

## TITLE 7 CORPORATIONS

### CHAPTER 7-1 GOVERNMENTAL CORPORATIONS AND LIMITED LIABILITY COMPANIES

7-1-1 **Corporations and Limited Liability Companies Authorized** This Act shall be known as the Tribal Governmental Corporations and Limited Liability Companies Act. There are hereby authorized to be created by duly adopted resolutions of the Colville Business Council (Council) of the Confederated Tribes of the Colville Reservation (“Tribes”), corporations and limited liability companies which will be agencies and instrumentalities of the Colville Tribal Government. The corporations organized and created under this Chapter shall be subject to Tribal law, this Chapter and, to the extent consistent with this Chapter including Chapter 7-3 and other tribal law, the Chapters 2, 3, 4, 5, 6, 7, 8, 12, 13, 14, and 16 of the 2002 Revised Model Business Corporation Act as adopted by the Committee on Corporate Laws Of the American Bar Association (and any subsequent versions of the Revised Model Business Corporation Act shall also be incorporated herein by this reference). The limited liability companies organized and created under this Chapter shall be subject to Tribal law, this Chapter including Chapter 7-4, and, to the extent consistent with this Chapter and other tribal law Chapter 25.15 of the Revised code of Washington The right to repeal, alter, or amend this Chapter at any time is expressly reserved.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

7-1-2 **Purpose, Constitutional Authority**

(a) Indian tribes have been consistently recognized throughout the history of the United States of America as retaining governmental powers, where consistent with the trusteeship of the United States, all powers necessary to commercially utilize their undivided resources for the economic benefit of the Tribes and organized corporations, and more recently, limited liability companies, to do so. This Chapter is intended to exercise and implement tribal corporate and limited liability company, economic, and commercial powers, which are hereby declared by the Tribes to be of the same nature as all other tribal powers, pursuant to the provisions of the Constitution of the Tribes.

(b) The Constitution of the Tribes, in its Preamble, in Article I, and in Article V, provides for the exercise of corporate, economic and commercial powers by the Tribes and their Council to further the economic advancement of the Colville Indian people.

(c) The Tribes and its members have endured a century of economic deprivation and oppression. This fact has been recognized by the Congress of the United States through numerous Acts intended to assist in the development of Indian resources. There is now a need and an opportunity to develop Colville natural resources and human resources to provide a standard of living and education to all tribal members equal to that of all citizens of the United States. The Tribes adopt this Chapter in order to meet the following independent goals;

- (1) carry out a constitutional mandate;
- (2) develop and manufacture tribal natural resources to obtain the highest value possible for those resources;
- (3) raise the standard of living and education for all Tribal members; and
- (4) enter into and take advantage of other business and commercial opportunities available to the Tribes.

(d) To accomplish the goals set out in (c) above, this Chapter is designed to further the development of all the Tribal resources including, but not limited to:

- (1) the Tribal labor force on or near the Colville Indian Reservation;
- (2) timber;
- (3) mineral, oil and gas;
- (4) waters;
- (5) lands;
- (6) fish and wildlife;
- (7) agricultural products and livestock;
- (8) hydroelectric and other electric power.

(e) To accomplish the goals set out in (c) and (d), above, the Council hereby finds that for purposes of efficiency and wise stewardship, it is necessary for the management of the economic development of Tribal resources to be separated from other governmental functions of the Tribes and placed within the responsibility of persons or entities different from the Council, so that commercial development may take place within, and be based upon, the sphere of the economic marketplace rather than within the sphere of Tribal political concerns.

(f) The Tribes for many years have operated governmental programs to protect the economic and social welfare of Tribal members and to protect the health and security of all persons on and near the Reservation. To support these programs, the Tribes have depended upon revenues from the sale and utilization of tribal natural resources. It is intended that the corporations and limited liability companies created under this Chapter will increase the revenues to the Tribes from the sale and utilization of tribal natural resources by adding value to those resources through manufacturing, processing, exporting and other means. Such surplus and additional revenues may be used to fund governmental programs for the protection and security of Tribal members and residents of the Reservation.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Amended 2/24/12, Certified 3/8/12, Resolution 2012-79)  
(Approved 5/27/09, Resolution 2009-386)

7-1-3 **Privileges and Immunities** The corporations and limited liability companies established under this Chapter shall be considered to be governmental agencies and instrumentalities of the Tribes; and their officers, directors, managers, members, and employees shall be considered officers and employees of the Tribes, notwithstanding the fact that their work rules and conditions may differ from that of other tribal employees;. Such corporations, limited liability companies, and their officers directors, managers, members, and employees shall, therefore, be entitled to all of the privileges and immunities enjoyed by the Tribes; including but not limited to, immunities from suit in federal and state courts, and federal and state taxation, or regulation, except as specifically set out in the Articles of Incorporation, or Certificate of Formation

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

7-1-4 **Tribal Taxation** All activities of business entities created under this Chapter shall be subject to taxation by the Tribes.

(Approved 5/27/09, Resolution 2009-386)

7-1-5 **Subsidiary Corporations and Limited Liability Companies**

A corporation or limited liability company created pursuant to this Chapter may form a subsidiary corporation or limited liability company. Any subsidiary corporation or limited liability company formed under this chapter shall be solely organized and owned by (a) the Tribes, (b) any federally chartered corporation wholly owned by the Tribes, or (c), any governmental corporation or governmental limited liability company, as the case may be. A subsidiary corporation or limited liability company and its respective officers, directors, managers, members and employees shall have all the same purposes, powers, privileges and immunities, as any other governmental corporation or limited liability company established pursuant to this chapter. Any subsidiary created under this Section 7-1-5 shall be prohibited from establishing additional subsidiaries.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

7-1-6 **Ownership and Control**

Every business entity, including any subsidiary corporations or limited liability companies, created pursuant to this Chapter shall be solely owned by the Tribes, a federally chartered corporation wholly owned by the Tribes, or a corporation, or a limited liability company formed under this Chapter. Any entity, including any subsidiary entity, formed under this chapter subsequent to the enactment of this section shall be validly formed only upon approval of the Colville Business Council through formal resolution. The Colville Business Council shall have the authority to dissolve any entity including any subsidiary entity formed under this Chapter by duly enacted Resolution. The Colville Business Council shall have the authority to remove any manager, member officer, or director of any entity, including any subsidiary entity formed under this Chapter. No entity including any subsidiary entity formed under this Chapter shall assert the Tribes' sovereign immunity in any court or any administrative body of any jurisdiction, or allow the Tribes' sovereign immunity to be asserted by any third party, without consent of the Office of Reservation Attorney, or such other authorized official as may be appointed by the Colville Business Council.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

7-1-7 **Voting Stock-Alienation**

No voting stock or equity interest in any corporation or limited liability company created pursuant to this Chapter may be alienated.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

7-1-8 **Organization**

The Council shall by resolution appoint the directors, members, or managers of all corporations and limited liability companies created pursuant to this Chapter. The appointment of subsequent directors or managers and the election or appointment of corporate or company officers shall be governed by the articles of incorporation or the certificate of formation. Provided, that this shall not require Council appointment of the equivalent management authority of a subsidiary business entity created pursuant to Section 7-1-5. The election or appointment of corporate officers and the election of subsequent directors shall be governed by the provisions of the charter or certificate of formation of the corporation or limited liability company.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

7-1-9 **Powers, Duration**

The powers of corporations and limited liability companies created pursuant to this chapter shall be set out in the charter, bylaws, or operating agreements of the corporations or limited liability companies, as the case may be. The duration of corporations or limited liability companies created under this Chapter shall be perpetual unless a different duration is stated in the charter.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)

**7-1-10 Lands**

Real property acquired by a corporation or limited liability company created pursuant to this Chapter may be transferred; where permitted by the federal law governing the ability of the Tribes to make such a transfer, to the ownership of the United States in trust for the Tribes and shall thereafter be, by appropriate, lawful transfer placed into the control of the corporation or limited liability company, as applicable, by the Tribes.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

**7-1-11 Tribal Courts – Jurisdiction, Enforcement of Chapter**

Notwithstanding the immunity from suit conveyed upon corporations and limited liability companies created pursuant to this Chapter, the provisions of this Chapter, the Model Corporations Act, Chapter 25.15 of the Revised Code of Washington, tribal regulatory acts, or tribal enactments pursuant to this Chapter, may be enforced against any such corporation or limited liability company, its directors or officers (or comparable limited liability company managers and members) by an action in law or equity in the Tribal Courts of the Tribes, when brought by the Tribe, or a director or manager of the parent corporation, or parent limited liability company, as applicable .

Nothing contained in this Act shall be construed as creating any liability or waiving the sovereign immunity of the Confederated Tribes of the Colville Reservation in any manner;

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

**7-1-12 Agent**

All corporations and limited liability companies created under this Chapter shall publicly designate and maintain a registered agent for service of documents at Nespelem, Colville Indian Reservation.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

**7-1-13 Assets**

The assets of each and every corporation, limited liability company, and subsidiary business entity created under this Chapter shall be separate and distinct from those of the Tribes. In no case shall tribal assets not specifically pledged in a manner permitted by law be considered assets of a corporation or limited liability company created under this Chapter for any purpose.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

**7-1-14 Audit**

The Council, by duly adopted resolution, may require that any corporation or limited liability company created under this Chapter be audited by an independent auditor hired by the Council at any time, and shall have the absolute right to require access to all documents necessary for such an audit.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

**7-1-15 Annual Meeting, Annual Report**

The board of directors and management of each corporation and limited liability company created pursuant to this Chapter shall hold at least one open, meeting per year, on ten days public notice, within the boundaries of the Colville Indian Reservation, at which the board, members, or management group of such corporation or limited liability company, as applicable, shall answer any questions asked of them by members of the Council. Each board shall also file a full report of the financial and production activities of the corporation or limited liability company with the Council on an annual basis, or more frequently upon request of the Chairman or the Council.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

**7-1-16 Contracts with Officers**

Notwithstanding any other provision of this Chapter or articles of incorporation or certificates of formation , all directors, managers, or officers of any governmental corporation or limited liability company formed under this Chapter, and any firm in which said directors, managers or officers hold office, or are shareholders, members, or owners, shall be disqualified from dealing or contracting with tribal governmental corporations or limited liability companies formed under this Chapter, as either a vendor, purchaser, or otherwise; and such contracts or transactions shall be void, unless such contract or transaction has been fully disclosed to, and approved by, the Colville Business Council; provided, this section shall not apply to the employment contracts of persons employed in full time, management positions, by a governmental corporation or limited liability company.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

**7-1-17 Bonding**

Notwithstanding any other provision of this Chapter, or charters or certificates of formation (and supplementing bylaws and operating agreements) ; all directors, members, managers, officers, contractors, and employees of any governmental corporation or limited liability company formed under this Chapter who are: 1) authorized, either individually or in conjunction with others, to expend funds on behalf of the governmental corporation or limited liability company formed under this chapter, or 2) responsible for accounting for the funds of a governmental corporation or limited liability company formed under this chapter; shall at all times be bonded or insured by the governmental corporation or limited liability company to protect the assets of the corporation or limited liability company in an amount consistent with the financial responsibilities of the director, member, manager, officer , contractor or employee. Such bonds or policies of insurance shall be obtained at the expense of the governmental corporation, limited liability company, or the contractor, and must be approved by the Colville Business Council before the director, manager, member, officer, contractor or employee is permitted to expend or account for funds.

No director, manager, officer, contractor, or employee of a governmental corporation or limited liability company shall have authority under this Chapter, or a charter granted under this Chapter, to expend or account for corporate or company funds unless bonded or insured in compliance with this section. Any signature of a director, manager, officer, member, manager, contractor or employee purporting to authorize expenditure of the funds of a Tribal governmental corporation or limited liability company shall be void if at the time the signature is given the director, officer, member, manager, contractor or employee is not bonded or insured as required by this section.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

**7-1-18 to 7-1-20 ( Reserved)**

(Amended 2/24/12, Certified 3/8/12, Resolution 2012-79)

**7-1-21 Severance Compensation**

No corporation or limited liability company formed under this Chapter shall pay any type of severance from unemployment compensation to any person.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Amended 2/24/12, Certified 3/8/12, Resolution 2012-79)

**7-1-22 Record of Proceedings**

All corporations and limited liability companies chartered under this Chapter shall record the complete proceedings of every board of directors, members, or managers meeting and the verbatim, unapproved records of those proceedings shall be filed with the Secretary of the Colville Business Council within twenty (20) days after the date of the board meeting; provided, that this section shall not require the publication to the Council of recording of board executive sessions in which personnel, business strategy, or legal strategy is discussed.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Amended 2/24/12, Certified 3/8/12, Resolution 2012-79)

7-1-23 **Board Meetings**

All regular board, members, or manager meetings of corporations or limited liability companies chartered under this Chapter shall be conducted within the boundaries of the Colville Indian Reservation. All members of the Colville Business Council shall receive prior reasonable advance written notice of regular board , members, or manager meetings and shall be invited to attend.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Amended 2/24/12, Certified 3/8/12, Resolution 2012-79)

7-1-24 **Filing of Resolutions**

All duly enacted resolutions of the board of directors, members, or managers of corporations and limited liability companies chartered under this Chapter shall be filed within twenty (20) days of enactment with the Secretary of the Colville Business Council. Resolutions with a confidential content shall be marked confidential.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

7-1-25 **Violation of Charter**

After the date of enactment of this section, director's, managers, members, officers or employees of corporations and limited liability companies chartered under this Chapter found, at a fair and open hearing on the record called for the purpose of finding facts, by the board of directors or the Colville Business Council, to have willfully violated any provision of this Chapter or their articles of incorporation or certificate of formation shall be terminated from corporate or company employment.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Amended 2/24/12, Certified 3/8/12, Resolution 2012-79)

7-1-26 **Term of Directors**

After the date of enactment of this section no director of a corporation or manager or member of a limited liability company chartered under this Chapter shall be appointed by the Colville Business Council to any one term longer than two years.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Amended 2/24/12, Certified 3/8/12, Resolution 2012-79)

7-1-27 **Duty of Loyalty and Duty of Care**

Directors, members, managers, and officers of corporations and limited liability companies chartered under this Chapter when exercising their powers and duties under the relevant charter or certificate of formation shall owe a standard duty of loyalty and care to the corporation or limited liability company by which they are employed, and to the Confederated Tribes of the Colville Reservation and its members.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Approved 5/27/09, Resolution 2009-386)

7-1-28 **Real Estate Purchase**

Corporations and limited liability companies chartered under this Chapter shall obtain approval from the Colville Business Council for all real estate purchases. Real estate purchased by a corporation or limited liability company chartered under this Chapter shall be placed in the ownership of the United States in trust for the Confederated Tribes of the Colville Reservation as soon as the legal status of the real estate makes them eligible under federal law to be taken into trust.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)  
(Amended 2/24/12, Certified 3/8/12, Resolution 2012-79)

7-1-29 **Conflict of Interest**

Directors, managers, members, and officers, of all corporation and limited liability companies chartered under this Chapter shall excuse themselves from voting or participating in any corporate board or comparable limited liability company discussion concerning an issue wherein the director, manager, member, or officer, or immediate family of such person has a business or personal interest or conflict of interest.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)

(Approved 5/27/09, Resolution 2009-386)

7-1-30 **Arbitration Agreements**

Notwithstanding the immunity from suit conveyed upon corporations and limited liability companies created pursuant to this Chapter, any arbitration award granted pursuant to an arbitration agreement approved by a business entity created under this Chapter shall be enforceable against such business entity and its assets, and its assets only, exclusively in the Colville Tribal Court, unless otherwise explicitly agreed to by the corporation or limited liability company.

(Amended 6/6/13, Resolution 2013-386, Certified 6/14/13)

(Approved 5/27/09, Resolution 2009-386)

**LEGISLATIVE HISTORY**

**Approved 5/27/09, Resolution 2009-386 includes the following statement—“Until such time that the Business Council adopts the proposed new Chapter 7-4, the corresponding provisions of Chapter 25.25 RCW are incorporated into section 7-1-31 of the amended Chapter 7-1, except that any reference to the Secretary of State in Chapter 25.15 shall mean the Secretary to the Colville Business Council.”**

**Chapter 7-4 Colville Limited Liability Company Act was adopted by the Colville Tribes on August 6, 2009, Resolution 2009-591.**

**§7-1-31 Subsidiary LLC minimum requirements was approved on 5/27/09, Resolution 2009-386. Was deleted on 6/14/13, Resolution 2013-386.**