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# MINUTES

## Tribal Economic Development Task Force

**Representative Don Haggar, Chair**  
**Crow Creek Tribal Chair Roxanne Sazue, Vice Chair**

**Fifth Meeting**  
**October 30, 2015**

**Room 412 – State Capitol**  
**Pierre, South Dakota**

The fifth meeting of the Tribal Economic Development Task Force was called to order by Representative Don Haggar (Chair) at 10:00 a.m. on Friday, October 30, 2015, in Room 412 in the State Capitol in Pierre, South Dakota.

A quorum was waived with the following members answering the roll call: Representative Don Haggar (Chair); Senators Jim Bradford and Craig Tieszen; Representatives Elizabeth May and Mike Verchio; Former Representative Mark DeVries; Mr. Tuffy Lunderman, Rosebud Sioux Tribe; and Mr. Marc Benoist, Cheyenne River Sioux Tribe. Senator Bruce Rampelberg joined the meeting later. Members excused: Crow Creek Chairwoman Roxanne Sazue (Vice Chair); Former Senator Chuck Jones; Former Representative Kathy Tyler; Secretary Steve Emery, Department of Tribal Relations; Ms. Sarah Zephier, Yankton Sioux Tribe; Mr. Steven Sitting Bear, Standing Rock Sioux Tribe; Mr. DelRay German, Sisseton-Wahpeton Oyate; Mr. Anthony Reider, Flandreau Santee Sioux Tribe; Mr. John Yellow Bird Steele, Oglala Sioux Tribe; and Lower Brule Sioux Tribe. Guest present was Ms. Janet Jessup, Department of Tribal Relations. Staff members present were Amanda Reiss, Senior Legislative Attorney and Kris Schneider, Senior Legislative Secretary.

*All material distributed at the meeting is attached to the original minutes on file in the Legislative Research Council (LRC). This meeting was recorded by South Dakota Public Broadcasting. The committee documents and archived recording are available at the LRC website at <http://legis.sd.gov> under "Interim – Agendas, Minutes and Committee Documents." For the purpose of continuity, these minutes are not necessarily in chronological order.*

An opening prayer was offered by **Mr. Tuffy Lunderman**.

### **Opening Remarks**

**Representative Don Haggar**, Chair, welcomed everyone and gave a brief overview of the presentations planned for the meeting.

### **Approval of Minutes**

*Representative Mike Verchio moved, seconded by Representative Elizabeth May, that the minutes of the September 28, 2015, meeting be approved. Motion prevailed on a voice vote.*

Mr. Marc Benoist noted a correction to the June 5, 2015, minutes. He attended the June meeting on behalf of the Cheyenne River Sioux Tribe – not Mr. Harold Frazier.

## Presentations

**Mr. Juel Burnette**, Sioux Falls, First Tribal Lending, discussed homeownership lending issues in tribal communities and the unique challenges.

First Tribal Lending has worked with three tribes in obtaining HUD Section 184 Indian Home Loan programs to provide housing on tribal trust lands. Some of the challenges include appraiser issues due to lack of comparable sales, lack of capital due to few major employers on the reservations, lease terms, and credit issues. In order to qualify for a HUD Section 184 loan, the borrower must be an enrolled member of a federally recognized tribe residing in an approved service area. It was noted that tribal housing authorities can be the borrower and can obtain block grants to help finance housing units. The mortgage is in the name of the tribe. Individuals pay the tribal housing authority and the tribe makes the payments. The loans are 100% assumable once the individuals are credit worthy. It was noted that the home can also be located off the reservation on fee simple land. The HUD program is based on ability to pay, with credit scores taken into account when debt to income exceeds 41%.

Mr. Burnette also discussed UCC agreements. It was noted that since the reservations do not have building codes the FHA minimum standards are used.

Mr. Burnette noted that HUD's Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act is changing the way business is done. The HEARTH Act gives the local approval to the tribes for commercial use. He will be attending training in Bismarck in November to learn more about the program.

## Tribal Perspectives

**Mr. Benoist**, Cheyenne River Sioux Tribe, briefed the task force on economic development issues. They are working with Merck on the possibility of building a call center on their reservation. A study of the workforce is being done. Issues they face are unique because of tribal customs, history, and religion beliefs. They are developing workforce through cooperative agreements with the Lakota College. Another issue is the speed of doing business. He noted that when Lakota Technology was started, the tribal council gave tribal authority to a board of directors so issues could be addressed as needed.

Mr. Benoist gave a brief overview of their mobile tribal court. It has decreased the backlog of cases.

**Mr. Lunderman**, Rosebud Sioux Tribe, briefed the task force on new developments. They just had an election and REDCO is seeing a lot of changes by ordinance. REDCO has identified several areas near Tripp as having agricultural potential. They have a good workforce but it is not an educated workforce. Economic development and education go hand in hand.

**Ms. Janet Jessup**, Department of Tribal Relations, stated that some tribes have filed UCC agreements with the Secretary of State. She also stated the Mr. Del Ray German of the Sisseton-Wahpeton Oyate Tribe will be drafting a document regarding his ideas presented at the June meeting. Other issues the department has heard about include homeownership, child care availability, education in the workforce, and partnerships with CDFI Fund's Native

Initiatives program and the need to have somebody dedicated to working with the tribal economic development offices.

### **Presentations**

**Mr. Darin Berquist**, Cabinet Secretary, Department of Transportation, briefed the task force on the conditions of roads on the reservations. There are 1300 miles of BIA routes in the state of which some are eligible for federal funds. Approximately one-third of the BIA roads are hard surface and not all in very good condition. They are usually narrow and have low volume use. The BIA roads serve areas where there are no other routes. Mr. Berquist stated the department could break down the 1300 miles by county and reservation.

In response to a question regarding cooperative agreements between counties and tribes, Mr. Berquist stated the department is not involved with that. There may be some agreements, but generally the counties take care of the county roads.

In response to a question regarding the road infrastructure getting to the reservations, Mr. Berquist stated that there are good state highways getting to the reservations. The issue is transportation within the reservation.

The tribes do not qualify for any of the new road and bridge funding passed in the 2015 Legislative Session.

Mr. Berquist stated that in June the department invites the tribes to Pierre for a meeting between the department and the BIA and their engineers. They coordinate efforts on road repairs for better prices. Ms. June Hansen is the tribal liaison for the department.

**Mr. Charlie McGuigan**, Attorney General's office, spoke on the office's position regarding possible hemp legislation that may be introduced by Representative Verchio. The office would be open to the concept and willing to look at a bill. They would require that the hemp have a very low to negligible THC level. A state permit would have to comply with federal regulations. Pine Ridge has a hemp ordinance of which the federal government harvests it for them. He stated the federal government is not ready for the growing of industrial hemp.

Mr. McGuigan also provided a brief history of hemp.

Representative Verchio stated since hemp is imported to this country, it could be an industry that the tribes could develop into income from marketing the product for the tribes. If it will be an issue with the federal government, he will not introduce the bill. He will visit with our federal delegation regarding the federal issues.

### **Task Force Discussion**

Representative May would like to hear about child care on the reservations and if there are any state programs and resources available to assist people in starting up daycares.

Chair Haggar asked the members to send their input for the final report to either LRC staff Amanda Reiss or himself no later than November 13<sup>th</sup> if they wished the information to be included in the final report.

### **Adjournment**

*Senator Rampelberg moved, seconded by Representative May, that the meeting adjourn. The motion prevailed unanimously on a voice vote.*

The chair adjourned the meeting at 2:09 p.m.

*This meeting is being held in a physically accessible location. Any individual needing assistance, pursuant to the Americans with Disabilities Act, should contact the Legislative Research Council (605-773-3251) in advance of the meeting to make further arrangements.*

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