -- Section 115(a)(1) of the Internal Revenue Code of 1954 (relating to income of States and municipalities) is amended by inserting after "political subdivision thereof," the words "Indian tribe."

## TITLE II -- CORPORATIONS

SEC. 201. Under such rules and regulations as he may prescribe, the Secretary may, upon petition of the governing body of an Indian tribe or other appropriate group of Indians acting with the approval of the governing body of the tribe, issue a charter of incorporation to permit the applicant to organize and carry on any lawful enterprise on or near an Indian reservation. A charter may be granted under this title for either stock or memberships corporations which may be conducted for profit or not. Stock ownership and membership shall be limited to Indians or Indian tribes, except that a non-Indian may own stock acquired by devise or inheritance, in which event the corporation shall have the option of purchasing such stock from the non-Indian at its fair value.

SEC. 202. A charter issued under this title shall show, among other things:

- (1) the names and addresses of the first board of directors;
- (2) the time and manner of selecting successor directors;
- (3) the purposes of the corporation;
- (4) the principal office of the corporation; and
- (5) the amount of authorized capital stock, if any, classes of stock, and voting rights.

SEC. 203. A corporation chartered under this title:

- (1) may adopt and use a corporate seal;
- (2) shall have the right of succession during the existence of the corporation;
- (3) may make contracts and incur liabilities;
- (4) may acquire, hold, and dispose of real or personal property, including trust or restricted property. After transfer of trust or restricted property to a tribal corporation wholly owned in perpetuity by a tribe, the property and the income therefrom, and the distribution of such property and income, shall



not be taxed as long as the property remains in a trust or restricted status; after transfer of trust or restricted property to a corporation other than a tribal corporation, the property shall not be taxed by the State, and the income therefrom shall not be taxed to the corporation under the Internal Revenue Code of 1954 if the income from that property was not taxable in the hands of the transferor by reason of its trust or restricted status;

(5) may adopt, amend, and repeal bylaws, rules, and regulations governing the business of the corporation;

(6) may borrow money and issue its notes, coupon or registered bonds, or other evidences of debt, and secure their payment by a mortgage of its property;

(7) may sue and be sued; and

(8) may exercise any other power necessary or desirable for carrying out its purposes.

SEC. 204. A corporation chartered under this title shall be regarded as domiciled in the State in which its principal office is located.

SEC. 205. The United States district courts shall have exclusive and original jurisdiction of suits in which the corporation or a stockholder, director, or officer thereof in his capacity as such, is a part, without regard to the amount in controversy or diversity of citizenship. The judicial district in which the corporation has its principal office shall be regarded as the residence of the corporation for venue purposes. No money judgment awarded against the corporation may be levied upon or collected from trust or restricted property except to the extent that such property is specifically hypothecated to performance of the contract sued upon.

SEC. 206. The directors of the corporation shall exercise all of the powers of the corporation, and may appoint, remove, and fix the compensation of such officers and employees of the corporation as they deem advisable.

SEC. 207. A corporation organized under this title shall not be an agency or instrumentality of the United States for any purpose, and the United States shall not be responsible for the corporation's actions or debts unless specifically guaranteed or insured by the United States.

SEC. 208. A charter issued under this title may be revoked by the Secretary upon application of the directors or whenever in his judgment the dissolution of the corporation would be in the best interests of the stockholders or members. In such event, the directors of the corporation shall be trustees for the creditors, stockholders, and members of the corporation. The trustees shall have all powers necessary to wind up the affairs of the corporation, satisfy obligations of creditors, and distribute the remaining assets as provided in the revoked charter. For this purpose the trustees may sue and be sued in the name of the corporation and shall be jointly and severally liable to the creditors, stockholders, and members to the extent of the property coming into their hands as trustees.

### TITLE III -- MANAGEMENT OF INDIAN PROPERTY

SEC. 301. Whenever the governing body of a tribe believes that it would be in the best interests of the tribe to have more freedom in the management of tribal property, it may apply to the Secretary for, and the Secretary may grant, authority to sell, mortgage, invest, or otherwise use, hypothecate, or dispose of, in any manner and for any purpose, any of its trust or restricted property, including funds on deposit in the Treasury of the United States, under such terms and conditions as the Secretary may prescribe: Provided, That (a) no lease of tribal lands shall be made under the authority of this section; (b) no sale or mortgage of tribal land shall be made under the authority of this section unless authorized by the tribal constitution or by a tribal referendum and unless such sale or mortgage is made and the proceeds are invested in accordance with an approved land management plan; and (c) no investment of trust funds in securities shall be made under the authority of this section except in accordance with an approved investment program which makes provision for skilled investment counsel. The authority granted by this section shall be in addition to the authority granted by any other provision of law.

SEC. 302. In addition to authority granted by other provisions of laws; the Secretary is hereby authorized, in his discretion, upon request of the governing body of a tribe and upon finding that it would be in the interest of the United States and the tribe so to do, to acquire by gift or with tribal funds by purchase, condemnation, or otherwise, land or interests in land within the boundaries of a reservation



set apart for such tribe or other area approved as one in which such tribe may properly acquire land or interests therein: Provided, That non-Indian-owned land or interests therein shall be acquired by condemnation only when needed to provide access to trust or restricted property; Provided further, That before any condemnation action is commenced, the Secretary shall be satisfied that the tribe has sufficient funds available and he shall have made binding arrangements to satisfy any judgment that may be entered. Title to any land or interests therein acquired under this section shall be taken in the name of the United States in trust for the tribe.

SEC. 303. Property mortgaged or hypothecated pursuant to this title shall be subject to foreclosure and sale in accordance with the laws of the State in which the property is located. The United States shall be an indispensable party to, and may be joined in, any such proceeding with the right to remove the action to the United States district court for the district in which the property is located, according to the procedure provided in section 1446 of title 28, United States Code: Provided, That the United States shall have the right to appeal from any order of remand entered in such action.

SEC. 304. Notwithstanding any other provision of law, property heretofore or hereafter acquired by an Indian tribe title to which property is not held by the United States in trust and which, but for the Act of June 30, 1834 (Rev. Stat. 216; 25 U.S.C. 177), would be unrestricted and which is subject to State or local taxation may be dealt with and disposed of by the tribe, freely and without restrictions, on its sole authority in like manner as any other owner of similar property could deal with and dispose of the same under the laws of the State in which it is located.

SEC. 305. Any Indian tribe may waive in writing any immunity against suit it may possess, and the district courts of the United States shall have jurisdiction to entertain suits against the tribe in such cases: Provided, That no money judgments awarded against a tribe may be levied upon or collected from trust or restricted property except to the extent that such property is specifically hypothecated to performance of the contract sued on. The United States shall be an indispensable party to, and may be joined in any action to levy upon such trust or restricted property,

SEC. 306. Notwithstanding any other provision of law, the recognized governing body of a tribe shall have the power, subject to the approval of the Secretary, to adopt nondiscriminatory zoning, building, and other ordinances regulating the use and development of Indian-owned lands within the territorial jurisdiction of the tribe, and non-Indian-owned lands within the exterior boundaries of an Indian reservation if no State or local zoning regulation is applicable thereto: Provided, That nothing herein shall be deemed to limit the power of the Secretary to adopt rules and regulations governing the use of Indian lands whenever he concludes that such are necessary to conserve, protect, or promote the interests of the Indians.

SEC. 307. Any otherwise unrestricted undivided interest in property that is acquired after the date of this Act by any person by inheritance, devise, or removal of restrictions shall remain subject to the laws, rules, and regulations with respect to management, use, lease, and grants of rights-of-way that apply to Indian interests in such property as long as there are Indian interests in such property in a trust or restricted status. The interest so acquired by a non-Indian shall not be exempt from taxation under any applicable Federal, State, or local law because of the provisions of this section, and the United States shall not be a necessary party to any judicial or administrative proceeding to collect a tax on the non-Indian-Owned interest. The interest so acquired by a non-Indian shall not be subject to the Indian probate laws, or restriction on sale, but any subsequent heir, devisee, or successor in interest shall be subject to the provisions of this section.

SEC. 308. In addition to the authority granted by other provisions of law, whenever the owners of all trust or restricted interests in a tract of land fail for any reason to agree on the management, use, or lease of the land, or on the grant of a right-of-way across the land, the Secretary of the Interior is authorized to lease the land or grant a right-of-way under terms and conditions that in his judgment will be in the best interests of all of the Indian owners. The term of the lease shall not exceed the term authorized under other provisions of law.

SEC. 309. No undivided fractional interest in any separate tract of trust or restricted land, the value of which interest is less than \$100, may be acquired by devise, inheritance, or otherwise upon or by reason of the death of any Indian person. Such interest shall escheat to the tribe occupying the reservation on which the land is located if the tribe has an approved land management plan; otherwise, they shall escheat



to the United States. Any interest which escheats to the United States may be managed, leased, or disposed of in accordance with regulation of the Secretary.

#### TITLE IV--MISCELLANEOUS

SEC. 401. ADULT VOCATIONAL TRAINING.--Section 2 of the Act of August 3, 1956, as amended (25 U.S.C. 309a), is amended by changing "\$15,000,000" to "\$25,000,000".

SEC. 402. RELINQUISHMENT OF TRIBAL MEMBERSHIP.-- A member of a tribe who has maintained a domicile outside the reservation continuously for two or more years may, in accordance with a relinquishment plan adopted by the tribe and approved by the Secretary, relinquish his tribal membership. The member may receive compensation for such relinquishment as provided in the plan, the compensation to be paid from funds available to the tribe for this purpose. Thereafter, the member shall not be entitled to the special services performed by the United States for Indians because of their status as Indians, except with respect to his trust or restricted lands. Upon the death of such member, his interest in trust or restricted lands shall pass to his devisee or heir in an unrestricted status.

SEC. 403. SOIL AND MOISTURE CONSERVATION.--(a) An Indian tribe or a federally chartered corporation wholly owned by an Indian tribe shall be regarded as a "local organization" for the purposes of the Watershed Protection and Flood Prevention Act (Public Law 566, 83d Congress; 68 Stat. 666), as amended (16 U.S.C. 1001); and when an Indian tribe or such corporation is an applicant, the Secretary of the Interior shall perform the functions performed by a supervising State agency in the case of other applicants.

(b) (1) Where the owners of a majority interest in a parcel of trust or restricted land agree, the land may be included in a flood control project, a drainage district, or other land improvement or protection project. When so included, the land may be assessed on the same basis that other lands within the district or project are assessed. Assessments may be collected in accordance with the laws of the State in which the land is located, except that no trust or restricted land shall be sold to satisfy the payment of an assessment without the consent of the Secretary. If the Secretary refuses to consent to such sale, he shall pay the assessment out of any appropriation or fund available therefore. Any portion of such payment which the Secretary determines is within the ability of the Indian owner to pay shall become a lien against the land, subject to the provisions of the Act of July 1, 1932 (47 Stat. 564).

(2) Land owned in an unrestricted fee simple status by an Indian shall be accorded the same rights and privileges and be subject to the same obligations as other lands within such district or project.

SEC. 404. LIVESTOCK TRESPASS ON INDIAN LAND. ----(a) Any livestock trespassing on any trust or restricted land may be impounded by the Secretary. Notice of the impoundment shall be given as prescribed by regulation of the Secretary. Any animal impounded may be claimed by the owner within the time specified in the notice, upon payment of \$10 per day for each animal impounded and the reasonable value of the forage consumed. An animal not so claimed shall be sold and the net proceeds thereof, after payment of all necessary expenses, and the deduction of the \$10 per day and forage charge, shall be paid to the owner if claim and proof of ownership satisfactory to the Secretary are submitted within six months after the date of sale. The \$10 per day and forage charge, and the net proceeds of the sale if not paid to the owner of the animal, shall be deposited in the Treasury of the United States to the credit of the tribe, if tribal lands are involved, or paid to the individual Indian owners, if individually owned lands are involved. Any unbranded livestock owner one year of age found running at large on trust or restricted lands may be presumed to be in trespass and shall be subject to the provisions of this section.

(b) Section 2117 of the Revised Statutes, as amended (25 U.S.C. 179), is hereby repealed.

SEC. 405. TRADERS' LICENSES. --The following statutes relating to traders' licenses are hereby repealed: section 5 of the Act of August 15, 1876 (19 Stat. 200; 25 U.S.C. 216); section 1 of the Act of March 3, 1901, and section 10 of the Act of March 3, 1903 (31 Stat. 1066, 32 Stat. 1009; 25 U.S.C. 262); section 2132 of the Revised Statutes (25 U.S.C. 263, section 3 of the Act of June 30, 1834 (4 Stat. 729));



section 2133 of the Revised Statutes (25 U.S.C. 264, section 4 of the Act of June 30, 1834 (4 Stat. 729)).

SEC? 406. DEFINITIONS.--When used in this Act, the following words or terms shall have the following meaning unless otherwise limited in the Act:

- (1) "Secretary" means the Secretary of the Interior.
- (2) "Indian" includes Aleut and Eskimo.
- (3) "Tribe" means any tribe, band, community, pueblo, or other group of Indians, Eskimos, or Aleuts recognized by the United States.
- (4) "Property" means and includes property of every kind and description, real, personal, and mixed, and interests therein.
- (5) "Trust property" means property, the title to which is held by the United States in trust for an Indian or Indian tribe, and property, or an interest therein, which is withdrawn, reserved, held, or administered for the use, benefit, or occupancy of an Indian or Indian tribe.
- (6) "Restricted property" means property, the title to which is held by an Indian or Indian tribe subject to a restriction against alienation imposed by the United States.