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# Swinomish Indian Tribal Community

A Federally Recognized Indian Tribe Organized Pursuant to 25 U.S.C. § 476  
\* 11404 Moorage Way \* La Conner, Washington 98257 \*

November 5, 2015

Dear Swinomish Taxpayer:

It is difficult to believe that it has already been a year since the Swinomish Senate passed the Interim Use & Occupancy Tax in a collaborative response with Skagit County, the La Conner School District and Fire District 13 to the *Great Wolf Lodge* decision. At that time, the County local districts faced the prospect of claims for refunds of three years of taxes. I am thankful that, by working together, the Tribe was able to exercise its taxing authority to prevent what could have been a very disruptive time for the School, Fire and other local taxing districts by contributing all Tribal taxes for the years 2011 – 2014 to the local districts, the County and the State.

The Tribe is now preparing to take another step forward in implementing its Use & Occupancy Tax. As you know, the 2015 Use & Occupancy Tax was based on assessments of improvements by the Skagit County Assessor. For 2016, the Use & Occupancy Tax will be based on assessments carried out by the Tribe. We expect to send notices of the Swinomish assessments to you in December, 2015.

The 2014 Interim Use & Occupancy Tax was implemented last year through interlocal agreements with Skagit County, the School District and Fire District 13, effectively eliminating a \$6 million deficit for these districts and the County. Similarly, the Tribe negotiated and entered into interlocal agreements for the Tribe's contributions of 2015 Use & Occupancy Tax revenues to Fire District 13, the La Conner Library District, Skagit County and Medic 1. Payments of contributions from the first-half 2015 taxes have been made by the Tribe to these taxing districts, each of which have entered into interlocal agreements with the Tribe, and contributions from the second-half taxes will be made as provided in those agreements.

The Tribe has had continuing negotiations with the La Conner School District on an interlocal agreement for the Tribe's 2015 contribution to the School District. As soon as that interlocal agreement is finalized and signed, the Tribe will also pay the contribution from the first-half taxes to the School District. We have the check issued and ready to deliver to the School District.

As I am sure you know, the Tribe has long provided governmental services to the Reservation which the Tribe was constrained to fund from its general, non-tax revenues – because, quite simply, any tax on leasehold improvements that the Tribe might have imposed would have been on top of the County’s property tax, and the Tribe affirmatively rejected the idea of double taxation. As a result of the *Great Wolf Lodge* decision, that barrier to the Tribe using tax revenue to partially fund the services it provides was eliminated. As I have said before, the Swinomish Tribe was not involved in the *Great Wolf Lodge* case, but we are grateful for the opportunity that it provided to expand services to the Reservation.

A few taxpayers have wondered what governmental services are funded by the Tribe from the Use & Occupancy Tax revenues. If you are interested, we have posted on the Tribe’s website a pie chart showing the budgeted allocation of expected 2015 Use & Occupancy Tax revenues to various governmental services, including the agreed-upon contributions to Fire District 13, the La Conner Library, Medic 1 and Skagit County.

As you may know, when the Swinomish Senate enacted the Use & Occupancy Tax Code on December 16, 2014, the Senate provided for creation of a Tribal – Taxpayer Consultation Council, to formally provide a forum in which representatives of taxpayers may share questions, suggestions, concerns and dialogue with the Swinomish Senate Tax Committee or the Tribe’s Chief Financial Officer concerning the administration of the Tribe’s Use & Occupancy taxes. The idea for this Consultation Council grew out of the Tribe’s regular engagement with a work group of Shelter Bay residents during development of the Use & Occupancy Tax Codes in 2014.

The details of the Consultation Council are set out in Tribal Code Section 17-10.200(B), which is available on the Tribe’s website, [www.swinomish.org](http://www.swinomish.org). Briefly, the Tribe is authorized to establish a process for persons paying Use & Occupancy taxes to select representatives to participate in the Tribal – Taxpayer Consultation Council. Under the Tribal Code, this selection procedure must provide an opportunity for participation by persons who own permanent improvements on Swinomish Indian Lands in Shelter Bay, outside of Shelter Bay and on Swinomish Indian Lands utilized for commercial purposes.

Rather than establish a selection procedure itself, the Tribe would like to extend to taxpayers the opportunity to establish your own mechanism for selecting representatives to the Consultation Council. The Tribe would prefer that taxpayers develop this mechanism so that taxpayers determine for themselves how their representatives are selected.

The Tribal Code does not require a particular number of taxpayer representatives (the Senate’s Tax Committee has four members). The Code does require that there be an opportunity

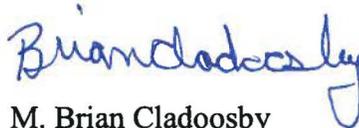
for representation of taxpayers from *all* leased trust lands, including Shelter Bay, lands outside of Shelter Bay, and on commercial property.

If you would like to participate in creating a mechanism for selecting representatives, or serving as a representative yourself, the Tribe encourages you to collaborate with the other members of your taxpaying community. The Tribe looks forward to being informed of a selection process adopted by the taxpaying community, and of representatives chosen through that process. I expect the Tribe to recognize any selection process that assures an opportunity for representation of trust improvement owners inside and outside of Shelter Bay and on commercial property. Once the selection process is established and representatives chosen, the Tribe will then work with the selected representatives to schedule a formal Consultation Council meeting at such time that the representatives are prepared to do so.

Finally, I am pleased to announce that the Tribe has created a Tax Administrator position. Previously, the Tribe's Use and Occupancy Tax was administered by existing staff of the Tribe's Accounting, Lands and Legal departments. The Tribe has hired Alicia Neely as the first Tax Administrator. Many of you will know Alicia from her work on the Use & Occupancy Tax while employed in the legal department as a Paralegal. You may reach Alicia by phone at 360-542-7622 or [tax@swinomish.nsn.us](mailto:tax@swinomish.nsn.us). Please remember that the Tribe is on a 4-day work week. Tribal offices are open Monday through Wednesday 8:00 a.m. to 6:00 p.m. and Thursday 8:00 a.m. to 5:30 p.m. Tribal offices are closed from 12:00 to 12:30 for lunch.

One of the first tasks Alicia undertook in her new position was the installation of a tax payment dropbox, which is located on the east side of Front Street just past the entrances to the Chevron station and the Fish Company parking lot. A map is enclosed with this letter for your convenience. For an interactive map showing the dropbox location, please visit our tax web page at <http://www.swinomish-nsn.gov/resources/taxation.aspx>.

Sincerely,



M. Brian Cladoosby  
Chairman, Swinomish Senate

Enclosure