



December 27, 2023

Distinguished members of the Tribal Taxation Working Group,

On behalf of the Mashantucket Pequot Tribal Council, I am writing to express our sincere appreciation for your efforts to explore the harms and injustice of dual taxation in Indian Country.

Your willingness to review how Connecticut allows municipalities to assess personal property tax on non-Indian vendors operating on tribal trust lands, outside of our government-to-government agreements, and how it infringes on tribal sovereignty and undermines our collective economic growth objectives is a conversation long overdue and one we very much appreciate.

We are particularly grateful, not only for the meaningful opportunity to provide the Pequot perspective, but also for the knowledge gained by all as to the viewpoints of other stakeholders at the table. While adoption of consensus recommendations proved elusive, we are confident that our collective engagement has laid the necessary foundation for a common ground, fair, and appropriate near-term policy change.

We remain convinced that a tax exemption in state law for non-Indian owned personal property located on tribal trust lands is the most equitable and efficient way to address the dual taxation issue. Pequot's proposed exemption offers a simple and narrowly targeted solution that provides much needed clarity in this area of law.

Importantly, notwithstanding any agreement entered into by a tribal nation and a neighboring government, the proposed exemption equally respects the tribal sovereignty of each nation and acknowledges their lawful authority over trust lands – a principle identified as high priority by Working Group members.

The proposal acknowledges the need that tribal nations have to raise the revenue necessary to support their own governmental functions on trust lands and to further reinvest in upgrades to local infrastructure, no different than how the State of Connecticut or its municipalities must budget accordingly for their own constituent services. When you consider that the tribal governments are providing the full range of government services to their citizens, tenants and vendors, and visitors located on tribal land, as experienced first-hand by Working Group members who toured Mashantucket this past fall, the policy is particularly well justified.

The strong government-to-government partnership between the tribes and the state over the last three decades has yielded Connecticut well over \$8 billion in direct revenue and provided the region with formidable economic engines that support thousands of local jobs. Surrounding municipalities have received tens of millions of dollars in grant funds as a result of the state revenue sharing agreements with additional special allocations going to the towns that are adjacent to tribal lands.

As shown in the Working Group, removing the threat of dual taxation on tribal lands spurs on new economic development and job creation that will benefit the region at-large for years to come. Unlike corporations that come and go, this land has been our home and will remain so. We have a deep commitment to our homelands that runs far beyond business interests. Trust lands are crucial to honoring our past, fostering our present, and guaranteeing our future.

Leaving the tribal nations, our neighboring municipalities, and taxpayers to wrestle with a vague and unpredictable balancing test with a continued looming threat of litigation in order to clarify the taxing authority on trust lands is not a viable or responsible solution – nor is it in the best economic interest of the state. As we outlined in our presentations to the Working Group, many states have successfully addressed the glaring inequity of dual taxation by instituting exemptions, providing for tax compacts, and/or implementing other parity measures mutually agreed upon by those states and the area tribal nations.

Our great State of Connecticut has a long and storied history of pioneering justice and equality. Where the courts have gotten it wrong in the past or where Congress isn't yet willing to act, the Connecticut General Assembly has time and again taken it upon itself to do what is right. This situation is no different, it is an opportunity to seize yet another pivotal moment in time.

Changing the status quo is never easy. It takes conviction, patience, and perseverance — attributes, we are proud to say, the Pequot Tribe personifies in abundance as evidenced by our very existence today after surviving attempted genocide in 1637 and the centuries following.

The Mashantucket Pequot Tribal Nation remains committed to working with all parties to pursue equitable and sensible solutions to resolve the issues around dual taxation. Resolution of the matter remains at the very top of our list of policy priorities. Politics aside, the information compiled through the Working Group's deliberations clearly and concisely articulate the issue for purposes of posterity so that future generations may reflect upon and deduce whether the actions taken, or not taken as the case may be, stand the test of time.

We look forward to working closely with each of you in the 2024 legislative session to ensure that Connecticut enacts a fair tax policy that promotes economic development on tribal lands to benefit the tribal nations, our neighboring municipalities, and the State of Connecticut.

Best wishes to you and your families this holiday season and for a happy and healthy New Year.

Kutaputush qah wuyamu,



Chairman Rodney Butler