

**Title 17 – Tax**  
**Chapter 11 – Trust Improvement Use and Occupancy Tax**

**Sec.**

17-11.010	Title
17-11.020	Authority
17-11.030	Definitions
17-11.040	Jurisdiction
17-11.050	Tribal Governmental Programs and Services
17-11.060	Need for Tribal Governmental Revenue
17-11.070	Transition from State/County/Local to Tribal Taxation
17-11.080	Identification of Tax Year
17-11.090	Number and Gender

*Subchapter I – Imposition and Collection of Tax*

17-11.100	Imposition of Trust Improvement Use and Occupancy Tax
17-11.110	Rate of Tax
17-11.120	Exemptions
17-11.130	Exclusive County and State Review of Skagit County Actions.

*Subchapter II – Administration and Enforcement*

17-11.140	Administrative Procedures for Payment of Taxes
17-11.150	Electronic Collection and Payment of Taxes
17-11.160	Payment by Mortgagee or Other Lien Holder
17-11.170	Assessed Value Determinations by the Chief Financial Officer
17-11.180	Claim for Refund of Trust Improvement Use and Occupancy Tax Paid to Tribe
17-11.190	Administration of Chapter
17-11.200	Senate Tax Committee and Tribal – Taxpayer Consultation Council
17-11.210	Interest on Late Payments
17-11.220	Penalties for Late Payment
17-11.230	Consequences of Refusal or Failure to Pay
17-11.240	Cost of Collection Actions
17-11.250	Tax Liens
17-11.260	Foreclosure of Tax Liens
17-11.270	Procedure for Tax Foreclosures

*Subchapter III – Appeals, Computation of Time and Applicable Law*

17-11.280	Decisions Subject to Appeal
17-11.290	Tribal Administrative Remedies and Tribal Court

17-11.300	Presumption of Correctness
17-11.310	Appeals of Assessed Value Determinations by the Chief Financial Officers
17-11.320	Appeals from Protests from the Chief Financial Officer
17-11.330	Appeal from the Tribal Court
17-11.340	Time and Finality
17-11.350	Sovereign Immunity

*Subchapter IV – Repealer, Severability and Effective Date*

17-11.360	Repealer
17-11.370	Severability
17-11.380	Effective Date

### Legislative History

Enacted:

[History] Ord. 342 (12/16/14), BIA (12/17/14)

**17-11.010 Title**

This Chapter shall be referred to as the “Trust Improvement Use and Occupancy Tax Code.”

[History] Ord. 342 (12/16/14).

**17-11.020 Authority**

This Chapter is enacted pursuant to Article VI, Sections 1(a), (c), (g), (h), (i), (k) and (l), of the Swinomish Constitution and By-Laws originally ratified by the Tribe on November 16, 1935, and approved by the Secretary of the Interior on January 27, 1936, and as most recently amended and ratified by the Tribe on September 7, 1985 and approved by the Secretary of the Interior on October 22, 1985; the inherent sovereign powers of the Swinomish Indian Tribal Community; rights reserved in the Treaty with the Dwamish, Suquamish, etc., (“Treaty of Point Elliott”), 12 Stat. 927 (January 22, 1855), 25 C.F.R. § 162.017, and such other powers as have been delegated to, vested in, or confirmed in the Tribe through the actions of the United States.

[History] Ord. 342 (12/16/14).

**17-11.030 Definitions.**

Unless the context specifically indicates otherwise, the meaning of terms used in this Chapter shall be as set forth in this Section:

- (A) **“Adjusted Gross Income”** means a person’s adjusted gross income as defined in the Internal Revenue Code and as reflected in the applicable Internal Revenue Form 1040, 1040A or 1040EZ.

- (B) **“Assessed Value”** means the Fair Market Value of a Permanent Improvement the use of which is subject to taxation under this Code as determined by the Chief Financial Officer.
- (C) **“Building” or “Buildings”** means any structure attached to, located on, or placed on land.
- (D) **“Chief Financial Officer”** means the Chief Financial Officer of the Swinomish Indian Tribal Community, including employees and contract professionals supervised by the Chief Financial Officer to whom the Chief Financial Officer may delegate authority to take actions designated in this Code.
- (E) **“Combined Adjusted Gross Income”** means the sum total of the Adjusted Gross Income of the person claiming an exemption as provided in this Code, the Adjusted Gross Income of his or her spouse or registered domestic partner, and the Adjusted Gross Income of each cotenant owning or occupying the Permanent Improvement, in connection with which an exemption is sought, as a Principal Place of Residence at the time of filing of an Exemption Claim.
- (F) **“Doing business”** means engaging in any activity, whether temporary, intermittent, occasional, seasonal or otherwise, with the object of gain, benefit, advantage or other return, whether direct or indirect, immediate or future, tangible or intangible, or economic or non-economic, and specifically includes the lease, sublease, or assignment or acceptance of assignment of a lease or sublease of Swinomish Indian Lands and the purchase, ownership, sale, lease, sublease, use or occupancy of any Permanent Improvement on Swinomish Indian Lands.
- (G) **“Entity”** means any sole proprietorship, partnership, company, limited liability company, corporation, joint venture, club company, joint stock company, business trust, trust, estate, firm, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, non-profit or otherwise, or any other legal organization.
- (H) **“Fair Market Value”** means the amount of money that a buyer of property willing but not obligated to buy would pay a seller of property willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might in reason be applied.
- (I) **“Land Lease”** means a written contract whereby the lessee is granted a right to possess, use or occupy land for a specified purpose and duration, and includes a master lease, a sublease and a lease or sublease that has been assigned.
- (J) **“Local Taxing District”** means a taxing district located in Skagit County, Washington that was established pursuant to the laws of the State of Washington, including but not limited to a school, fire, library or port district.

- (K) **“Notice”**, as it is required to be given in this Chapter, means written notification sent via United States First Class mail, postage prepaid.
- (L) **“Occupy”** means to hold, possess, do business, reside, or otherwise conduct activity in or on.
- (M) **“Permanent Improvement”** means a building or other property that is attached to land and that is regarded as an irremovable part of the real property.
- (N) **“Person”** means any individual, entity, lessee, sublessee, receiver, assignee, or trustee in bankruptcy.
- (O) **“Principal Place of Residence”** means the location where a person claiming an exemption under this Chapter resided for at least 183 days during the calendar year during which the exemption is claimed.
- (P) **“Reservation”** means all lands and waters within the exterior boundaries of the Swinomish Indian Reservation.
- (Q) **“Skagit County”** means Skagit County, Washington, a political subdivision of the State of Washington, and where context requires includes the elected officials and authorized employees of Skagit County.
- (R) **“Skagit County Assessed Value”** means the Fair Market Value of a Permanent Improvement the use of which is subject to taxation under this Code as determined by the Skagit County Assessor for purposes of taxes imposed for the year subsequent to the year of assessment; *provided*, however, that if the Assessor’s determined value was altered as a result of a taxpayer contest, then the “Skagit County Assessed Value” is the value of the property as finally determined in such contest.
- (S) **“Skagit County Tax Rate”** means the total numerical amount of property taxes levied for a specified year by the State of Washington, Skagit County and Local Taxing Districts expressed in terms of dollars per \$1,000 of assessed value, e.g., \$1.00 per \$1,000 of assessed value.
- (T) **“State”** means the State of Washington, and where context requires includes the elected officials and authorized employees of the State.
- (U) **“Swinomish Indian Lands”** means Federal Indian trust or restricted land, whether located within or without the boundaries of the Swinomish Indian Reservation, that is owned in the name of the United States and held in trust for the Swinomish Indian Tribal Community and/or an individual Indian or Indians and that is within the jurisdiction of the Swinomish Indian Tribal Community.
- (V) **“Tax Rate”** means the numerical amount of taxes to be levied expressed in terms of dollars per \$1,000 of assessed value, e.g., \$1.00 per \$1,000 of assessed value.

- (W) **“Tax Year”** means the year in which a tax established by this Chapter, or the initial installment thereof, is due and payable.
- (X) **“Tribal Court”** means the court of the Swinomish Indian Tribal Community.
- (W) **“Tribe”** means the Swinomish Indian Tribal Community, a federally recognized Indian tribe organized pursuant to Section 16 of the Indian Reorganization Act of 1934, whose governing body is the Swinomish Indian Senate.
- (Z) **“Use”** means to carry out a purpose or action by means of.

[History] Ord. 342 (12/16/14).

#### **17-11.040 Jurisdiction**

- (A) This Chapter shall apply to the full extent of the jurisdiction of the Swinomish Indian Tribal Community.
- (B) **Condition of Use.** Compliance with this Chapter is hereby made a condition of the lease, sublease, assignment or acceptance of assignment of a lease or sublease, use or occupancy of any Swinomish Indian Lands, or the purchase, ownership, sale, lease, sublease, use or occupancy of any Permanent Improvement on Swinomish Indian Lands to the maximum extent permitted by law.
- (C) **Deemed to Consent.** Any person who does business, resides, leases, subleases, assigns or accepts assignment of a lease or sublease, uses or occupies any Swinomish Indian Lands, or who purchases, owns, sells, leases, subleases, uses or occupies any Permanent Improvement on Swinomish Indian Lands shall be deemed thereby to have consented to the following:
  - (1) To be bound by the terms of this Chapter;
  - (2) To the exercise of jurisdiction by the Swinomish Indian Tribal Community over said person, Permanent Improvements, and by the Tribal Court in legal actions arising pursuant to this Chapter.

[History] Ord. 342 (12/16/14).

#### **17-11.050 Tribal Governmental Programs and Services.**

The Senate finds that, as a result of actions and decisions by the United States, the ownership of the land within the Reservation is shared by the Tribe, the United States in trust for the Tribe and individual Indians, and non-Indians, resulting in a patchwork of ownership and Tribal ability to

provide governance, programs and services. Within this context, programs and services made available by the Tribal government that benefit persons in various areas of the Reservation include:

- (A) governmental services, such as:
  - (1) public sewage collection and disposal systems,
  - (2) water systems to provide safe drinking water and fire protection,
  - (3) Tribal roads, and
  - (4) assignment of Tribal paraprofessional employees to provide educational services off-Reservation in the La Conner public school system;
- (B) maintenance of public health, safety, welfare, and law and order, including:
  - (1) Tribal police,
  - (2) Tribal fisheries management and enforcement, with the State of Washington,
  - (3) hazardous emergency response,
  - (4) managing, preserving, conserving, restoring, and enhancing the Reservation environment and habitats, and regulation and protection of Reservation air quality, water quality, shorelines and sensitive areas, and
  - (5) comprehensive land use planning and regulation,
- (C) a Tribal Court system with general jurisdiction for the resolution of civil disputes and limited jurisdiction for the prosecution of criminal actions;
- (D) protection of Reservation lands and natural and cultural resources;
- (E) provision and maintenance of parks and open space, such as Kukutali Preserve, co-owned and managed with Washington State Parks;
- (F) support of Reservation community, cultural and religious events, institutions and activities, including the Treaty Day, Blessing of the Fleet, Memorial Day, Fourth of July, Canoe Journey, Swinomish Days, Veterans Day and winter holiday and cultural events;
- (G) promotion and regulation of Reservation businesses and economic development; and
- (H) provision of employment opportunities for both members and non-members of the Tribe.

[History] Ord. 342 (12/16/14).

**17-11.060 Need for Tribal Governmental Revenue.**

The Senate finds that:

- (A) The entire Reservation community, both Indian and non-Indian, shares a portion of Fidalgo Island, and whether leasing, subleasing, using or occupying Swinomish Indian Lands or purchasing, owning, selling, leasing, subleasing, assigning or accepting assignment of, using or occupying a Permanent Improvement, residing, being employed, or otherwise doing business on the Reservation, directly and indirectly benefits from Tribal governance of the Reservation and Tribal governmental services and programs.
- (B) Tribal governmental services and programs improve the overall quality of life on the Reservation, whether those programs and services are provided directly to Tribal members, Native Americans or the entire Reservation community, by preserving and enhancing the natural environment, providing parks and other open or public spaces, public safety, roads, enhancing physical and mental health, education, and continuing and enhancing Swinomish social, economic and cultural life, thereby contributing to the social safety net and enriching the fabric of Reservation life.
- (C) Governmental services provided by the Tribe to Tribal members and other Natives seek to reduce historic disparities in Native American health metrics, education and economic outcomes, thereby reducing inequality and inequity across the Reservation community as a whole and promoting social stability and public welfare.
- (D) Tribal governmental services and programs supplement or replace services or programs that would or should otherwise be provided or operated by other governments, and thereby relieve other units of government from the full burden of providing these services and programs.
- (E) The United States has historically not fully or sufficiently funded the services that it is obligated to provide pursuant to its Treaty obligations and/or the Federal trust responsibility, thereby requiring the Tribe to secure other sources of funding in order to more fully provide these essential services.
- (F) It is appropriate, therefore, that the persons occupying or using Permanent Improvements on Swinomish Indian Lands who benefit, directly or indirectly, from this wide variety of Tribal governmental services and programs contribute a portion of the costs of the Tribal programs and services through paying the tax established by this Chapter.

[History] Ord. 342 (12/16/14).

**17-11.070 Transition from State/County/Local to Tribal Taxation**

- (A) **Transitional Objectives.**

- (1) On July 30, 2013, the United States Court of Appeals for the Ninth Circuit issued its decision in *Confederated Tribes of the Chehalis Reservation v. Thurston County Board of Equalization*, 724 F.3d 1153, ruling that Washington state and local property taxes may not be imposed on permanent improvements on land owned by the United States and held in trust for Indians, without regard to the ownership of the improvements.
- (2) On March 31, 2014, the Washington State Department of Revenue issued Property Tax Advisory PTA 1.1.2014, concluding that state and local governments cannot assess property tax on permanent improvements built on trust land.
- (3) It is the intent of the Senate that the transitional tax imposed by this Chapter for Tax Year 2015 be at the same rate, and be applicable in the same fashion, as the total of the State, County and local taxing district taxes imposed on improvements situated similarly to those Permanent Improvements on Swinomish Indian Lands in order to reduce disruption in the transition to Tribal taxation from State, County and local taxing district.
- (4) Imposition of the tax established in this Chapter will not result in double-taxation.
- (5) Exercise of the Tribe's taxing authority through enactment of the Trust Improvement Use and Occupancy Tax will ensure continuity of taxation relating to Permanent Improvements located on Swinomish Indian Lands by a jurisdiction with taxing authority.
- (6) Skagit County assessed Permanent Improvements on Swinomish Indian Lands in 2014 for purposes of taxes owing in Tax Year 2015.

[History] Ord. 342 (12/16/14).

**17-11.080 Identification of Tax Year.**

All annual taxes under this Chapter may be known and designated as taxes of the year in which such taxes, or the initial installment thereof, shall become due and payable.

[History] Ord. 342 (12/16/14).

**17-11.090 Number and gender.**

Every word importing the singular number only may be extended to or embrace the plural number, and every word importing the plural number may be applied and limited to the singular

number, and every word importing the masculine gender only may be extended and applied to females as well as males.

### *Subchapter I – Imposition of Tax*

#### **17-11.100 Imposition of Trust Improvement Use and Occupancy Tax.**

A Trust Improvement Use and Occupancy Tax is imposed for Tax Years 2015 and thereafter upon and for the privilege of constructing, placing, owning, occupying or using Permanent Improvements on Swinomish Indian Lands pursuant to a Land Lease, at the tax rate provided in Section 17-11.110 and applied to the Assessed Value of the Permanent Improvements. The tax shall be collected from the person or entity owning the Permanent Improvement.

[History] Ord. 342 (12/16/14).

#### **17-11.110 Rate of Tax.**

- (A) For Tax Year 2015, the rate of the tax imposed by Section 17-11.100 shall be at the total of the Skagit County Tax Rates (including State, County and local tax districts) for Skagit County Levy Code 1580 for every \$1,000.00 of Skagit County Assessed Value of the Permanent Improvement. The Rate of Tax shall be declared by the Chief Financial Officer in a Swinomish Tax Ruling, which shall be publicly posted on the Tribal website.
- (B) For Tax Years following Tax Year 2015, the rate of the tax imposed by Section 17-11.100 shall be at the total of the Skagit County Tax Rates (including State, County and local tax districts) for Levy Code 1580 (or an equivalent subsequent Levy Code generally applicable to properties that are not Swinomish Indian Lands but which are situated similarly to Swinomish Indian Lands with Permanent Improvements) for every \$1,000.00 of Assessed Value of the Permanent Improvement for that Tax Year. The Rate of Tax shall be declared annually by the Chief Financial Officer in a Swinomish Tax Ruling, which shall be publicly posted on the Tribal website.

[History] Ord. 342 (12/16/14).

#### **17-10.120 Exemptions.**

- (A) **Senior, Disabled Veteran and Disabled Taxpayer Exemption.**
  - (1) A person who is determined by the Chief Financial Officer to have met the eligibility requirements of this Section is exempt from paying 75% (seventy five percent) of the taxes otherwise due under this Chapter for a Permanent Improvement for the Tax Year following the year in which the person filed the approved Exemption Claim.

- (2) The approved Senior, Disabled Veteran and Disabled Taxpayer Exemption shall remain in effect without necessity for a renewal application or resubmission of the eligibility documentation described in Section 17-11.120(C)(3) for a period five (5) years, or until the person claiming the exemption no longer meets the qualification requirements. A person claiming the exemption may be required to certify annually to the Chief Financial Officer that s/he continues to meet the eligibility requirements for the exemption claimed.

**(B) Eligibility Criteria for Senior, Disabled Veteran and Disabled Taxpayer Exemption.**

- (1) The person claiming an exemption from the Trust Improvement Use and Occupancy Tax must have used or occupied the Permanent Improvement as a Principal Place of Residence at the time the Exemption Claim is filed, and must continue to use the Improvement as a Principal Place of Residence for each Tax Year for which an exemption is claimed.
- (2) The person claiming an exemption from the Trust Improvement Use and Occupancy Tax must own the Permanent Improvement at the time of filing the Exemption Claim in fee, as a life estate, or by contract purchase. A Permanent Improvement owned by a marital community or state registered domestic partnership, or owned by cotenants, is deemed to be owned by each spouse, domestic partner, or cotenant, and any lease for life is deemed a life estate;
- (3) The person claiming the exemption must be:
  - (a) Sixty-one years of age or older on December 31st of the Tax Year in which the Exemption Claim is filed, or
  - (b) Receiving Social Security Disability payments at the time the Exemption Claim is filed, or
  - (c) A veteran of the armed forces of the United States entitled to and receiving compensation from the United States Department of Veterans Affairs at a total disability rating for a service-connected disability at the time the Exemption Claim is filed.
- (4) A person shall not qualify for the exemption provided under this Section unless the Combined Adjusted Gross Income of the person claiming the exemption is thirty-five thousand dollars (\$35,000.00) or less.

**(C) Procedure for Claiming Senior, Disabled Veteran and Disabled Exemption.**

- (1) A person seeking a Senior, Disabled Veteran and Disabled Taxpayer Exemption must file with the Chief Financial Officer a completed Exemption Claim form and

supporting documentation demonstrating eligibility for the exemption, including the documentation itemized in Section 17-11.120(C)(3) on or before December 31<sup>st</sup> of the year preceding the Tax Year for which the exemption is sought.

- (2) The Chief Financial Officer shall either approve or deny the Exemption Claim, or request additional information from the Taxpayer as deemed necessary in order to make a determination on the Exemption Claim. Untimely or incomplete exemption claims shall be denied. The annual assessment notice for each Tax Year shall include the Chief Financial Officer's Decision on whether an Exemption Claim is approved or denied, and the amount of tax owing will be adjusted accordingly for an approved Exemption Claim.
- (3) Adequate supporting documentation for an Exemption Claim must demonstrate that a person meets the age or disability, ownership, income and residency requirements set forth in 17-11-120(A), and shall include, at a minimum:
  - (a) The completed Exemption Claim form.
  - (b) Proof of Combined Adjusted Gross Income consisting of IRS Forms 1040, 1040A, or 1040EZ, as applicable for the year in which the Exemption Claim is filed. Non-IRS filers must provide documentation of all income received by the person claiming the exemption, their spouse/domestic partner, and any cotenants.
  - (c) For persons qualifying on the basis of age, proof of age consisting of a copy of the claimant's government-issued photo ID and/or birth certificate.
  - (d) For persons qualifying on the basis of disability, a copy of the Claimant's disability award letter from the Social Security Administration or Department of Veterans Affairs.
- (4) Persons who wish to appeal a denial of the Senior, Disabled Veteran and Disabled Taxpayer Exemption must do so in accordance with the Appeal procedures set forth in Subchapter III, including compliance with the Protest procedure described in Section 17-11.180(B).
- (5) Taxpayers who are determined to meet the eligibility requirements of this Section, and who were previously found eligible by Skagit County for a Senior Citizen or Disabled Persons Exemption, and who for this reason paid reduced property tax on their Permanent Improvement for Tax Year 2014 in an amount that is less than the tax that would otherwise be owing under this Code after application of the exemption provided for in this Section, will be grandfathered under this Code.

- (a) The dollar amount of taxes on the Permanent Improvement paid in 2014 by such a grandfathered taxpayer will be the amount of tax which is owing under this Code for the lesser of a period of five (5) Tax Years or until the person claiming the exemption under this Section no longer meets the eligibility requirements.
- (b) A taxpayer grandfathered pursuant to this Subsection who has remained eligible for the Exemption under this Section may file a renewed Exemption Claim and, if approved by the Chief Financial Officer, will be continued in grandfathered status for the lesser of a period of five (5) Tax Years or until the person claiming the exemption under this Section no longer meets the eligibility requirements.

(D) **Other Exemptions.** The following are also exempt from taxation under this Chapter:

- (1) An improvement or taxpayer not eligible for a Senior, Disabled Veteran or Disabled Taxpayer Exemption but which or who is or would be otherwise exempt from State, County or local taxing district property tax is exempt from the tax provided for in this Chapter to the same extent; *provided*, however, that no improvement shall be exempt from the tax provided for in this Chapter on the basis of or under the authority of the decision in *Confederated Tribes of the Chehalis Reservation v. Thurston County Board of Equalization*, 724 F.3d 1153, Washington State Department of Revenue Property Tax Advisory PTA 1.1.2014, or other determinations or decisions implementing these legal authorities.

[History] Ord. 342 (12/16/14).

**17-11.130 Exclusive County and State Review of Skagit County Actions.**

- (A) All taxpayer claims and disputes concerning Skagit County's assessments and notices concerning Permanent Improvements on Swinomish Indian Lands shall be resolved solely and exclusively through and in accordance with processes and procedures of Skagit County and the State of Washington that are conducted pursuant to the laws of Skagit County and the State of Washington.
- (B) Nothing in this Chapter is intended to, or shall, extend or alter any due date, deadline or procedure under the laws of Skagit County or the State of Washington for a taxpayer to dispute or seek review of any assessment or notice.

[History] Ord. 342 (12/16/14).

*Subchapter II – Administration and Enforcement*

**17-11.140 Administrative Procedures for Payment of Taxes.**

- (A) **Date Tax is Applied.** The Assessed Value of Permanent Improvements shall be utilized to determine the tax imposed on and as of January 1 of the following year (i.e. of the “Tax Year”).
- (1) For Tax Year 2015, the Skagit County Assessed Value of Permanent Improvements as determined in 2014 shall be utilized to determine the tax imposed on January 1, 2015 (i.e. Tax Year 2015).
- (B) **Date Tax is Due.** The amount of any tax imposed and owing as provided by this Chapter shall be due and payable without penalty on or before April 30 of the Tax Year and shall be and is delinquent after that date; *provided*, however, that when the total amount of tax payable by one person is fifty dollars (\$50.00) or more, and if one-half of such tax is paid on or before April 30 of the Tax Year, the unpaid balance of such tax is due and payable on or before October 31 of the Tax Year and shall be and is delinquent after that date.
- (1) For Tax Year 2015, the Chief Financial Officer is authorized to extend the due date by issuing a declaration of the extended due date in a Swinomish Tax Ruling, which shall be publicly posted on the Tribal website. Such extended date shall be considered the due date for Tax Year 2015 taxes purposes of Sections 17-11.210 and 17-11.220.
- (C) **Sale of Permanent Improvement**
- (1) The tax imposed by this Chapter is due even if the Permanent Improvement is sold or transferred after January 1 of the tax year.
- (2) As between the grantor or vendor and the grantee or purchaser of any Permanent Improvement, when there is no express agreement as to payment of the taxes thereon due and payable in the calendar year of the sale or the contract to sell, the grantor or vendor shall be liable for the same proportion of such taxes as the part of the calendar year prior to the day of the sale or the contract to sell bears to the whole of such calendar year, and the grantee or purchaser shall be liable for the remainder of such taxes and subsequent taxes.
- (D) The Chief Financial Officer shall prepare a list of all taxes established by this Chapter that are due each Tax Year, and shall include on the record of the current taxes due a listing of all delinquent taxes owing under this Chapter, showing the amounts owing and delinquent for each year.
- (E) The Chief Financial Officer shall annually notify each person responsible for the payment of taxes established by this Chapter of the current and delinquent amount of tax due under this Chapter.

- (F) Payments of taxes due postmarked after the applicable date in Section 17-11.140(B) will be considered delinquent and will be returned for payment of interest. Payment of delinquent taxes will not be processed without interest.

[History] Ord. 342 (12/16/14).

**17-11.150 Electronic Collection and Payment of Taxes.**

[Reserved]

**17-11.160 Payment by Mortgagee or Other Lien Holder.**

Any person who has a lien by mortgage or otherwise, upon any Permanent Improvement on Swinomish Indian Lands in connection upon which any taxes imposed by this Chapter have not been paid, may pay such taxes, and the interest, penalty and costs thereon, and a receipt issued by the Chief Financial Officer shall constitute an additional lien upon such land, to the amount therein stated, and the amount so paid and the interest thereon at the rate specified in the mortgage or other instrument shall be collectible with, or as a part of, and in the same manner as the amount secured by the original lien; *provided*, that the person paying such taxes shall pay the same as mortgagee or other lien holder and shall procure a notation upon the receipt issued by the Chief Financial Officer for the payment showing the mortgage or other lien relationship of the person paying such taxes, and *provided further* that the person paying such taxes shall cause the same to be recorded with the Skagit County Auditor within ten days after the payment of such taxes and the issuance of such receipt.

[History] Ord. 342 (12/16/14).

**17-11.170 Assessed Value Determinations by the Chief Financial Officer.**

- (A) The Chief Financial Officer shall determine the Assessed Value of Permanent Improvements subject to the taxes established by this Chapter on a regular and systematic basis, and may utilize statistical methods and physical inspections of the Improvements.
- (B) The Chief Financial Officer shall value the Permanent Improvements consistent with the principle of uniformity of valuation of equivalent Improvements, utilizing a consistent process from year to year.
- (C) The Chief Financial Officer shall provide written notice of any change in the Assessed Value of a Trust Improvement from the Assessed Value of the Improvement determined for the preceding year.
- (D) The Chief Financial Officer is authorized to establish assessment procedures and to declare the procedures in a Swinomish Tax Procedure Ruling, which shall be publicly posted on the Tribal website.

[History] Ord. 342 (12/16/14).

**17-11.180 Claim for Refund of Trust Improvement Use and Occupancy Tax Paid to Tribe.**

(A) **Refund for Overpayment.** Taxpayers who have paid to the Tribe a tax imposed by this Chapter in error or who erroneously overpaid to the Tribe a tax imposed by this Chapter, and when such an error is not identified and corrected by the Chief Financial Officer on his or her own initiative, must make a written request to the Chief Financial Officer for a refund. The request must state each and every one of the factual or legal grounds upon which the tax is claimed to have been erroneously paid or overpaid, and must include all evidence supporting the claimed error or overpayment.

- (1) The request for refund must be postmarked or received by the Chief Financial Officer within one year of the due date of the payment sought to be refunded. Any untimely request will not be considered.
- (2) Interest on refunds at the rate of one percent (1%) per month accrues from the date taxes were paid and will be included in the amount to be refunded, unless a refund is made within 60 days of the payment of the tax.
- (3) The Chief Financial Officer shall make a decision upon the request for refund within one hundred and eighty (180) days of receipt of the request for refund.
- (4) The Chief Financial Officer's decision is subject to appeal pursuant to Subchapter III. If the decision is not timely appealed, the decision is final and not subject to further review.
- (5) A tax for which a refund request is made, but such request does not comply with deadline, evidentiary or procedural requirements set forth in this Section, is conclusively considered to be properly paid and non-refundable.

(B) **Protest of Tax Claimed to be Unlawful or Otherwise Invalid.**

- (1) In order to preserve a right to seek a refund of any tax paid to the Tribe pursuant to this Chapter, the imposition or calculation of which is claimed to be unlawful or otherwise invalid or incorrect, a taxpayer must make a timely payment of the tax to the Tribe and must accompany that timely payment with a written protest directed to Chief Financial Officer setting forth each and every one of the factual or legal grounds upon which the tax, any portion of the tax, or any associated fee, penalty or interest, is claimed to be unlawful or otherwise invalid or incorrect.
  - (a) No protest accompanying a tax payment shall be deemed to include protest of taxes due in preceding or succeeding years.
  - (b) A statement on a check or money order that the tax is being paid under protest is not sufficient to preserve the right to seek a refund.

- (2) When the taxpayer submits a written protest as provided in this Section, the taxpayer is thereafter prohibited from raising grounds not set forth in the protest as a basis for a refund.
- (3) Any tax paid without a written protest, as provided in this Section, is conclusively considered to be voluntarily paid and not subject to a claim for refund.
- (4) A prominent notice of the written protest requirement shall be included as part of, or enclosed with, property tax notices or statements issued pursuant to this Chapter.

(C) **Claim for Refund of Tax Claimed to be Unlawful or Otherwise Invalid.**

- (1) Taxpayers may claim a refund of a tax paid to the Tribe for which a written protest has been made by making a written request to the Chief Financial Officer for a refund. The request must include a copy of the written protest submitted in accordance with Section 17-11.180(B), and must state each and every one of the factual or legal grounds upon which the tax, any portion of the tax, and any associated fee, penalty or interest, is claimed to be unlawful or otherwise invalid or incorrect, and must include all evidence supporting the claimed error or overpayment.
- (2) The request for refund must be received by the Chief Financial Officer within one year of the due date of the payment sought to be refunded. Any untimely request will not be considered.
- (3) Interest on refunds, at the rate set forth in Washington Administrative Code 458-18-220 for the year in which the tax was due, accrues from the date taxes were paid and will be included in the amount to be refunded, unless refund is made within 60 days of the payment of the tax.
- (4) The Chief Financial Officer shall make a decision upon the request for refund within one hundred and eighty (180) days of receipt of the request for refund.
- (5) The Chief Financial Officer's decision is subject to appeal pursuant to Subchapter III. If the decision is not timely appealed, the decision is final and not subject to further review.
- (6) A tax paid for which a refund request is not made in compliance with this Section is conclusively considered to be properly paid and non-refundable; *provided*, however, that the Chief Financial Officer is authorized to correct on his or her own initiative a payment to the Tribe made in error or erroneously overpaid, along with interest as provided in Section 17-11.180(A)(2) .

[History] Ord. 342 (12/16/14).

**17-10.190 Administration of Chapter.**

- (A) This Chapter shall be administered by or under the supervision of the Tribe's Chief Financial Officer, who may employ persons and contract with specialized professionals to provide information or services necessary to impose, collect, enforce and account for the tax.
- (B) The Swinomish Indian Senate is authorized to enter into intergovernmental agreements with Skagit County or local taxing districts for the performance of any or all of the Tribal duties and responsibilities imposed, and actions authorized, by this Chapter.

[History] Ord. 342 (12/16/14).

**17-10.200 Senate Tax Committee and Tribal – Taxpayer Consultation Council**

- (A) A Senate Tax Committee may be established to provide policy review and guidance of the administration of this Chapter by the Chief Financial Officer, to recommend amendments to this Chapter and to recommend contributions from taxes raised pursuant to this Chapter to local taxing districts.
- (B) A Tribal – Taxpayer Consultation Council may be established to provide a formal forum in which representatives of persons paying taxes established by this Chapter may share questions, suggestions and concerns with, and engage in dialogue with, the Senate Tax Committee and/or Chief Financial Officer concerning the administration of the taxes established by this Chapter.
  - (1) The Senate Tax Committee or Chief Financial Officer may establish a procedure by which persons paying taxes established by this Chapter may select representatives to participate in the Tribal – Taxpayer Consultation Council. The selection procedure shall provide an opportunity for participation by persons with Permanent Improvements on Swinomish Indian Lands in Shelter Bay, outside of Shelter Bay and on Swinomish Indian Lands utilized for commercial purposes.
  - (2) The Tribal – Taxpayer Consultation Council may meet at least annually, but may meet more frequently as is agreed to be necessary by the Tribal and Taxpayer participants.
  - (3) The Tribal – Taxpayer Consultation Council may make recommendations for consideration by the Senate concerning the administration of the taxes established by this Chapter.

[History] Ord. 342 (12/16/14).

**17-11.210 Interest on Late Payments.**

If any sum payable under this Chapter is not paid to the Tribe by the date specified in Section 17-11.150(B), there shall be added to the unpaid sum interest at the rate of one percent (1%) per month on the amount of the taxes due for the full year, until the tax is paid in full.

[History] Ord. 342 (12/16/14).

**17-11.220 Penalties for Late Payment.**

In addition to interest on late payments, as provided in Section 17-11.210, if any payment is not made by the due date specified in this Chapter, a penalty of three percent (3%) of the total tax due for the year (exclusive of interest and other penalties) shall be added to the taxes owed if still delinquent thirty days after the date the tax is due. An additional penalty of eight percent (8%) of the total tax due for the year (exclusive of interest and other penalties) shall apply if the taxes owed remain delinquent one hundred and eighty (180) days after the date the tax is due.

[History] Ord. 342 (12/16/14).

**17-11.230 Consequences of Refusal or Failure to Pay.**

- (A) Any person failing or refusing to pay the tax imposed by this Chapter shall be assessed the interest, penalties and costs of collection set forth in Sections 17-11.200 – 17-11.220.
- (B) Any person failing or refusing to pay the tax imposed by this Chapter and whose lease, sublease or assignment of the same requires payment of taxes, is subject to any remedies provided by the lease, sublease or assignment for non-compliance with its terms.
- (C) Any person failing or refusing to pay the tax imposed by this Chapter may, in addition to assessment of the interest, penalties and costs of collection set forth in Sections 17-11.200 – 17-11.220 and any remedies provided by the applicable lease, sublease or assignment of the same, be excluded from the Reservation at the discretion of the Senate and in accordance with Swinomish law.

[History] Ord. 342 (12/16/14).

**17-11.240 Cost of Collection Actions.**

- (A) In addition to the tax owing, interest and penalties imposed by this Chapter, the Tribe shall recover its court costs, attorneys' fees and litigation expenses incurred in collecting taxes owing and payable.
- (B) Any judgment entered in any action brought to enforce the provisions of this Chapter or to collect any sums due, including fees, interest and penalties, shall bear interest at the rate of one percent (1%) per month from the date of the entry of the judgment until the judgment is paid.

[History] Ord. 342 (12/16/14).

**17-11.250 Tax Liens**

- (A) All taxes imposed or assessed by and pursuant to this Chapter are declared to be and are a lien upon the Permanent Improvement in connection with which they have been or may hereafter be imposed or assessed. The lien shall include all charges and expenses of and concerning the taxes which, by the provisions of this Chapter, are directed to be made, including interest, penalties and costs of collection.
- (B) The lien has priority to and must be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the property may become charged or liable.
- (C) The lien is in effect from and including the first day of January in the Tax Year in which taxes are levied until the tax, interest, penalties and costs of collection are paid in full.
- (D) Notwithstanding Section 17-11.140(C), the lien follows the property, such that a new owner of a Permanent Improvement may be held liable if the previous owner does not pay the tax.
- (E) In the event of the destruction of a Permanent Improvement, the lien imposed pursuant to this Section shall attach to and follow the proceeds of any insurance policy on the Permanent Improvement and the insurer shall pay to the Tribe from such insurance proceeds all taxes, interest, penalties and costs of collection that are due.

[History] Ord. 342 (12/16/14).

**17-11.260 Foreclosure of Tax Liens**

- (A) When any tax owing pursuant to this Chapter has been delinquent for at least two years, the Chief Financial Officer shall issue a notice of delinquency.
- (B) Upon issuance of the notice of delinquency, the Chief Financial Officer and the Office of Tribal Attorney shall initiate and prosecute legal proceedings in Tribal Court to foreclose in the name of the Tribe the tax liens identified in the notice.
- (C) The foreclosure shall be conducted in accordance with Section 17-11.270 and with Swinomish Tribal Code Title 3, Chapter 2 - Rules of Civil Procedure then in effect.

**17-11.270 Procedure for Tax Foreclosures**

[Reserved]

*Subchapter III – Appeals, Computation of Time and Applicable Law*

**17-11.280 Decisions Subject to Appeal.**

The written decisions of the Chief Financial Officer issued pursuant to the exemption, protest and refund procedures established by this Chapter, pertaining to the applicability or amount of any exemption denied or terminated, any tax, interest or penalty imposed, or any refund refused pursuant to this Chapter may be appealed pursuant to this Subchapter.

[History] Ord. 342 (12/16/14).

**17-11.290 Tribal Administrative Remedies and Tribal Court**

All cases or controversies arising under the terms and provisions of this Chapter shall be heard only in the Swinomish Tribal Court, and only pursuant to the procedures provided for in this Subchapter. An applicant or other aggrieved party must timely and properly exhaust any and all administrative procedures and remedies provided in this Chapter before seeking review in Tribal Court.

[History] Ord. 342 (12/16/14).

**17-11.300 Presumption of Correctness**

- (A) Upon determination of the Assessed Value of a Permanent Improvement by the Chief Financial Officer, it shall be presumed that the determination establishing such Assessed Value is correct.
- (B) Assessed Values for Tax Year 2015.
  - (1) Upon determination of the Skagit County Assessed Value of a Permanent Improvement by the Skagit County Assessor, it shall be conclusively presumed that the determination of the Assessor in establishing such Assessed Value is correct.
  - (2) Any dispute as to the Skagit County Assessed Value of a Permanent Improvement can and must have been or be timely asserted and resolved by the disputing party using procedures administered by the State and Skagit County and established pursuant to the laws of the State of Washington, which shall provide and be the only remedy for such a dispute.

[History] Ord. 342 (12/16/14).

**17-11.310 Appeals of Assessed Value Determinations by the Chief Financial Officer.**

[Reserved]

**17-11.320 Appeals of Protests from the Chief Financial Officer.**

- (A) A taxpayer aggrieved by an action or decision of the Chief Financial Officer pursuant to this Chapter may appeal such decision to Tribal Court provided the taxpayer has filed a written request for refund, as applicable and as required by Section 17-11.160. The appeal to Tribal Court must be filed within thirty (30) calendar days from the date of the Chief Financial Officer's determination upon the request for refund. Any appeal to the Tribal Court shall identify the name of the taxpayer seeking review, the interest of the taxpayer in the decision appealed from, and shall name as respondent only the Chief Financial Officer in his or her official capacity. The taxpayer shall attach a copy of the written request for refund and all evidence submitted with the request, the Chief Financial Officer's determination upon the request and shall state each and every one of the factual or legal grounds upon which the tax, any portion of the tax, or any associated fee, penalty or interest, is claimed to be unlawful or otherwise invalid or incorrect or to have been erroneously paid or overpaid. The taxpayer shall serve a copy of the appeal upon the Chief Financial Officer and the Office of Tribal Attorney in accordance with Swinomish Tribal Code Title 3, Chapter 2 - Rules of Civil Procedure then in effect.
- (B) The Tribal Court shall set a time and place for a hearing and provide written notice to the taxpayer and the Chief Financial Officer of the hearing.
- (C) The review on appeal by the Swinomish Tribal Court shall be limited to the issues identified in the request for refund. The Court shall not consider any issue that was not raised in the request for refund.
- (D) The Tribal Court may accept additional evidence that is material and relevant to the issues on appeal upon a showing by the taxpayer of good cause for not submitting the evidence to the Chief Financial Officer with the request for refund.
- (E) The Tribal Court review shall be conducted by the Court, without a jury. Subject to the limitation in Subsection (D) and the nature of the proceeding as judicial review of an administrative decision, the review shall be in accordance with those provisions of the Swinomish Rules of Civil Procedure that are determined to be applicable by the Tribal Court; *provided*, however, that discovery under such Rules shall be allowed only as determined by the Court to be necessary to allow judicial review of the issues raised on appeal.
- (F) The Tribal Court shall consider the evidence presented and arguments presented in support thereof.
- (G) After a full and complete review of the evidence, the Tribal Court shall issue a written decision, setting forth the reasons for the decision. Notice and a copy of the decision shall be sent to the taxpayer and Chief Financial Officer.

- (H) The Tribal Court shall affirm the decision of the Chief Financial Officer upon review unless the appealing party demonstrates to the Court that the decision of the Chief Financial Officer:
- (1) Is contrary to Swinomish or Federal law; or
  - (2) Is arbitrary or capricious; or
  - (3) Is not supported by substantial evidence known to the Chief Financial Officer or submitted with the request for refund by the taxpayer; or
  - (4) Should be reconsidered by the Chief Financial Officer in light of additional evidence considered by the Court that was not known to the Chief Financial Officer and that may reasonably be expected to change the decision appealed.
- (I) If the Court determines that the aggrieved party has met the burden set forth in Subsection (H), then the Court shall reverse the decision appealed from and shall remand the matter to the Chief Financial Officer for further proceedings in accordance with the Court's ruling. The Tribal Court shall not have authority to grant any relief to the taxpayer other than an order reversing the decision appealed from and remanding the matter to the Chief Financial Officer for further proceedings. If the Court determines that the aggrieved party has not met the burden set forth in Subsection (H), then the Court shall issue an order affirming the decision appealed from.

[History] Ord. 342 (12/16/14).

### **17-11.330 Appeals from the Tribal Court**

- (A) Any appeal from a decision of the Tribal Court shall be filed and adjudicated in accordance with the Swinomish Rules of Appellate Procedure.
- (B) The review by the Swinomish Tribal Court of Appeals shall be limited to the evidentiary record made in the proceedings before the Tribal Court. The Court of Appeals shall not consider any issue, argument or evidence that was not raised or presented in the record of proceedings before the Tribal Court.
- (C) The Tribe may charge an appealing party the reasonable costs of preparing copies of the record for the Swinomish Tribal Court of Appeals and for the appealing party.
- (D) The Court of Appeals shall affirm the decision of the Tribal Court upon review unless the appealing party demonstrates to the Court that the decision of the Chief Financial Officer:
- (1) Is contrary to Swinomish or Federal law;
  - (2) Is arbitrary or capricious;

- (3) Is not supported by substantial evidence known to the Chief Financial Officer or submitted with the request for refund by the taxpayer; or
  - (4) Should be reconsidered by the Chief Financial Officer in light of additional evidence considered by the Court that was not known to the Chief Financial Officer and that may reasonably be expected to change the decision appealed.
- (E) If the Court determines that the aggrieved party has met the burden set forth in Subsection (D), then the Court shall reverse the decision appealed from and shall remand the matter to the Court for remand to the Chief Financial Officer for further proceedings in accordance with the Court’s ruling. The Court of Appeals shall not have authority to grant any relief other than an order reversing the decision appealed from and remanding the matter to the Chief Financial Officer for further proceedings.
- (F) The decision of the Court of Appeals shall be final, and is not subject to further review.

[History] Ord. 342 (12/16/14).

**17-11.340 Time and Finality**

- (A) The date of notice of any decision shall be the date on which the decision is mailed by the body making the decision to the last known address of the applicant. The date of notice shall be stated in the decision.
- (B) All time periods set forth in this Chapter shall be calculated in accordance with Rule 3-02.080(A), “Computation and Extension of Time”, of the Swinomish Rules of Civil Procedure.
- (C) If a decision of the Chief Financial Officer or Tribal Court is not appealed within the time period set forth in this Subchapter, then that decision is final and conclusive, and is not subject to further review.

[History] Ord. 342 (12/16/14).

**17-11.350 Sovereign Immunity**

The sovereign immunity of the Tribe is not in any way waived or limited by this Chapter, or by any action commenced pursuant to this Chapter, and nothing in this Chapter shall constitute or be construed as a waiver of the sovereign immunity of the Tribe. Such sovereign immunity shall extend to the Tribe, the Senate, the Department, the Chief Financial Officer, all tribal officials, employees, any specialized professional with whom the Tribe has contracted under this Chapter, as to all actions taken in, or concerning, the administration or enforcement of this Chapter, and as to all actions taken pursuant to any authority of any action, decision or order authorized by this Chapter.

[History] Ord. 342 (12/16/14).

*Subchapter IV – Repealer, Severability and Effective Date*

**17-11.360 Repealer.**

[Reserved]

**17-11.370 Severability.**

The invalidity of any section, clause, sentence, or provision of this Chapter shall not affect the validity of any part of this Chapter that can be given effect without such invalid part or parts.

[History] Ord. 342 (12/16/14).

**17-11.380 Effective Date.**

This Chapter is necessary for the preservation of the public health, safety and welfare, the ongoing support of Tribal government and local taxing districts and their existing functions and programs, and therefore shall take effect immediately.

[History] Ord. 342 (12/16/14).