

REDDING RANCHERIA
GENERAL WELFARE ORDINANCE

Original Adoption: April 30, 2007
Amended: February 2, 2015
Amended: November 7, 2022
Amended: May 11, 2026

[Including Changes for the Tribal General Welfare Exclusion Act of 2014 – IRC §139E; and
Final General Welfare Regulations Per Treasury Regulation Section 1.139E-1]

Redding Rancheria General Welfare Ordinance

Section 1000 - Findings and Policy.

The Tribe finds that:

(1) Purpose: The purpose of this Ordinance is to memorialize the procedures used by the Redding Rancheria in establishing programs for the promotion of the general welfare of the Tribe and in developing program guidelines for compliance with the Tribal General Welfare Exclusion Act of 2014 (the "Act"), and Internal Revenue Code (the "Code") Section 139E. The Ordinance incorporates final guidance set forth in Treasury Regulation Section 1.139E-1, as published in the Federal Register at 90 Fed Reg. 58378 and the preamble on December 16, 2025 at 25 CFR Part 1 (the "Final Regulations").

(2) Background and Intent: The Redding Rancheria, a federally recognized tribal government, exercises its inherent rights of sovereignty to promote the general welfare of the Tribe, its self-determination, culture, and tradition, by providing general welfare assistance, including non-taxable Indian general welfare benefits within the meaning of Code Section 139E (hereafter "Non-Taxable General Welfare Benefits"). Both the United States Congress, through its enactment of the Act, and the Internal Revenue Service ("IRS"), through its traditional application of the general welfare doctrine, and through publication of the Final Regulations, has long-recognized the sovereign right of Indian tribal governments to provide assistance to individuals under certain circumstances on a non-taxable basis. This Ordinance is intended to affirm the Tribe's statutory and inherent sovereign rights to promote the general welfare of the Tribe and provide qualifying assistance and program benefits on a tax-free basis.

(3) Ratification of Prior Acts: Assistance provided prior to the enactment of this Ordinance, or any amendments hereto, is hereby ratified and confirmed as general welfare assistance pursuant to the authority of the Tribal Constitution and laws, and the inherent powers of the Tribe to promote the general welfare. This Ordinance is not intended to invalidate or supplant traditional exercises of sovereignty and culture. All assistance authorized by the Tribal Council to promote the general welfare of this Tribe is, and has been, intended to reflect the inherent rights and sovereign acts of the Tribe within the principles reflected under the general welfare doctrine and as now codified in the Act.

(4) Scope of Non-Taxable General Welfare Benefits: The general welfare benefits authorized by this Ordinance are intended to qualify as Non-Taxable General Welfare Benefits to the fullest extent permitted at law. Without limitation, the following benefits shall be treated as non-taxable hereunder: (1) benefits that satisfy the requirements for exemption under Code Section 139E, (2) benefits that are recognized as non-taxable by the IRS through the Final Regulations, rulings or other administrative guidance, (3) benefits that qualify for exclusion under the common law or "General Test" described below, or (4) benefits that meet another

express exemption under the Internal Revenue Code, such as the exemption provided for tribal medical expenses under Internal Revenue Code Section 139D, or that meet other recognized exemptions including, for, example, disaster relief under Internal Revenue Code Section 139 (directly or through Code Section 139E), and/or resource or land-based exemptions under 25 U.S.C. Sections 117a-b, 1407 and 1408.

(5) Legislative History; Rules of Construction: The Redding Rancheria originally adopted the Redding Rancheria General Welfare Ordinance on April 30, 2007, by General Council Resolution Number 001-04-07. The Ordinance was thereafter amended and restated on February 2, 2015, to reflect subsequent guidance under the IRS General Welfare Exclusion safe harbor rules then appearing in IRS Revenue Procedure 2014-35 (obsolete as of January 1, 2027), and the enactment of the Act, now codified as Code Section 139E. The Ordinance was amended and restated on November 7, 2022, to reflect subsequent tribal consultation and guidance activities, and subsequent public meetings of the Tribal Treasury Advisory Committee (the “TTAC”) on general welfare guidance commencing with the inaugural meeting of the TTAC on June 20, 2019. By this instrument the Tribe again amends and restates the Ordinance, to reflect issuance of the Final Regulations on December 16, 2026, and subsequent amendments to the Redding Rancheria Revenue Allocation Plan (the “RAP”) and the Redding Rancheria Distribution Ordinance (the “Distribution Ordinance”) thereafter. The following legislative history shall be taken into account in construing the terms and application of this Ordinance:

Tribal Participation in TTAC Guidance Efforts:

Leading up to the Tribe’s initial adoption of this Ordinance in 2007 and through the date of this amendment and restatement in 2026, the Tribe has participated in efforts to secure better guidance with regard to the taxation of member benefits. In 2011, in response to tribal dissatisfaction over IRS audits of Member benefits and requests for consultation, the United States Treasury Department and IRS agreed to commence national efforts to consider tribal requests to improve guidance on tribal general welfare matters. Notice 2011-94 invited comments from tribal governments concerning the application of the general welfare exclusion to Indian tribal government programs. The Tribe participated in that process through joint comments with the National Congress of American Indians, the United South and Eastern Tribes, Inc., the California Association of Tribal Governments and the Affiliated Tribes of the Northwest Indians, all seeking clarity with regard to the sovereign right of tribes to provide tax-free assistance based on non-financial need criteria including the preservation of culture and tradition. The Tribe also participated in individual consultation efforts wherein IRS and Treasury acknowledged the need to address and accommodate unique tribal issues such as preservation of culture and tradition.

On December 5, 2012, the IRS and Treasury Department issued Notice 2012-75 proposing new guidance and providing interim relief under the general welfare exclusion for Programs that meet designated safe harbor rules. The Tribe asserted all protections provided under the proposed rule and made changes to Programs where necessary to secure additional Member protections under the interim relief.

On June 3, 2014, the Treasury Department issued final guidance in the form of Revenue Procedure 2014-35 (obsolete as of January 1, 2027) confirming that IRS would not tax Member Assistance that meets designated IRS safe harbor requirements.

The Tribe participated in consultations throughout the entire period during which the foregoing administrative guidance was developed.

The Act

In September of 2014, Tribal representatives worked with the United States Congress to clarify that Bills then pending in the House (HR 3043) and in the Senate (SB 1507) were in fact intended to expand tribal general welfare exclusion rights and build upon the safe harbor and general test relief previously recognized by the IRS. On September 17, 2014, Senators Moran and Heitkamp, co-sponsors of SB 1507 engaged in a colloquy with the Chairman of the Senate Finance Committee, Senator Wyden, on the Congressional Record of the Senate confirming their understanding and intent that:

1. IRS would apply SB 1507 “no less favorable than the safe harbor approach provided for in Revenue Procedure 2014-35, and that in no event will IRS require an individualized determination of financial need where a tribal Program meets all other requirements of new section 139E as added by the bill.”
2. The bill requires that “any ambiguities in new Code section 139E shall resolved by the IRS in favor of Indian Tribal governments and deference shall be given to Indian Tribal governments for programs administered and authorized by the Tribe to benefit the general welfare of the Tribal community.”
3. It “would be contrary to the intent of Congress” if IRS were to “take the occasion of passage of H.R. 3043 or S. 1507 to retrench, narrow or possibly withdraw the administrative guidance provided in Rev. Proc. 2014-35 after enactment of the bill.”
4. The Congressional intent “is to expand rather than restrict the safe harbor provisions in Rev. Proc. 2014-35.”
5. “The purpose of this legislation is to further empower Tribal self-determination.”
6. “Tribal governments have a long history of providing critical benefits to tribal members, and these programs are fundamental to the sovereignty and cultural integrity of tribes. Tribes, and not the IRS, are in the best position to determine the needs of their members and provide for the general welfare of their tribal citizens and communities.”

On September 18, 2014, the Act passed both houses of Congress, and was signed into law by the President on September 29, 2014.

On February 10, 2015, Congress and the United States Treasury established the Tribal Treasury Advisory Committee (the “TTAC”) to develop guidance under the Act and Code Section 139E.

On April 16, 2015, the IRS issued Notice 2015-34 confirming its view that (1) Code Section 139E codifies (but does not supplant) the general welfare exclusion for certain benefits provided under Indian tribal government programs, (2) taxpayers may continue to rely on Revenue Procedure 2014-35 until further guidance (obsolete effective January 1, 2027), and (3) that other exclusions from income, such as Code Section 139D (Indian health care benefits), continue to apply to benefits provided under Indian tribal governmental programs independently of whether the benefits qualify for exclusion under Code Section 139E or the general welfare exclusion.

On June 20, 2019, the TTAC conducted its initial inaugural meeting and established the TTAC “GWE Subcommittee” for the purpose of securing tribal input and developing guidance recommendations under the Act.

The Redding Rancheria has participated in every TTAC public meeting to date (2026), directly and through its legal counsel, and has submitted written comments and input on TTAC guidance activities, including the Initial Draft Report of the TTAC GWE Subcommittee, as circulated March 7, 2021, and “Appendix B” thereto, the “Draft IRC 139E Proposed Regulations”.

Following the National Declaration of Emergency on March 13, 2020, due to the COVID-19 public health emergency, both IRS and the Social Security Administration confirmed relief for tribal government assistance to their members in part under the Act. IRS confirmed through “FAQs” for example, that COVID-19 relief payments and assistance may qualify for exclusion from tax under Code Section 139E [<https://www.irs.gov/government-entities/indian-tribal-governments/draft-faqs-for-payments-by-indian-tribal-governments-to-their-individual-members-under-covid-relief-legislation-and-notice-of-tribal-consultation>]

The Final Regulations:

The Redding Rancheria, through its Attorney General, provided in-person testimony in Washington DC on January 13, 2025, with regard to developing final regulations under the Act, and the Tribe continued to participate in in TTAC meetings leading to the publication of Final Regulations on December 16, 2025.

Pursuant to the preamble to the Final Regulations:

1. “The Indian Tribal government, subject to DOI approvals of RAPs or IGRA trusts, has sole discretion to determine whether a payment is a

per capita payment for purposes of section 139E and these regulations.”

2. “an Indian Tribal government has sole discretion to determine whether a benefit is for the promotion of general welfare”

3. “the IRS will defer to the Indian Tribal government's determination that a benefit is for the promotion of general welfare.”

4. “Tribal general welfare benefits may be provided without regard to financial or other need of Tribal program participants and may be provided on a uniform or pro-rata basis.”

5. “where an IGRA trust ... is treated as owned by the Indian Tribal government, the Indian Tribal government may subsequently determine distributions from the trust are for general welfare purposes ... to the extent that DOI approval is otherwise received to modify a RAP or IGRA trust, as applicable ...”

6. “the date of distribution from the IGRA trust is the relevant time at which to determine whether the payment is a Tribal general welfare benefit or a per capita payment.”

7. “an Indian Tribal government is uniquely qualified to evaluate its culture and cultural practices, history, geographic area, traditions, resources, and economic conditions [and] deference should be provided to an Indian Tribal government's attestation of the facts and circumstances at the time the benefit is provided to a Tribal program participant.”

8. “the IRS will defer to an Indian Tribal government's attestations of facts and circumstances, regardless of whether the program is in writing, at the time the benefit is provided to the Tribal program participant.”

9. “the proper time to test whether a benefit is lavish or extravagant is at the time the benefit is provided.” However, this “does not mean that facts and circumstances involving prior years ... cannot be taken into account in the determination made at the time the benefit is provided.”

10. “the Treasury Department and the IRS do not prescribe any specific types of documentation that a Tribal program participant would be required to retain ...”

11. “Nonetheless, corroborating program documentation, such as a written description of the Indian Tribal government program, an application or acceptance letter into the program, or any year-end compliance certificates of the Indian Tribal government may satisfy the requirements of section 6001 ...”

12. “it would be in the interest of sound tax administration for IRS audits and examinations ... under section 139E and these final regulations to be prospective in nature.”

13. “it would be counterproductive for IRS audit and examinations of issues under section 139E and these final regulations to apply to taxable years for which there was no guidance interpreting section 139E.”

14. “in the interest of sound tax administration, once the suspension of audits and examination is lifted, the IRS does not intend to open audits or examinations (except in certain circumstances such as, for example, in the case of fraud) ... for taxable years ending before December 16, 2025.”

15. “a program participant's election to defer a Tribal general welfare benefit that is made before the Tribal program participant would have rights to [the] benefit under Tribal law would not be treated as constructively received ... for Federal income tax purposes.”

The Redding Rancheria now expressly embraces the forgoing legislative history as an integral part of this Ordinance and as guiding principles in construing the Tribe’s compliance with Code Section 139E and the Final Regulations.

(6) Budget Availability: All amounts budgeted by the Tribe for welfare assistance payments shall remain general assets of the Tribe until such payments are disbursed; the welfare assistance payment arrangement authorized by this Ordinance shall be an unfunded arrangement, and shall be limited to appropriated funds and all limitations imposed by the Tribe’s fiscal budgeting process. General welfare payments hereunder are paid from assets of the Redding Rancheria; all payments are based on budget availability of the Redding Rancheria, and the Tribe does not guarantee any payments hereunder.

(7) Non-Resource Designation: Beneficiaries have no contractual or other right to direct, compel, or alienate payments prior to actual receipt. Benefits paid hereunder are for the benefit of the Tribe as a whole and not an individual benefit or right of any specific Beneficiary. To the fullest extent permitted at law or provided in an approved Program guideline, Tribal benefits and distributions are intended for the exclusive benefit of Tribal Members and shall not be treated as an asset, resource, or income for other purposes not expressly required by federal or Tribal law. This shall include, without limitation, the implementation of protections and limitations as needed to retain a Member’s eligibility for public assistance and exemptions from the division of Member assets upon divorce, regardless of whether benefits are otherwise taxable for federal or state income tax purposes. The Tribe reserves the right to cancel, adjust, modify or revoke any benefits that are treated as a resource of the Beneficiary.

(8) Federal Trust Responsibility: The federal government, through its government-to-government relationship with the Tribe, through its trust relationship with the Tribe, and

through statutes and executive orders, owes certain obligations to the Members of the Tribe, much of which has been curtailed through budget shortfalls, which the Tribe seeks to supplement, through acts of self-determination, in part through this Ordinance. The Tribe has determined that supplementing these shortfalls and federal deficiencies promotes the general welfare, and reserves the right to provide Assistance including circumstances where federal funding is insufficient to operate federal programs designed to benefit Tribal members and when federal funding is insufficient to adequately and consistently fulfill federal trust obligations. The Tribe's adoption of Programs hereunder is not intended to relieve or diminish the federal government of its funding and trust responsibilities. Nothing herein shall waive the Tribe's right to seek funding shortfalls or to enforce the trust rights of the Tribe and its Members. The Tribe shall be entitled to government-to-government consultation and coordination rights in regard to this Ordinance.

(9) Delegation; Further Guidance: The Tribal Council may seek a private letter ruling, opinions, relief, or guidance from tribal, state or federal agencies, including without limitation the Social Security Administration, Health and Human Resources, the Centers for Medicare and Medicaid, the Department of Treasury and the Internal Revenue Service, regarding the tax, asset or resource treatment of any benefits set aside or paid under any Program(s) hereunder. The Tribal Council may revoke or modify any Programs if necessary and appropriate in order to obtain a favorable ruling, within ninety days after any unfavorable ruling is issued with respect to such Program(s), or within ninety days after a ruling request with respect to such Program(s) is withdrawn by the Tribal Council.

Section 1001 – Definitions.

(1) “Act” - means the Tribal General Welfare Exclusion Act of 2014, as the same may be amended, including Code Section 139E.

(2) “Assistance” – Any Program benefits or payments paid to or on behalf of a Program Participant. Assistance that meets all applicable requirements of this Ordinance and Code Section 139E will be treated as Non-Taxable General Welfare Benefits.

(3) “Attestation of Facts and Circumstances” or “Findings of Fact” - means a written confirmation of certain facts and circumstances, or other due diligence, performed by the Tribal Council in determining Members needs or in setting benefit or Assistance levels to ensure that benefits are reasonably calculated to achieve Program purposes and are not Lavish or Extravagant.

(4) “Beneficiary” – means any person or persons entitled to receive Assistance in accordance with specified Program guidelines. Programs designed to qualify for exemption under Code section 139E may only benefit eligible Program Participants.

(5) “Benefit” – means any money, property, services, or other item of value provided to or on behalf of an individual.

(6) “Code” – means the Internal Revenue Code of 1986, as amended.

(7) “Compensation” - means compensation as defined under Section 61(a) of the Code, under which compensation for services includes fees, commissions, fringe benefits, and similar items, whether paid in money or property. For purposes of Section 139E, however, a benefit is not compensation for services if the benefit is provided to a Program Participant for participation in cultural or ceremonial activities and the benefit consists of an item of cultural significance or a cash honorarium in accordance with Section 1011. Nothing herein shall waive the Tribe’s right, if any, to exclude Benefits from treatment as compensation to the extent otherwise excludable under Code Section 61(a) based on the Code or applicable IRS authority. For example, certain tribal programs designed primarily to provide workforce training have been held not to constitute compensation under applicable IRS guidance. Such determinations must be based on a review of applicable IRS guidance and all facts and circumstances at hand.

(8) “Dependent” – means an individual who is a qualifying child or a qualifying relative, as defined in Section 152 of the Code, of a Tribal Member for the taxable year determined: (i) Without regard to whether the Tribal Member was a qualifying child or qualifying relative, each as defined in Code Section 152, of another taxpayer for a taxable year of the other taxpayer beginning in that calendar year; (ii) without regard to whether the individual filed a joint return with the individual's spouse (as defined in Section 6013 of the Code) for the taxable year beginning in that calendar year; and (iii) without regard to the individual's gross income for the calendar year in which the individual's taxable year begins.

(9) “Disability” or “Disabled” – means, as used for purposes of Programs covered by this Ordinance, the inability of an individual to care for himself / herself due to physical or mental limitations in accordance with Tribal law, taking into account of the purpose of Program at hand. The Tribal Council may rely upon, but is not bound by, judicial determinations of disability for other purposes or programs.

(10) “General Council” or “General Membership” – means the voting membership of the Redding Rancheria, with legislative authority reserved to it under the Redding Rancheria Constitution.

(11) “General Welfare Exclusion” – means the tax exemption for Tribal General Welfare Benefits under Code Section 139E as implemented through this Ordinance or, to the extent applicable, any tax exemption to which Assistance may be entitled to under the common law standards recognized by the IRS and courts independent of Code Section 139E.

(12) “Indian Tribal Government” – means an Indian Tribal Government as defined by Section 7701(a)(40) of the Code and includes any agencies or instrumentalities of such an Indian Tribal Government.

(13) “Lavish or Extravagant” – means a limit on the amount of Benefits that may qualify as Non-Taxable General Welfare Benefits under Code Sections 139E(b)(2)(C) and 139E(c)(3). This determination shall be made in accordance with Treasury Regulation Section 1.139E-1(d)(4) and Section 1009.

(14) “Member” or “Tribal Member” – means an individual, regardless of age, who is an enrolled member of the Redding Rancheria at the time of an Assistance determination under applicable Tribal law, and: (i) is listed on the Tribal rolls of the Tribe if such rolls are kept; (ii) is recognized as a member by the Tribe if Tribal rolls are not kept; or (iii) is an Indian child as defined in 25 U.S.C. 1903.

(15) “Non-Taxable General Welfare Benefit” or “Tribal General Welfare Benefit” – means any benefit provided to or on behalf of a Tribal Program Participant that satisfies all applicable requirements of this Ordinance and Code Section 139E for exclusion from gross income as an “Indian general welfare benefit” under section 139E(b) of the Code. In general, a Benefit does not qualify as a Non-Taxable General Welfare Benefit unless the benefit is (i) provided pursuant to an Indian Tribal Government Program; (ii) for the promotion of general welfare, (iii) is available to any eligible Program Participant per specified Program guidelines that do not discriminate in favor of the governing body of the Tribe; (iv) that are not lavish or extravagant; and (v) that are not compensation for services.

(16) “Ordinance” – The Redding Rancheria General Welfare Ordinance.

(17) “Pay” or “paid” or “payment” - means pay or reimburse in whole or in part.

(18) “Program” or “Indian Tribal Government Program” - means a program that is (i) established by the Tribe per Section 1004; (ii) administered under specified guidelines per Section 1005; and (iii) does not discriminate in favor of members of the governing body of the Tribe per Section 1006.

(19) “Program Participant” – means any individual entitled to receive Non-Taxable General Welfare Benefits in accordance with specified Program guidelines and Section 1003.

(20) “Promotion of the general welfare” means a determination by the Tribal Council that Assistance promotes the general welfare in accordance with Section 1008.

(21) “Reservation” means the reservation of the Redding Rancheria or, if the context so permits, any other Indian reservation as defined in Internal Revenue Code Section 162(j). The Tribe does not waive claims to the assertion of Indian country beyond the limits of its Reservation bounds.

(22) “Revenue Allocation Plan” or “RAP” means the Redding Rancheria Revenue Allocation Plan as approved by the Tribe and the Secretary of the Interior, as the same may be amended from time to time, for the distribution of net gaming revenues, including General Welfare Benefits, in accordance with the Indian Gaming Regulatory Act.

(23) “Self-determination” should be construed broadly to reflect traditional health, education and welfare programs as well as unique cultural and traditional based programs and economic development for the long-term sustainability of the Tribe.

(24) “Spouse” – means the spouse of a Tribal Member within the meaning of 26 CFR § 301.7701-18, or the spouse of a Tribal Member under applicable Tribal law, determined in accordance with Tribal laws, customs and traditions.

(25) “Tribe” – The Redding Rancheria, a federally recognized tribal government. The Tribe is an Indian Tribe within the meaning of Code Section 139E(c)(1) that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(26) “Tribal Council” – The duly elected governing Tribal Council of the Redding Rancheria, a federally recognized Indian tribal government. The Tribal Council is the governing body of the Tribe for purposes of Code Section 139E except for matters specifically reserved to the General Council.

Section 1002 – Statutory Rules - Code Section 139E.

Programs must meet all required statutory criteria under the Act in order to provide Non-Taxable General Welfare Benefits under Code Section 139E:

- (1) Benefits must be provided pursuant to or on behalf of an eligible Program Participant;
- (2) Benefits must be provided pursuant to an approved Program that is established by the Tribe;
- (3) The Program must be administered under specified guidelines;
- (4) The Program may not discriminate in favor of the members of the governing body of the Tribe;
- (5) Program Benefits must be available to any Program Participant who meets such guidelines;
- (6) Program Benefits must be for the “promotion of the general welfare”;

- (7) Program Benefits cannot be Lavish or Extravagant; and
- (8) Program Benefits cannot be compensation for services.

Section 1003 – Eligible Program Participants

(1) General Rule: For Programs designed to qualify for exemption under Code Section 139E, a Program Participant may include a Member, spouse of a Member (within the meaning of 26 CFR § 301.7701-18, or a spouse of a Member under applicable Tribal law), a dependent of a Member, or other individual who has been determined by the Tribe to be eligible for a Tribal General Welfare Benefit because such individual is, with respect to a Member, an ancestor, descendant, former spouse, widow or widower, legally recognized domestic partner or former domestic partner, or an individual for whom a Tribal Member is a caregiver authorized under Tribal or State law.

(2) Special Rule for Cultural and Ceremonial Activities: Solely for ceremonial or cultural activities, the term Program Participant may also include a member or citizen of a tribe that is different from the Tribe, and other individuals described in Section 1.139E-1(b)(8)(ii) (as a result of treating such member or citizen of another tribe as a Member solely for this purpose).

(3) Eligibility Limitations Per Program Guidelines: The Tribe may limit the class or classes of Program Participants that are eligible for particular Program Benefits; provided that such limitations shall be established and administered in accordance with applicable Program guidelines approved in accordance with this Ordinance and that meet all requirements of Code Section 139E. In the absence of Program language to the contrary, Program Benefits will be limited to Members, spouses of Members, and dependents of Members. Other limitation may include, by example and not limitation:

- (a) Members only;
- (b) Individuals with specified disabilities;
- (c) Elders or other individuals within specifies ages; or
- (d) Individuals based on specified needs.

Section 1004 – Establishment of Programs

(1) General Rule: A Program must be established by the Tribe in order to provide Non-Taxable General Welfare Benefits under Code Section 139E.

(2) Annual declaration of uniform RAP Program distributions: The Tribal Council shall implement a Program for the payment of General Welfare Benefits on a uniform basis to Tribal Members from net gaming revenues in lieu of taxable per capita payments, in accordance with the allocation requirements and general welfare rules set forth in the RAP. The Tribal

Council shall implement said Program in accordance with the requirements of this Ordinance and Coe Section 139E, as well as applicable provisions of the RAP and the Redding Rancheria Distribution Ordinance.

(3) Programs Paid from Trust: The Tribal Council shall implement a Program or Programs for the payment of General Welfare Benefits from grantor trusts in accordance with the requirements of this Ordinance, Code Section 139E and Treasury Regulation Section 1.139E-1(c)(5)(iii), as well as applicable provisions of the RAP, the Redding Rancheria Distribution Ordinance, and the Redding Rancheria Member Trust. Deferrals into trust shall be administered in accordance with applicable provisions of the RAP, the Distribution Ordinance, the Redding Rancheria Tribal Member Trust and Section 1013.

(4) Tribal Custom or Government Practice: The Tribe expressly reserves the sovereign right under this Ordinance to establish Programs by Tribal custom or government practice.

(5) Other Formal Action: The Tribe expressly reserves the sovereign right under this Ordinance to establish Programs by Tribal Council Resolution, by General Council Resolution, or by other forms of governmental action authorized under the Constitution or other laws of the Tribe. By way of example, and not by limitation, formal action may include, in addition to resolutions, other actions approved by a vote of the Tribal Council or by written unanimous consent, when action is permitted to be taken under Tribal law without a meeting, and approvals consistent with the Tribal budget approval process, or as authorized by Tribal government implementing policies or procedures.

(6) Written Action: Except for Programs established by Tribal custom or government practice, Programs must be evidenced by written documentation that evidences the formal action of the Tribe to establish the Program including, without limitation, resolutions, Program guidelines, Program descriptions, or policies that meet the requirements of this Ordinance or other applicable Tribal law. Except as specifically stated herein, this Ordinance is not intended to create additional requirements not otherwise required for formal action under Tribal law. For example, no written documentation of the formal action of the Tribe to establish a Program is required if a Program may be established by a voice vote if such voice vote would otherwise constitute formal action of the Tribe under applicable Tribal law.

(7) Delegations: To the extent permitted under applicable Tribal law, the Tribal Council and General Council, as applicable, may delegate the authority for establishing a Program to a designated individual or entity of the Indian Tribal Government. By way of example, and not limitation, such delegations may be made through Tribal Council approved Tribal government implementing policies and procedures.

Section 1005 – Specified Program Guidelines

(1) Required Contents of Guidelines: A Program must be administered under specified guidelines. The specified guidelines must include, at a minimum, a description of the program to provide Tribal General Welfare Benefits, the eligibility requirements for the program, a description of the type of benefits authorized by the program, and the process for receiving benefits under the Program. A Program is administered under specified guidelines if the program is operated in accordance with such guidelines.

(2) Unwritten Rights Reserved: In accordance with Treasury Regulation Section 1.139E-1(c)(3), the Tribe reserves its right, including Programs adopted by Tribal custom or government practice, to implement specified Program guidelines that are not in writing.

Section 1006 – No Discrimination in Favor of the Governing Body

(1) General Rule: Except in the case of a Program described in paragraph (2) below, a program cannot discriminate in favor of members of the governing body of the Tribe. The governing body for purposes of this restriction means the Tribal Council, which serves as the legislative body of the Tribe in implementing this Ordinance.

(2) Special Rule for General Council Actions: In accordance with Treasury Regulation Section 1.139E-1(c)(4)(ii), a Program is treated as being in compliance with this Section 1006 if the governing body of a Tribe consists of the entire adult membership of the Tribe.

(3) Facts and Circumstances Test: Except in the case of a Program described in paragraph (2) of this section, whether a Program discriminates in favor of the governing body of the Tribe, either by its terms or in its administration, will be determined based upon all the facts and circumstances. A Program may not, by way of example, be available by its terms only to members of the governing body or be established to provide benefits solely to the children of members of the governing body of the Tribe (unless the Tribe is a general council tribe). Program benefits provided during the year also may not, based on the totality of the facts and circumstances, disproportionately favor members of the governing body of the Tribe because of their status as members of the governing body.

Section 1007 – Benefits Must be Available to any Program Participant who meets Specified Program Guidelines

(1) General Rule: Each approved Program shall set forth the specific eligibility rules and limitations applied to that Program, and shall be administered pursuant to application forms or other procedures approved by the Tribal Council or its designee. All Programs are limited by trust and budget availability. In the absence of specific Program guidelines to the contrary, all Programs shall be deemed to incorporate eligibility criteria necessary for compliance with Code Section 139E. The foregoing shall not waive the Tribe's right to assert the General Welfare

Exclusion for programs established by tribal custom or government practice; provided that said programs otherwise meet all requirements of Code Section 139E.

(2) Tribal Approved Purposes; Member Flexibility: Without limitation, a Program may be designed for specific general welfare purposes or the Tribal Council may design flexible programs that allow Beneficiaries to select from among pre-approved Indian General Welfare Benefits. Pre-approved benefits may include benefits or other expenses that qualify for treatment under the General Welfare Exclusion so long as they comply with this Ordinance and Code Section 139E.

(3) Availability: Non-Taxable General Welfare Benefits intended to satisfy Code Section 139E must be made available to any Program Participant who meets the specified guidelines of the Program, subject to budgetary constraints. The Tribe retains maximum discretion under Code Section 139E, however to determine the category of individuals who are Program Participants under each specific Program, provided that such determination is consistent with the approved specified guidelines per Section 1005 and subject to the prohibition on discrimination under Section 1006. Thus, for example, the Tribe may limit eligibility for an Indian Tribal Government Program to dependents of Tribal Members who have attained a specified age, or, as another example, to a Tribal Member's household.

Section 1008 – Must be for the Promotion of the General Welfare

(1) General Rule: All assistance disbursed pursuant to this Ordinance, regardless of whether it is intended to satisfy Code Section 139E, shall be designed to promote the general welfare of the Tribe, including the self-determination, culture and traditions of the Tribe. The Tribal Council, based on input from the General Council, shall establish objectives for the furtherance of the general welfare, self-determination, culture and tradition of the Tribe and assess progress on said objectives in connection with its annual budgeting review or at other times called for by the Tribal Council. Approved Programs shall be renewed, established, modified, or terminated based upon the needs of the Tribe as compared to the objectives set by the Tribal Council or General Council from time to time, and limited to purposes consistent with the promotion of the general welfare. Such purposes may include, for example and not by way of limitation, assistance for medical care, food, shelter, health, education, subsistence, housing, elder and disabled care, assistance to meet cultural, traditional and religious needs of the Tribe and its membership, and assistance to promote self-sufficiency, self-determination, Tribal image and the maintenance of culture and tradition, entrepreneurship, and the employment of Tribal Members.

(2) Promotion of the General Welfare / Tribal Discretion: All assistance or benefits intended for treatment as Non-Taxable General Welfare Benefits under Code Section 139E must be for the promotion of general welfare. The Tribal Council shall determine that a benefit is for the promotion of general welfare at the time it establishes a Program meeting the requirements of this Ordinance. Per Treasury Regulation Section 1.139E-1(d)(2), the Tribe, acting through the Tribal Council, has sole discretion to determine whether a benefit is for the promotion of general

welfare and the Internal Revenue Service will defer to the Tribe's determination that a benefit is for the promotion of general welfare.

(3) No Individual Need Required: Benefits may be provided without regard to the financial or other need of Tribal Program Participants and may be provided on a uniform or pro-rata basis to Tribal Program Participants. Thus, for example, the Tribe determines whether benefits are for the promotion of general welfare under programs such as cultural programs, housing assistance programs, programs to provide education benefits, programs for training or retraining to acquire new skills or to obtain better employment opportunities, programs to provide assistance for disasters or emergency situations, funeral or burial assistance programs, legal aid programs, wellness and health-related programs, or any programs that provide benefits to specific categories of individuals, such as elderly individuals or minors.

(4) Support for Economic Activities: The Tribe specifically reserves the right to determine that providing a benefit to a Tribal Program Participant to support, develop, operate, expand or start a trade or business is a benefit for the promotion of general welfare. However, a benefit paid to or on behalf of a Tribal Program Participant for a trade or business must be paid to or on behalf of the Tribal Program Participant in the Tribal Program Participant's capacity as an individual (for example, the benefit cannot be paid to or on behalf of the Tribal Program Participant's corporation or partnership).

(5) Council Approved Purposes / Non-Exhaustive listing: The Tribal Council, having reviewed the unique circumstances of the Tribe and its members, as well as the goals and purposes of this Ordinance and the Act, hereby declares that the following types of Assistance promote the general welfare of the Tribe and its members. This listing is not intended to be exhaustive, as the Tribal Council reserves the right to supplement it through approval of specific Programs. Nor does this listing guarantee that each such item will be covered by an approved Program for a particular year, which may be subject to budgetary constraints.

(a) Housing programs. For example and without limitation: Benefits provided in connection with Tribal Members' principal residences and ancillary structures: payments for Tribal Members to use to make mortgage payments, down payments, and rent payments (including security deposits); payments for Tribal Members to enhance habitability of housing, such as by remedying water, sewage, sanitation service, safety (including mold remediation), and heating or cooling issues; payments for Tribal Members to provide for basic housing repairs or rehabilitation (including roof repair and replacement); and payments to Tribal Members to pay utility bills and charges (including water, electricity, gas, and basic communications services such as phone, internet, and cable).

(b) Educational programs. For example and without limitation: Benefits provided to students (including post-secondary students) of transportation to and from school, tutors, and supplies (including clothing, backpacks, laptop computers, textbooks, musical instruments, and sports equipment) for use in school activities and extracurricular activities; tuition payments for students (as well as allowances for room and board on or off campus for the student, spouse, domestic partner, and dependents) to attend preschool, school, college or university, online school, educational seminars, vocational education, technical education, adult education, continuing education, or alternative education; provision of care of children away from their homes to help their parents or other relatives responsible for their care to be gainfully employed or to pursue education; and provision of job counseling and programs for which the primary objective is job placement or training, including allowances for expenses for interviewing or training away from home (including travel, auto expenses, lodging, and food), tutoring, and appropriate clothing for a job interview or training (including an interview suit or a uniform required during a period of training).

(c) Elder and disabled programs. For example and without limitation: Benefits provided to Tribal Members who have attained age 55 (or other ages selected by the Tribe to represent elder status) or are mentally or physically disabled (as defined under applicable law, including an Indian Tribal Government's disability laws): meals through home-delivered meals programs or at a community center or similar facility; home care such as assistance with preparing meals or doing chores, or day care outside the home; local transportation assistance; and improvements to adapt housing to special needs (including but not limited to grab bars and ramps).

(d) Transportation programs. For example and without limitation: Benefits provided for transportation costs, including for rental cars, mileage, and fares for taxis, ride-sharing or ride-hailing services, buses, and other public transportation.

(e) Medical programs. For example and without limitation: Benefits provided for the cost of transportation, temporary meals, and lodging of a Tribal Program Participant while the individual is receiving medical care away from home, or to pay the cost of nonprescription drugs (including traditional Tribal medicines).

(f) Emergency programs. For example and without limitation: Benefits provided to individuals in exigent circumstances (including victims of abuse): assistance to cover costs, including the costs of food, clothing, shelter, transportation, auto repair bills, and similar expenses; payment of costs for temporary relocation and shelter for individuals involuntarily displaced from their homes (including situations in which a home is destroyed by a fire or natural disaster); and assistance for transportation emergencies (for example, when stranded away from home) in the form of transportation costs, a hotel room, and meals.

(g) Cultural and religious programs. For example and without limitation: Benefits provided for expenses (including admission fees, transportation, food, and

lodging) to attend or participate in a Tribe's cultural, social, religious, or community activities, including powwows, potlatches, ceremonies, and traditional dances; payment of expenses (including admission fees, transportation, food, and lodging) to visit sites that are culturally or historically significant for the Tribe, including other Indian reservations; payment of the costs of receiving instruction about a Tribe's culture, history, and traditions (including traditional language, music, and dances); payment of funeral and burial expenses and expenses of hosting or attending wakes, funerals, burials, other bereavement events, and subsequent honoring events; payment of transportation costs and admission fees to attend educational, social, or cultural programs offered or supported by the Tribe or another Tribe; and cash or property provided as prizes or awards in connection with cultural, social, religious, or community activities (including powwows, potlatches, ceremonies, and traditional dances). In addition, the Benefits may include the payment of expenses to assist in the preparation and clean-up activities related to the Tribe's cultural, social, religious, or community activities.

(h) Economic development benefits. For example and without limitation: Benefits to Tribal Program Participants to support, develop, operate, expand or start a trade or business, including, for example, non-reimbursable grants paid directly to a Tribal Program Participant; an interest-free or other below-market loan to a Tribal Program Participant; and a cash benefit to a Tribal Program Participant to pay rent on a commercial lease.

(j) Household Assistance benefits: For example and without limitation: Benefits to Tribal Program Participants to financially support and maintain a household including, for example, payments to help with food, clothing, utilities, and other such items.

(j) Other: Other Programs and Benefits that may be approved by the Tribal Council consistent with the provisions of this ordinance.

Section 1009 – Cannot be Lavish or Extravagant

(1) Lavish or extravagant; Facts of Circumstances Test: The Benefit provided by an Indian Tribal Government Program cannot be Lavish or Extravagant. Whether a Benefit is Lavish or Extravagant is based on the facts and circumstances at the time the Benefit is provided. Relevant facts and circumstances include, but are not limited to, the Tribe's culture and cultural practices, history, geographic area, traditions, resources, and economic conditions or factors. The Tribe is entitled to deference to the Tribe's attestations of facts and circumstances per Treasury Regulation Section 1.139E-1(d)(4)(i).

(2) Presumption for written specified guidelines: Per Treasury Regulation Section 1.139E-1(d)(4)(ii), a Benefit will be presumed to not be lavish or extravagant if it is described in, and provided in accordance with, the written specified guidelines of the Tribal Government Program that exist at the time that the Benefit is provided to the Tribal Program Participant.

Section 1010 – Cannot be Compensation for Services

Except as provided in Section 1011, a Tribal General Welfare Benefit does not include benefits that are provided as compensation for services to any person.

Section 1011 – Special Rules for Cultural or Ceremonial Activities

(1) General Rule: For purposes of section 139E, a Benefit is not compensation for services if (i) The benefit is provided to a Tribal Program Participant for the Tribal Program Participant's participation in cultural or ceremonial activities for the transmission of Tribal culture as determined by the Tribe (including but not limited to: powwows; rite of passage ceremonies; funerals; wakes; burials; other bereavement events; honoring events; Tribal community service events, such as a neighborhood clean-up or a youth woodcutting program to benefit elders; participation in training in traditional construction techniques; and Tribal language education); and (ii) the benefit consists of an item of cultural significance as determined by the Tribe, the reimbursement of costs, or a cash honorarium.

(2) Tribe's Sole Discretion: Per Treasury Regulation Section 1.139E-1(e)(2), an Indian Tribal Government has sole discretion to determine whether an item is an item of cultural significance and whether an activity is a cultural or ceremonial activity, and the Internal Revenue Service will defer to these determinations by the Tribe. A benefit provided hereunder can be a prize or award given to a Tribal Program Participant for the Tribal Program Participant's participation in cultural or ceremonial activities for the transmission of Tribal culture. However, cash, gift cards, or vehicles are generally not items of cultural significance.

Section 1012 – No Limit of Source of Funds for General Welfare.

(1) General Rule: Non-Taxable General Welfare Benefits under a Tribal Government Program may be funded by any source of revenue or funds. For example, and without limitation, the Tribe may use funds derived from levies, taxes, and service fees; settlements; revenues from Tribally owned businesses, including casino revenues; funds from Federal, State, or local governments; and funds from other sources, including grants and loans, to provide benefits under an Indian Tribal Government Program.

(2) Benefits funded by net gaming revenues: Non-Taxable General Welfare Benefits under a Tribal Government Program may be funded by net gaming revenues as permitted under the Indian Gaming Regulatory Act, 25 U.S.C. 2701-2721 (IGRA). However, Per Capita payments, as defined under IGRA, remain subject to Federal taxation under IGRA and are not excludable from gross income under section 139E or this Ordinance. For purposes of section 139E and this Ordinance, a payment is a Per Capita payment if it is identified by the Tribe as a Per Capita payment in a Revenue Allocation Plan that is approved by the Department of the Interior (see 25 U.S.C. 2710(b)(3) and 25 CFR 290.11) and in effect at the time of the payment.

(3) Benefits paid as distributions from Grantor Trusts: Non-Taxable General Welfare Benefits under a Tribal Government Program may be paid from trust per Section 1013.

Section 1013 -- Deferred General Welfare Benefits; Revenue Allocation Plan; General Welfare Trusts.

(1) General Rule: The Tribal Council may establish Programs that allow Indian General Welfare Benefits to be deferred and accumulated for larger benefit and other general welfare purposes approved by the Tribe such as, by way of example and not limitation, home ownership, catastrophic care, assisted living and nursing homes, and college tuition and associated expenses.

(2) RAP allocations: Amounts allocated by the Tribal Council for general welfare purposes in accordance with the allocation and general welfare rules or procedures set forth in the Tribe's federally approved Revenue Allocation Plan shall be treated presumptively as Non-Taxable General Welfare Benefits, rather than taxable per capita payments under the IGRA, when paid under Programs designed to address specific needs and purposes in promoting the general welfare and otherwise meet all applicable requirements of this Ordinance and Code Section 139E. The Tribal Council will periodically review Member needs in establishing the amount of net gaming revenues allocated to general welfare purposes, which may include, by way of example, Member surveys and a review of economic data and qualified expenses.

(3) Trusts to Pay General Welfare Benefits: The Tribal Council may establish trusts for the payment of General Welfare Benefits including, without limitation, payments set aside for the future payment of health, education and welfare of trust beneficiaries under IGRA. General welfare determinations are made at the time of payment from a Trust based solely on whether the payments meet Code Section 139E or other requirements for qualification under the General Welfare Exclusion. Where the Tribe is the grantor and owner of Trust assets, the Tribe may re-allocate or limit Trust assets for the payment of Non-Taxable General Welfare Benefits, regardless of source, provided that all requirements of this Ordinance and Code Section 139E are met.

(4) Disclaimer of Payments: The Tribal Council may allow Members to disclaim per capita or other Taxable General Welfare Benefits as a condition for participating in a general welfare Program or receiving general welfare benefits, to the extent permitted under the Code.

(5) Grantor Trust Rule / Final Regulations: In accordance with Treasury Regulation Section 1.139E-1(c)(5)(iii), Non-Taxable General Welfare Benefits under a Tribal Government Program may be provided to Tribal Program Participants as distributions from the portion of a trust of which the Tribe is treated as owner under sections 671 through 677. For purposes of section 139E and this section, the determination of whether a benefit is a Non-Taxable General Welfare Benefit is made at the time the benefit is distributed from the trust to the Tribal Program

Participant. A Benefit, or a portion thereof, that a Tribal Government Program distributes from a trust is a Non-Taxable General Welfare Benefit under Code Section 139E if it otherwise satisfies the requirements of section 139E and this section.

Section 1014 – Limited Use of Assistance; Substantiation.

(1) A Program Participant must comply with all applicable Program rules and limitations. The Tribe or its designee shall keep books or records deemed appropriate to demonstrate compliance with the Ordinance. Recipients of benefits hereunder are responsible for maintaining books or records as may be required for substantiation to the IRS for individual income tax purposes. In the event that Assistance payments are used or pledged for a purpose inconsistent with requirements of the applicable approved Program, the Tribal Council, or its designee, shall require the repayment of the Benefit payment. The Tribal Council is authorized to offset any other benefits owed to a Tribal Member, including per capita distributions, if such an offset is necessary, in the discretion of the Tribal Council, to secure repayment of a welfare assistance payment in accordance with this Section.

(2) If a Beneficiary receives any Assistance that is not used in accordance with Program guidelines, or is in excess of the amount needed for an approved purpose, such benefits may be treated as a deemed loan, and the Tribal Council, or its designee, shall have a legally enforceable right to demand repayment. Tribal remedies shall include all debt enforcement remedies available under the laws of the Redding Rancheria.

(3) The Tribal Council may conduct periodic reviews of qualifying expenses to assist in the substantiation of Member needs including, without limitation, Tribal-specific Member surveys and other research on expense and cost of living data.

(4) In accordance with the preamble to the Final Regulations, Treasury and IRS have confirmed that:

“Individuals are not required to maintain personal receipts to substantiate that a benefit provided under an Indian Tribal government program was used by the recipient for the purpose for which it was provided. Deference is given to the Indian Tribal government with regard to the general welfare programs it administers and, accordingly, what requirements a Tribal program participant may need to satisfy in order to receive program benefits.”

“Accordingly, the Treasury Department and the IRS do not prescribe any specific types of documentation that a Tribal program participant would be required to retain to substantiate that a particular benefit is a Tribal general welfare benefit excludable from gross income under section 139E. Nonetheless, corroborating program documentation, such as a written description of the Indian Tribal government program, an application or acceptance letter into the program, or any year-end

compliance certificates of the Indian Tribal government may satisfy the requirements of section 6001 and § 1.6001-1.”

The Tribe may, but is not required, to provide corroborating Program documentation to support substantiation as contemplated in the foregoing excerpts from the preamble to the Final Regulations.

Section 1015 – Unfunded Benefits/ Budget Limitations.

(1) Budget Limitations: All approved Programs are subject to budget authorization from the General Council and/or Tribal Council as applicable. Funds that may be considered shall include those from gaming and non-gaming sources. All Benefits are subject to reduction or cancelation.

(2) Unfunded Benefits: Notwithstanding anything to the contrary, the Assistance payments authorized hereunder shall be “unfunded” for tax purposes and no Beneficiary shall have an interest in or right to any funds budgeted for or set aside for Assistance payments until paid. Assistance benefits shall remain assets of the Tribe until distributed, and the approved Programs shall be administered at all time to avoid the doctrines of constructive receipt and/or economic benefit. No Program Participant has a vested right to any benefits until actually received.

(3) Constructive Receipt: To the extent that Benefits or deferrals hereunder are otherwise subject to constructive receipt, the Treasury Department and the IRS have recognized (in the preamble to the Final Regulations) that “as a general matter, a Tribal program participant's election to defer a Tribal general welfare benefit that is made before the Tribal program participant would have rights to the Tribal general welfare benefit under Tribal law would not be treated as constructively received by the Tribal program participant for Federal income tax purposes.” Under the authority of this Ordinance, and as a matter of Tribal law, no Program Participant shall have rights to a Tribal general welfare benefit under Tribal law prior to actual receipt.

Section 1016 – Forfeiture and Appeals.

(1) Notwithstanding anything herein to the contrary, the Tribe may forfeit Assistance benefits to any Beneficiary who is found by the Tribal Council to have misapplied program funds or to have made any misrepresentations during the application process. The Tribal Council may also forfeit Assistance benefits should said benefits be treated as a resource to the detriment of the Tribe or a Beneficiary; provided that no forfeiture may take effect until the individual is provided a hearing and due process as set forth in Section 1016(2) herein.

(2) Before any individual's Assistance is subject to forfeiture, said individual shall be provided an opportunity for a hearing before the Redding Rancheria Tribal Court. The Tribal

Council, or its designee, shall provide a written statement of the grounds for forfeiture at least five days before the date of said hearing.

Section 1017 – Anti-alienation.

Except as otherwise permitted under Tribal law, General Welfare Benefits under this Ordinance are not subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the Tribal member or his or her beneficiaries.

Section 1018 – Treatment of Loans from Tribal Government to Program Participants

Except as provided in 26 CFR § 1.7872-5(a)(2), Section 7872 of the Code does not apply to a loan from an Indian Tribal Government to a Tribal Program Participant pursuant to an Indian Tribal Government Program.

Section 1019 – Income or Need-Qualified Programs.

The Tribe recognizes that certain federal or state programs may limit assistance to Members or Beneficiaries based on asset, income, resource or other need-based limitations. The Tribe reserves the right to condition certain benefits on an individual showing of financial or other need, or to establish Program rules or eligibility criteria for income or need-qualified Beneficiaries (sometime referred to as “assistance based on need” or “ABON”). Income or need qualification may also be incorporated into Programs designed to meet other statutory or other common law requirements. Without limitation:

(1) Individual Needs. Certain Programs may be based on individual need, rather than an overall need of the Tribe. For those Programs, the Tribal Council may establish income guidelines unique to the Tribe (as set forth in (2) below) or may use readily available income guidelines used to by state or federal programs to demonstrate individual or family need. When individual or family need must be shown, the Program may also take into account individual circumstances or extraordinary need to overcome presumptions based on income alone. A Beneficiary must certify his or her financial needs, and that the Assistance benefits do not exceed the amount of the Beneficiary’s financial need. The Tribal Council, or its designee, shall adopt procedures and forms for certifying a Beneficiary’s eligibility for Assistance under applicable income and need guidelines.

(2) Tribal Income and Need Guidelines. The Tribal Council may adopt policies and review them for changes as necessary from time to time in establishing recommended minimum standards of living and income guidelines for purposes of determining a Beneficiary’s qualification for needs-based benefits under the General Test. In making the recommendations called for herein, the Tribal Council may look for guidance to federal guidelines such as the federal poverty levels, the federal earned income credit levels, the national or regional median

family income statistics, and the guidelines used by state and federal programs. However, the General Council and the Tribal Council, by joint approval, shall retain ultimate authority in establishing minimum standards of living for the Redding Rancheria. In doing so, the Tribal Council and General Council may take into account such issues as the number of dependents in a household, the level of household income, and household expenditures, the average and median Tribal incomes, and financial matters unique to the Redding Rancheria.

(3) Community Needs. Certain Programs may be based on community needs, which are so important to the self-determination, culture and traditions of the Tribe that Assistance may be deemed necessary regardless of individual income or wealth. For example, states provide public education to all citizens regardless of individual income or wealth. Some Programs may address both individual and community-based needs. The Council reserves the right to require any applicant applying for consideration based on non-financial or community-based needs to demonstrate how the Program benefits will benefit the tribal community as a whole, including preservation of culture, tradition and self-determination. Approval based on non-financial need criteria is made on a facts and circumstances basis and will be guided by traditional values and culture. A Program will be deemed to be based on community or non-financial needs if so designated by the Council. The Tribe will also deem any program to be based on community needs that is designed to meet a purpose served by federal or state programs that are treated as community-need programs.

(4) Coordination with State or Federal Program Requirements: The Tribe may establish Beneficiary categories that must be income or need-qualified for compliance with specific state or federal program requirements.

(5) Notwithstanding anything herein to the contrary any decision to implement need-based criteria shall rest solely with the Tribe. Nothing in the Act, Code Section 139E or this Ordinance shall require the Tribe to implement need-based restrictions.

Section 1020 – Privacy / Information Sharing.

The Tribe will maintain records regarding sensitive Tribal and Tribal Member matters including Tribal customs, religion and traditions confidential from third party disclosures to the fullest extent permitted at law. If information is requested by IRS or other government agencies or third parties during a compliance review or examination, disclosures shall be limited to the extent necessary and required by law pending an effort to address such requests through consultation and other rights under Executive Order 13175, or any successor thereto, on a government-to-government basis. Confidential Tribal information shall not be shared in a manner that would open up additional disclosure, for example, under information sharing agreements the recipient may be subject to or under the Freedom of Information Act.

Section 1021 – Government-to-Government Relationship; Executive Order 13175.

Coordination with IRS and the United States Treasury Department on General Welfare matters shall be grounded on a government-to-government relationship that recognizes the unique relationship between the federal government and the Tribal government. The federal government, as a result of its treaty obligations and trust responsibility, has committed to providing education, housing, clean water, and many other basic needs for Indian people. Through a conscientious shift in policy in recent decades, the federal government has encouraged the Tribe itself to provide for such needs in partnership with the federal government and, increasingly in recent years, instead of the federal government. Essential to the government-to-government relationship is mutual respect and deference to Tribal governance decisions. Future consultations on General Welfare matters should reflect these concerns and the fact that the Tribal government, through its own policy setting process, is best situated to determine the needs of the Tribe and its Members and the appropriate policy solutions. All references to Executive Order 13175 shall include any future amendments thereto.

Section 1022 – Other Tax Exemptions and Common Law Rights Reserved.

Notwithstanding anything herein to the contrary, the Tribe reserves the right to waive income limits or needs basis criteria, to the extent otherwise applicable, for expenditures that otherwise qualify for tax exemptions including tax exemptions under Titles 25 or 26 of the United States Code so long as the conditions for exemption are met. Without limitation, this includes Member medical benefits exempt under Section 9021 of the Patient Protection and Affordable Care Act of 2010 (Code Section 139D) and per capita expenses exempt under 25 U.S.C. Sections 1407 and 1408.

The Tribe expressly reserves its right to assert non-taxable treatment for any Assistance that would qualify for tax exemption under the Code or other federal laws (including Title 25), or under the common law as recognized by the IRS and / or the courts independent of Code Section 139E.

Section 1024 – Delegations for Administration.

(1) The Tribal Council, or its designee, the Chief Executive Officer of the Redding Rancheria (collectively, the “Administrator”), shall be charged with the responsibility and authority to administer the welfare assistance payment program called for by this Ordinance. The Chief Executive Officer may also delegate administrative functions under his/her direction and oversight. All powers and duties conferred on the Administrator shall be exercised or performed in the exercise of the Administrator’s discretion regardless of whether the provision conferring such power or imposing such duty specifically refers to the Administrator’s discretion.

(2) All decisions of the Administrator upon all matters within the scope of its authority shall be binding and conclusive upon all persons.

(3) All actions taken by individuals in administering benefits under this Ordinance shall be presumed to be taken in their official capacity.

Section 1025 – Rule of Interpretation

Section 2(c) of the Act provides that ambiguities in section 139E of the Internal Revenue Code, as added by the Act, shall be resolved in favor of Indian Tribal governments and deference shall be given to Indian Tribal governments for the programs administered and authorized by the Tribe to benefit the general welfare of the Tribal community.

Section 1026 – No Waiver of Tribal Sovereignty

All rights and liabilities associated with the enactment of this Ordinance, or the welfare assistance payments made hereunder, shall be construed and enforced according to the laws of the Redding Rancheria. The Tribal Council is vested with the authority and discretion to construe the terms of the Ordinance. In the event of a disagreement in interpreting the requirements of this Ordinance, the Tribal Council's decision is final. Nothing in this Ordinance or the related policies or procedures, if any, shall be construed as a waiver of sovereign immunity or to make applicable any laws or regulations which the Tribe is entitled to exemption from in accordance with its sovereign status.

Section 1027 – Special Effective Dates.

The Final Regulations are effective for years beginning on or after January 1, 2027. The Final Regulations may be relied upon in interpreting this Ordinance, however, for good faith compliance with Code Section 139E prior to the effective date. Without waiving its right to good faith interpretation of the law prior to the issuance of Final Regulations, including its reserved right to rely on prior IRS administrative guidance and the prior Proposed Regulations under Code Section 139E, the Tribe has elected to apply the provisions of the Final Regulations set forth herein to taxable years that begin before January 1, 2027.

CERTIFICATION

The Redding Rancheria Distribution Ordinance was amended by a vote of 61 for 0 against on May 11, 2026 at a duly called General Membership meeting.


Tribal Council Chair

May 11, 2026


Tribal Council Secretary

May 11, 2026

Present Council

GC Resolution #005-05-11-26