



# State-Tribal Relations Committee

67th Montana Legislature

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PAD MCCRACKEN, Lead Staff  
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TO: State-Tribal Relations Committee  
FROM: Pad McCracken, Committee Staff  
RE: Decennial report on economic contributions and impacts of Indian reservations  
DATE: December 30, 2021

At your October 2021 meeting you requested information and time on your next agenda to look at the statutory requirement for a decennial report on the economic contributions and impacts of Indian reservations in Montana.

This statutory requirement was enacted through [HB 632](#) in 2019 which amended the duties of the Department of Commerce (Commerce) related to economic development under [90-1-105, MCA](#), to add the following:

*(7) starting in 2020, publish a decennial report, to be authored by the bureau of business and economic research at the University of Montana, on the economic contributions and impacts of Indian reservations in Montana based on federal, state, local, tribal, and private inputs. Copies of the report must be provided to the governor, each tribal government in Montana, the state-tribal economic development commission, and the state-tribal relations committee, and the report must be published on the department's website.*

The bill also included an appropriation of \$48,000 from the general fund to Commerce "for the contracting of services to develop and publish a decennial report on the economic contributions of Indian reservations to Montana pursuant to 90-1-105." The introduced version of the bill included an appropriation of \$170,000 and made no mention of the Bureau of Business and Economic Research at the University of Montana (BBER). Separate amendments in House Appropriations reduced the appropriation and required BBER to author the report.

Those testifying on HB 632 in the 2019 Session mentioned two previous reports that assessed the economic contributions of Indian reservations in Montana:

1. [Monetary Contributions of Reservations to the State of Montana](#), commonly referred to as "the YellowRobe Report" for author Eleanor YellowRobe, was commissioned by the State-Tribal Economic Development Commission (STED) and prepared by BBER in 2007. At your October 2021 meeting, Maria Valandra with Commerce stated that the YellowRobe report took three years and cost between \$250,000 and \$300,000 to complete. This report covered revenues and expenditures that occurred in Indian Country in FY 2003.

2. [Economic Contributions of Reservations to the State of Montana 2003-2009](#) covered revenues and expenditures that occurred in Indian Country in FY 2003 through FY 2009 and was published in draft form by Commerce in 2012 and finalized in 2016. During testimony on HB 632 in House Business and Labor, Mary Craigle with the department stated that the report cost \$494,000 and was funded through a congressional earmark.

From testimony at the various hearings, the intention of HB 632 seemed to be to update the most recent report and "fill a ten-year gap in data" regarding the economic contributions of Indian reservations in Montana. Ms. Craigle acknowledged a time lag in acquiring reliable financial data, suggesting that a 2020 report might provide data for 2009-2018, with a 2030 report covering 2019-2028. She also mentioned that the original appropriation of \$170,000 in HB 632 was Commerce's estimate to produce the report, a reduction from the cost of previous reports reflecting that much of the work in identifying data sources was completed. The quoted cost also included conducting and reporting a private business expenditure survey for reservation businesses.

At the bill's final hearing in Senate Business, Labor, and Economic Affairs, Jenny Pelej, Division Administrator of the Office of Tourism and Business Development at Commerce, fielded questions about the timeline for publishing the report in 2020 and the adequacy of the reduced appropriation. Ms. Pelej acknowledged that with less funding, the report might be "leaner" than previous efforts but that the department "would work within those bounds to achieve the intent of this policy."

At STRC's final meeting of the 2019-2020 interim in August 2020, the committee received an [update](#) from Tino Sonora, associate director of BBER. Mr. Sonora relayed that BBER was still struggling to gather financial data from the tribes; the committee later voted to send [letters](#) to each of the tribes requesting help and "swift action in this matter."

### Committee considerations

This committee may want to consider clarifying the language in 90-1-105(7) in consultation with both Commerce and BBER to ensure that the legislature's intent is clear and achievable.

In addition, the committee may want to consider how the requirement for the decennial study best complements the statutory requirement that STED "conduct or commission and oversee a comprehensive assessment of the economic development needs and priorities of each Indian reservation in the state" under [90-1-132\(2\)\(f\)](#).<sup>1</sup> This requirement is further described in [90-1-133](#), including the authority for STED to periodically update the assessment. Another section, [90-1-135](#), created state and federal special revenue accounts and contemplated STED would pay for the assessment and any updates with money from the accounts. The only current source of revenue into either account is the 0.5% slice of the "bed tax" that is transferred to the state special revenue account to be used by STED for the tribal tourism program.

I have attached a preliminary bill draft, PD 26, with these sections of statute to aid the committee's consideration.

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<sup>1</sup> The first sentence of the YellowRobe Report implies that the report was produced as a component of this "comprehensive assessment" raising the question of whether a new, separate decennial report requirement placed on Commerce is needed or if revising the existing requirement on STED to better meet the Legislature's intention would be clearer.

This provisional draft serves to compile sections of law related to economic assessments of Montana Indian reservations and is for discussion purposes only.

1 \*\*\*\* BILL NO. \*\*\*\*

2 INTRODUCED BY \*\*\*\*

3 BY REQUEST OF THE \*\*\*\*

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT \*\*\*; AMENDING SECTIONS 90-1-105, 90-1-132, 90-1-133, AND  
6 90-1-135, MCA."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9  
10 **Section 1.** Section 90-1-105, MCA, is amended to read:

11 **"90-1-105. Functions of department of commerce -- economic development.** The department of

12 commerce shall:

13 (1) provide coordinating services to aid state and local groups and Indian tribal governments in the  
14 promotion of new economic enterprises and conduct publicity and promotional activities within the state,  
15 nationally, and internationally in connection with new economic enterprises;

16 (2) collect and disseminate information regarding the advantages of developing agricultural,  
17 recreational, commercial, and industrial enterprises within this state;

18 (3) serve as an official state liaison between persons interested in locating new economic enterprises  
19 in Montana and state and local groups and Indian tribal governments seeking new enterprises;

20 (4) aid communities and Indian tribal governments interested in obtaining new business or expanding  
21 existing business;

22 (5) (a) study and promote means of expanding markets for Montana products within the state,  
23 nationally, and globally; and

24 (b) provide training and assistance for Montana small businesses and entrepreneurs to expand  
25 markets for made-in-Montana products;

26 (6) encourage and coordinate public and private agencies or bodies in publicizing the facilities and  
27 attractions of the state;

28 (7) starting in 2020, publish a decennial report, to be authored by the bureau of business and

1 economic research at the university of Montana, on the economic contributions and impacts of Indian  
2 reservations in Montana based on federal, state, local, tribal, and private inputs. Copies of the report must be  
3 provided to the governor, each tribal government in Montana, the state-tribal economic development  
4 commission, and the state-tribal relations committee in accordance with 5-11-210, and the report must be  
5 published on the department's website.

6 (8) explore the use of cooperative agreements, as provided in Title 18, chapter 11, part 1, for the  
7 promotion and enhancement of economic opportunities on the Indian reservations in Montana; and

8 (9) assist the state-tribal economic development commission established in 90-1-131 in:

9 (a) identifying federal government and private sector funding sources for economic development on  
10 Indian reservations in Montana; and

11 (b) fostering and providing assistance to prepare, develop, and implement cooperative agreements, in  
12 accordance with Title 18, chapter 11, part 1, with each of the tribal governments in Montana."

13

14 **Section 2.** Section 90-1-132, MCA, is amended to read:

15 **"90-1-132. Commission purposes -- duties and responsibilities.** (1) The general purposes of the  
16 state-tribal economic development commission include:

17 (a) assisting, promoting, encouraging, developing, and advancing economic prosperity and  
18 employment on Indian reservations in Montana by fostering the expansion of business, manufacturing, tourism,  
19 agriculture, and community development programs;

20 (b) cooperating and acting in conjunction with other organizations, public and private, to benefit tribal  
21 communities;

22 (c) recruiting business enterprises to locate on or invest in enterprises on the reservations; and

23 (d) identifying, obtaining, and coordinating federal, state, and private sector gifts, grants, loans, and  
24 donations to further economic development on the Indian reservations in Montana.

25 (2) The state-tribal economic development commission shall:

26 (a) in conjunction with the tourism advisory council provided for in 2-15-1816, oversee use of  
27 proceeds to expand tourism activities and visitation in the Indian tourism region;

28 (b) determine, with assistance from the tribal business center coordinator and the federal grants

1 coordinator in the office of the state director of Indian affairs, the availability of federal, state, and private sector  
2 gifts, grants, loans, and donations to tribal governments, Indian business enterprises, and communities located  
3 on Indian reservations in Montana;

4 (c) apply for grants listed in the Catalog of Federal Domestic Assistance for which the commission is  
5 eligible and which would, if awarded, supply identifiable economic benefits to any or all of the Indian  
6 reservations in Montana;

7 (d) in cooperation with a tribal government, and when allowed by federal law and regulation, assist  
8 the tribe in applying for grants listed in the Catalog of Federal Domestic Assistance for which an appropriate  
9 tribal entity is eligible and which would, if awarded, supply identifiable economic benefits to any or all of the  
10 Indian reservations in Montana;

11 (e) evaluate the apportionment of current spending of federal funds by state agencies in areas  
12 including but not limited to economic development, housing, community infrastructure, business finance,  
13 tourism promotion, transportation, and agriculture;

14 (f) conduct or commission and oversee a comprehensive assessment of the economic development  
15 needs and priorities of each Indian reservation in the state, as described in 90-1-133;

16 (g) notify tribal governments, the governor, the state director of Indian affairs, and the directors of the  
17 departments of commerce, agriculture, and transportation, of the availability of specific federal, state, or private  
18 sector funding programs or opportunities that would directly benefit Indian communities in Montana;

19 (h) assist tribal governments and other tribal entities that are eligible for federal assistance programs  
20 as provided in the most recent published edition in the Catalog of Federal Domestic Assistance in applying for  
21 funds that would contribute to the respective tribes' economic development;

22 (i) work cooperatively with tribal government officials, the state director of Indian affairs, and other  
23 appropriate state officials to help foster state-tribal cooperative agreements pursuant to Title 18, chapter 11,  
24 part 1, that will:

25 (i) enhance economic development on the Indian reservations in Montana; and

26 (ii) help the department of commerce to fully implement and comply with the provisions of 90-1-105;

27 and

28 (j) provide to the governor, the legislative council, the state-tribal relations committee, the legislative

1 auditor, and to each of the presiding officers of the tribal governments in Montana a biennial report in  
2 accordance with 5-11-210 that summarizes the activities of the commission."

3

4 **Section 3.** Section 90-1-133, MCA, is amended to read:

5 **"90-1-133. Comprehensive assessment on reservations.** (1) The state-tribal economic  
6 development commission shall conduct an accurate, comprehensive, detailed, and objective assessment of  
7 economic conditions on each of the Indian reservations in the state. In addition to an initial assessment, the  
8 commission may also require periodic updates of the data and analysis contained in the assessment, mainly for  
9 the purpose of monitoring progress toward goals and objectives set forth by the commission.

10 (2) The commission, the state director of Indian affairs, or the governor may issue a request for  
11 proposals and, on the basis of a competitive bidding process, select a qualified researcher or research team  
12 from the private sector or a college or university to conduct the assessment and report findings and conclusions  
13 to the commission.

14 (3) If the commission has adequate financial resources, the commission may, at its discretion,  
15 conduct or commission subsequent followup studies or assessments to obtain updated information.

16 (4) An assessment of economic conditions on the Indian reservations in Montana must include the  
17 consideration of multiple dimensions of economic development, including reservation demographics, economic  
18 development strengths and weaknesses, salient factors relating to economic development, natural resources,  
19 conditions in the natural environment, human resources, financial resources, business assistance programs,  
20 job training programs, education curriculum, the availability of technical training and assistance, and relevant  
21 tribal, state, and federal policies."

22

23 **Section 4.** Section 90-1-135, MCA, is amended to read:

24 **"90-1-135. Special revenue accounts.** (1) There is a state special revenue account in the state  
25 treasury for the receipt of state and private funds and a federal special revenue account in the state treasury for  
26 the receipt of federal funds for expenditure by the state-tribal economic development commission established in  
27 90-1-131.

28 (2) Money in the state special revenue account from proceeds distributed under 15-65-121(2)(g) is to

1 be used for activities for the Indian tourism region, defined in 15-65-101.

2 (3) Except as provided in subsection (2), money in the accounts established in subsection (1) must be  
3 used to pay:

4 (a) the commission's administrative costs;

5 (b) the salary, benefits, and administrative expenses of the tribal business center coordinator and the  
6 federal grants coordinator; and

7 (c) the costs of conducting or commissioning and periodically updating or otherwise modifying a  
8 comprehensive assessment of economic development needs and priorities on each of the Indian reservations  
9 in the state.

10 (4) Money in the accounts that is not expended for the purposes identified in subsection (2) or (3) may  
11 be used for other purposes that the commission considers prudent or necessary.

12 (5) Interest and income earned on the money in the accounts must be deposited in the accounts for  
13 the commission's use."

14 - END -