

HOUSE CONCURRENT RESOLUTION NO. 1031

A CONCURRENT RESOLUTION, Urging Congress to provide federal funding in lieu of property taxes on Indian trust lands.

WHEREAS, Jackson County, South Dakota is in imminent danger of bankruptcy; and

WHEREAS, approximately 51.6% of the total population of Jackson County lives on property tax-exempt Indian trust lands; and

WHEREAS, approximately 56% of Jackson County's land area is nontaxable land with approximately 370,759 acres of this land being tribal trust land; and

WHEREAS, all Indian trust lands are held in trust for individual Native Americans by the federal government; and

WHEREAS, Indian people living on Indian trust land have no personal obligation to pay property taxes on these trust lands; and

WHEREAS, money derived from property taxes provides the majority of funds for county services to all residents of the county; and

WHEREAS, Indian people who live on trust property in Jackson County are residents and citizens of the county. They live there, work there, send their children to school there, hold public offices there, recreate there and are part of the local community; and

WHEREAS, Indian people who live on trust land consume county public services the same as other county citizens; and

WHEREAS, Jackson County is obligated to provide county service to all residents of the county including Indian people living on trust lands; and

WHEREAS, the federal government pays no compensation to Jackson County for public services rendered to Indian people; and

WHEREAS, a Supreme Court ruling in 1831, *Cherokee Nation versus Georgia*, determined that the federal government is responsible for all Indian peoples' wants and needs; and

WHEREAS, the population of Jackson County is 2,930, and approximately one-half of the county's population are Native Americans. Only 850 citizens of Jackson County are private land owners and pay local property taxes. The burden on these tax payers is disproportionate, inequitable,

and overwhelming; and

WHEREAS, the economy of Jackson County is agricultural, and there are limited jobs available for the number of people living there. It is proven that unemployment contributes to poverty, alcoholism, drug use, violence, and crime; and

WHEREAS, crime is increasing rapidly due to unemployment, alcoholism, and drug use. Three years ago Jackson County was averaging two prisoners daily. Currently, the average is three prisoners per day at \$50/day. Jail costs have increased from \$27,037 in 2012 to \$50,288 in 2013; and

WHEREAS, Jackson County paid \$43,358 in 2012 and \$45,567 in 2013 for court-appointed attorneys. The only attorney residing in Jackson County is the county states attorney/prosecutor.

WHEREAS, the current annual real estate property taxes for Jackson County are \$2.07 million with \$802,400 to the county, \$992,700 to the school districts, \$1,600 to the townships, \$270,000 to the towns, and \$7,100 to the water district; and

WHEREAS, the property tax loss due to trust lands in Jackson County is estimated at nearly \$1.07 million annually; and

WHEREAS, the federal government is effectively meeting its financial obligation on Indian reservations, but has abdicated its financial responsibility to counties with substantial Indian trust land within their county boundaries; and

WHEREAS, the county has opted-out of the state imposed property tax freeze for \$150,000 annually for the past five years. Five years prior to this the county had opted-out of the state imposed property tax freeze for \$100,000 annually for five years. The opt-out is a temporary stopgap measure with a renewed opt-out planned beginning in 2015. The new opt-out may be challenged, and may be defeated by a public referendum; and

WHEREAS, the 850 property owners in the county will be disproportionately and unfairly impacted by the proposed property tax increase; and

WHEREAS, if the opt-out is defeated, Jackson County will most be likely be bankrupt by 2015 or 2016:

NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Eighty-Ninth Legislature of the State of South Dakota, the Senate concurring therein, that the South Dakota Legislature urgently requests that the Congress of the United States live up to its obligation under the Supreme Court decision in *Cherokee Nation versus Georgia, 1831*, and provide adequate funding

for county services provided to Indian people living on trust lands in Jackson County and other South Dakota counties, if not in a direct payment of property taxes then in some form of impact aid to the county similar to impact aid for schools; and

BE IT FURTHER RESOLVED, that the South Dakota Legislature recognizes the fact that numerous other South Dakota counties are also impacted by trust land issues and face challenges similar to those facing Jackson County.

Adopted by the House of Representatives,  
Concurred in by the Senate,

February 26, 2014  
March 10, 2014

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Brian Gosch  
Speaker of the House

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Arlene Kvislen  
Chief Clerk of the House

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Matt Michels  
President of the Senate

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Jeannette Schipper  
Secretary of the Senate