

Committee: Executive & Finance
Date: 6-18-04 Committee Date: 7-01-04

Author: Callie Catcher
Sponsor: _____

*Amended See
LA# 04-05*

An Act

Legislative Act 28-04

AN ACT AMENDING LEGISLATIVE ACT 5-02, THE FISCAL POLICY AND RESPONSIBILITY ACT; AUTHORIZING A LINE OF CREDIT; AND, DECLARING AN EMERGENCY

BE IT ENACTED BY THE CHEROKEE NATION:

Section 1. Title and Codification

This act shall be known as the “**Fiscal Policy and Responsibility Act Amendments of 2004**,” and codified as _____ (Title) _____ (Section) _____ of the Cherokee Nation Code Annotated.

Section 2. Purpose

The purpose of this Act is to amend the Fiscal Policy and Responsibility Act of 2002 to authorize a line of credit to be utilized in satisfying the permanent Cash Reserve required by the Act, and to permanently provide for operating cash needs of the Nation.

The total annual authorized budget and expenditures of the Nation have grown to such an extent to make it no longer practical or prudent for the Nation to rely only upon cash balances to satisfy the requirements of both the Cash Reserve required by the Act, as well as to provide for day-to-day cash flow needs for operations. A line of credit, authorized by this Act, will provide alternative and supplemental means of addressing cash flow and Cash Reserve requirements of governmental operations.

Section 3. Legislative History

- A. The Constitution and laws of the Cherokee Nation, including Title 62 of the Cherokee Nation Code Annotated (CNCA) provide the requirements for appropriations, review and authorization for the use of all funds.
- B. Section 7 of Article X of the Cherokee Constitution, and 62 CNCA § 61 contain the specific requirements for pledges of credit of the Cherokee Nation.
- C. Legislative Act 5-02, dated January 29, 2002, the “Fiscal Policy and Responsibility Act of 2002” provides in part for a permanent Cash Reserve to be maintained at 1.75% of total authorized appropriations in the annual comprehensive budget each year.
- D. All other applicable resolutions, statutes and Court decisions are hereby acknowledged.

Section 4. Amendments

Legislative Act 5-02 is hereby amended to add the following new provisions:

Section 2.1 Definitions

For purposes of this Act:

Line of Credit means a margin or fixed limit of credit intended to cover a series of transactions, in which case it is expected that the debtor will reduce his/her indebtedness by payments before drawing upon it further.

Section 6.1. Line of Credit Authorized

- A. A line of credit to provide cash requirements for the Cash Reserve and/or cash flow for operations is hereby authorized, not to exceed \$5,000,000 at any given time.
- B. Bank of America is the financial institution authorized from which to obtain such line of credit.
- C. The Principal Chief or his/her designee is authorized to negotiate and execute the line of credit, including the interest rate applicable to same.
- D. Any interest expense incurred under this line of credit must be provided for by appropriations in the annual Comprehensive Budget of the Nation.
- E. No additional budget authority is conferred or authorized by this Act. The use of the line of credit is limited to expenditures authorized by the annual Comprehensive Budget.
- F. No waiver of sovereign immunity is granted associated with the authorized line of credit.
- G. The authorized term of the line of credit will not expire until and unless amended or rescinded by Legislative Act; or, unless limited in the debt agreement executed by the Principal Chief or his/her designee.
- H. In accordance with 62 CNCA § 72 the Controller is required to report in the monthly financial report to the Council of the Cherokee Nation the status of the line of credit authorized herein.

Section 5. Provisions as cumulative

The provisions of this act shall be cumulative to existing law.

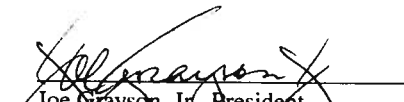
Section 6. Severability

The provisions of this act are severable and if any part of provision hereof shall be held void the decision of the court so holding shall not affect or impair any of the remaining parts or provisions of this act.


Section 7. Emergency declared

It being immediately necessary for the welfare of the Cherokee Nation, the Council hereby declares that an emergency exists, by reason whereof this act shall take effect and be in full force after its passage and approval.

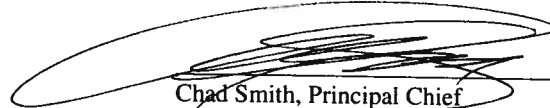
Enacted by the Council of the Cherokee Nation on the 12th day of July, 2004.


Joe Grayson, Jr., President
Cherokee Nation Tribal Council

ATTEST:



Bill John Baker, Secretary
Cherokee Nation Tribal Council

Approved and signed by the Principal Chief this 16th day of JULY, 2004.



Chad Smith, Principal Chief
Cherokee Nation

ATTEST:



Callie Catcher, Secretary/Treasurer
Cherokee Nation

YEAS AND NAYS AS RECORDED:

Audra Smoke-Conner	<u>Yea</u>	Melvina Shotpouch	<u>Yea</u>
Bill John Baker	<u>Yea</u>	Meredith A. Frailey	<u>Yea</u>
Joe Crittenden	<u>Yea</u>	John F. Keener	<u>Yea</u>
Jackie Bob Martin	<u>Yea</u>	Cara Cowan	<u>Yea</u>
Phyllis Yargee	<u>Yea</u>	Buel Anglen	<u>Yea</u>
David W. Thornton, Sr.	<u>Absent</u>	William G. Johnson	<u>Yea</u>
Don Garvin	<u>Yea</u>	Charles "Chuck" Hoskin	<u>Yea</u>
Linda Hughes-O'Leary	<u>Yea</u>		

**Cherokee Nation
Act /Resolution Proposal Form**

Act Resolution

TITLE: "Fiscal Policy and Responsibility Act Amendment of 2004"

DEPARTMENT CONTACT: Callie Catcher

Resolution Presenter: Callie Catcher

SPONSOR: _____

NARRATIVE:
(See Attached Outline for Information Needed)

This amendment is to authorize a line of credit to be utilized in satisfying the permanent Cash Reserve and to permanently provide for operating cash needs of the Nation required by the Fiscal Policy and Responsibility Act of 2002.

Administrative Clearance

Program/Project Manager

Signature/Initial Date

Department Director:

Signature/Initial Date

Executive Director:

Signature/Initial Date

Controller: *(initials)*
Callie Catcher 6/18/04
Signature/Initial Date

Government Resources Dept:
M. Kuyper 6/18/04
Signature/Initial Date

Administration Approval:
M. Kuyper 6/18/04
Signature/Initial Date

for Chad Smith

Legislative Clearance

Legislative Aide:
js 6-18-04
Signature/Initial Date

Standing Committee:
E+7

16-1-04
Next Meeting Date

Chairperson:
G. Leary
Signature/Initial Date

Returned to Presenter: _____
Date

13-04P04-42 R.C.V.D