



**COUNTY OF LAKE  
BOARD OF SUPERVISORS**

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April 14, 2020

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3rd Street, SW Washington, D.C. 20416

The Honorable Steven Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Re: Clarifying Eligibility of Tribal Government-owned and Operated Indian Gaming Enterprises in the  
Paycheck Protection Program

Dear Administrator Carranza and Secretary Mnuchin:

We write on behalf of Lake County's seven indigenous Tribal Nations, Middletown Rancheria of Pomo Indians of California, Koi Nation of Northern California, Big Valley Band of Pomo Indians, Scotts Valley Band of Pomo Indians, Habematolel Pomo of Upper Lake, Robinson Rancheria of Pomo Indians of California and Elem Indian Colony, to express our concern with the Small Business Administration's (SBA) interim final rule on Business Loan Program Temporary Changes; Paycheck Protection Program (PPP), referenced as Docket No. SBA-2020-0015. The interim rule would preclude Tribal Government-owned gaming businesses and their employees from receiving economic support under the newly-established Paycheck Protection Program (PPP). The rule directly conflicts with both the text and overarching goals of the CARES Act.

Congress created the PPP to help small businesses preserve jobs for their employees by providing loans for payroll and other purposes while they are shut down as a result of the pandemic. The PPP provision in the CARES Act expressly includes "any... tribal business concerns" as defined in the HUBZone program (Sec. 31 of the Small Business Act) that are under 500 employees as being eligible for PPP loans. The provision that includes "tribal business concern" is titled "Increased Eligibility for Certain Small Businesses and Organizations" – a direct reference that Congress clearly intended to override the SBA's existing regulation during the covered period – and include any tribal business that is under 500 employees without regard to the industry of the tribal business.

However, SBA's interim final rule ignores the expressed intent of Congress referencing existing regulation 13 C.F.R. Part 120.110, which deems Tribal Government-owned businesses and Indian gaming operations ineligible for standard SBA loans. If the interim final rule is not clarified to align with the intent of Congress, it will inflict significant negative impacts to tribal government economies, those of our

neighboring communities, and unnecessarily increase unemployment in many already economically distressed areas.

Without a tax base to generate governmental revenue, Indian tribal governments must rely on our tribal government-owned enterprises to generate revenue to fund essential government services to Native communities across Indian Country in the form of health care, education, public safety, housing and social services. In fact, federal law mandates that Indian gaming revenues be used for government purposes.

Hundreds of Indian gaming, hotel and hospitality operations have shut down to prevent transmission of the coronavirus and to protect the safety of guests and employees. Tribal governments implemented these closures in coordination with state governors and through tribal government emergency declarations.

These Tribal government gaming closures are having a chilling ripple effect through much of rural America. More than 250 Tribal governments operate 488 gaming facilities in 28 states—the majority of these operations are the primary employers and economic engines in rural communities nationwide. Indian gaming operations provide more than 317,000 direct American jobs annually.

SBA's interim final rule regarding the PPP, referencing existing regulations that were expressly overruled in the CARES Act, is feeding into the largest spike in unemployment in our Nation's history.

While tribal businesses are closed to protect their employees and the public from the spread of the pandemic, it is essential that all tribal businesses have access to PPP loans to be able to continue to pay their employees and to help preserve their tribal economy and the surrounding communities' economy.

Congress specifically intended the PPP to be a critical component to helping preserve tribal businesses and economies in this time of crisis.

We urge the Department of Treasury and the Small Business Administration to issue additional guidance to the Paycheck Protection Program to clarify that any tribal business that meets the qualifications set forth in the PPP provision of the CARES Act is eligible for the PPP program for the duration of the covered period.

Respectfully Submitted,

**DISTRICT 1**

**DISTRICT 2**

**DISTRICT 3**

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Moke Simon, Chair

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Bruno Sabatier

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Eddie Crandell

**DISTRICT 4**

**DISTRICT 5**

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Tina Scott

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Rob Brown