

December 10, 2004

TO: Tom Ourada

FROM Lili Best Crane

RE: WLC: 0069/1– Property Tax Exemption for Real Property Owned by An American Indian Tribe or Band and Used Exclusively for Governmental Purposes. (Definition of Pecuniary Profit).

Here are some suggestions for defining “pecuniary profit” for the WLC:0069/1, the State-Tribal Relations Property Tax Exemption Proposal.

First, the dictionary definition of pecuniary profit is very broad. The American Heritage Dictionary defines “pecuniary” as “1. Of or related to money 2. Requiring payment of money”. “Profit” is defined as “1. An advantageous gain or return; benefit. 2. The return on a business undertaking after all operating expenses have been met. 3a. The return on an investment after all charges have been; paid. b. The rate of increase in the net worth of a business enterprise in a given account period.

Left undefined, then, the common definition of “pecuniary profit” is a monetary gain or return, after all operating expenses has been met. Thus the draft language would mean that the property that is held in fee would be exempt from property taxes if it was used exclusively for governmental purposes and not for monetary gain, after all operating expenses have been met.

My suggested limitations would be:

Used exclusively for governmental purposes and not for pecuniary profit means that the enterprises that are commonly considered to be run for non-governmental purposes, when not owned by an Indian Tribe, and for a return on a business undertaking would not be exempt from property taxes under this bill. For example business that would not be eligible for the exemption would be, but is not limited to: Convenience stores, gas stations, day-care centers, retail stores, entertainment facilities, building trades, financial institutions, medical facilities, manufacturing facilities, restaurants, . . .

Cc: Michael Morgan
Jason Helgerson