



## Legislation Text

**File #:** LA-37-05, **Version:** 1

Committee: Rules

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Sponsor: Frailey/Cowan/Anglen

An Act

Legislative Act 37-05

AN ACT RELATING TO  
CREATION OF JOBS GROWTH  
BE IT ENACTED BY THE CHEROKEE NATION:

Section 1. Title and Codification

This act shall be known as the "Jobs Growth Act of 2005" and codified as  
(Title) (Section) of the Cherokee Nation Code Annotated (CNCA).

Section 2. Purpose

This Act is to implement a more effective business structure and efficient process for:

- A. Maintaining and improving supervision and control over the Nation's business operations;
- B. Improving accountability and consolidated financial reporting to the Nation by the entities conducting business operations;
- C. Streamlining the business infrastructure and decision-making processes;
- D. Preserving and enhancing profits and cash flow available for redistribution and investment according to the Nation's priorities;
- E. Providing strategic planning, support for direction setting and coordination of business activities between the Nation and the businesses it owns, as well as among the business entities themselves;
- F. Serving as the primary point for guiding overall implementation of economic development and business development strategy for the Nation;
- G. Enhancing leveraging of resources and debt, and providing a disciplined process for funding expansion and diversification of the Nation's business interests;
- H. Providing a more transparent view of allocation of resources for business development;
  - I. Increasing accountability to the Cherokee Nation, the shareholder of the business entities.

This Act constitutes a thoughtful, deliberate investment for the future of Cherokee Citizens by providing for sustainable jobs, and making future business investment in a comprehensive manner to economic development, health, community services, education, language and culture and infrastructure. In so doing, the Nation advances its long-term vision of responsible economic development, self-sufficiency for the government and its citizens, and a strong, tribal government.

Section 3. Legislative History

Legislative Act 32-04, the Cherokee Nation Limited Liability Company Act, and Legislative Act 96-16, as amended, the Cherokee Nation General Corporation Act, provide the overall authority for the creation of business entities under Nation law.

Section 4. Definitions

For the purposes of this Act:

"Parent Company" means a company that owns a majority of the shares in another company or companies.

"Subsidiary" means a company owned by another company. If a subsidiary is wholly owned, all its stock is held by the parent company.

Section 5. Substantive provisions

A. Jobs Growth.

- a. Assignment of Ownership. The Principal Chief, or designee, shall be authorized to execute the necessary documents to transfer ownership of Cherokee Nation Enterprises, Inc. (CNE), Cherokee Nation Industries, Inc. (CNI), Cherokee Nation Distributors (CND), and any subsidiaries of the listed entities to Cherokee Nation Businesses, Inc. (CNB), a corporation wholly owned by Cherokee Nation, as the parent company of the listed entities.
- b. Parent Company Ownership. The Nation shall be the sole owner of said parent company for all purposes, including all assets and goodwill, and no interest in CNB shall be held at any time by any other party.
- c. CNB Purpose. The purpose of CNB shall be to:
  - i. engage in all lawful activities, and to facilitate and promote the Nation's economic development through strategic planning, self-sufficiency, and a strong tribal government;
  - ii. preserve and enhance profits and cash flow available for redistribution and investment, consistent with the policy direction of the Cherokee Nation;
  - iii. establish procedures to evaluate and approve allocation of capital to new business ventures and opportunities, and expansion of existing businesses;
  - iv. provide the necessary debt, subject to Council approval, or equity capital to pursue such business ventures and opportunities, and meet the long term capital requirements of new, as well as existing, businesses.

d. CNB Board of Directors. The CNB Board of Directors shall be comprised of no more than eleven (11) members, which shall consist of two (2) or more members each from the Boards of Directors of CNE and CNI.

e. Capital Investments. The CNB Board of Directors shall establish appropriate policies for capital maintenance and investments based upon individual subsidiary business needs. Provided, that Cherokee Nation Enterprises shall retain minimum capital for expansions from Net Income in the amounts equal to 40% of Net Income for fiscal years 2006 through 2008.

f. Business Operations. All business operations shall be conducted directly by each subsidiary in its own name.

g. Advisory Board Members. Legislative Act 35-02 establishing Advisory Board Members for each business entity in which the Nation is a majority shareholder is referenced and hereby reaffirmed. Advisory Board members provide oversight of the Council for ongoing advice and notice of business activities.

h. Dividends not Affected. Dividends required or otherwise authorized by LA-96- 16 as amended remain unchanged by this Act. Authority. CNB shall have all powers of corporations as provided by LA 16-96 as amended.

B. Acquisitions.

a. Real Estate Acquisitions. CNB shall be subject to Legislative Act 4-04, as amended, which requires that all real estate acquisitions by corporations in which the Nation is a majority shareholder, greater than \$6 million in the aggregate annually be approved by the Council of the Cherokee Nation.

b. Notice to Council. Notice for business acquisitions shall be provided to the Council of the Cherokee Nation, prior to notification to the public or to members of the press. Such notification will include, but not be limited to, notice in writing or presentation to special and regular committee meetings.

Section 6. Provisions as cumulative

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

Section 7. 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 8. Effective Date

hi accordance with 25 CNCA ♦ 23, this Act shall be effective thirty (30) days after approval by the Council if approved and signed by the Principal Chief or after approval pursuant to Article V Section 11 of the Constitution.

Section 9. Self-Help Contributions

To the extent that this Act involves programs or services to citizens of the Nation or others, self-help contributions shall be required, unless specifically prohibited by the funding agency, or a waiver is granted due to physical or mental incapacity of the participant to contribute.

Enacted by the Council of the Cherokee Nation on the 14th day of November, 2005.

Joe Grayson, Jr. President Council of the Cherokee Nation

ATTEST: Don Garvin, Secretary Council of the Cherokee Nation

Approved and signed by the Principal Chief this 17th day of November, 2005

Chad Smith, Principal Chief Cherokee Nation

ATTEST: Callie Catcher, Secretary/Treasurer Cherokee Nation

YEAS AND NAYS AS RECORDED:

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