



# St. Regis Mohawk Tribe

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## PRESS RELEASE

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### **Mohawk Tribe Welcomes Restraining Order**

#### *State's Tax Collection Scheme Halted*

**Akwesasne Territory.** The St. Regis Mohawk Tribe received word today that state court Judge Green has issued a temporary stay on the collection of state sales tax on cigarettes sold in Indian Territories. He issued the stay in response to the Seneca Tribe's lawsuit in federal court asking for a temporary restraining order (TRO) and preliminary injunction against enforcement of the state's new law and regulations. Federal Judge Arcara held off issuing the TRO until the state court had a chance to rule on earlier injunctions. Once State Court Judge Siwek issued an order lifting the injunctions, Judge Arcara decided he would issue a TRO, but only in favor of the Seneca and Cayuga Tribes.

However, State Court Judge Green has issued a temporary stay on enforcement that covers all Indian Tribes in New York. The Seneca case will be heard on September 13<sup>th</sup>. It will determine if the federal court will issue a preliminary injunction against enforcement until the court can decide whether or not the new tax law is valid. If the court does not issue the preliminary injunction, then the law will be reactivated, allowing tax collection to proceed.

"The state schemes for implementing a tax collection system, namely the coupon system and the prior approval system are fatally flawed," said Tribal Chief Monica Jacobs. "They place undue burdens on tribes and infringe on tribal sovereignty." The Mohawks' federal lawsuit contends that the state legislature cannot delegate the sovereign powers of the state to an administrative or executive authority of a foreign jurisdiction. "The state of New York has no right to ask Tribes to serve as their tax administrators, which is what the tax exemption coupon system does," remarked Tribal Chief Mark Garrow.

The St. Regis Mohawk Tribe filed a lawsuit in U.S. District Court for the Northern District of New York. It is similar in nature to the Seneca law suit, but did not request immediate relief under an injunction. The case will most likely be impacted by whatever happens in the Seneca case.

"In addition, the state's prior approval system for Indians to purchase tax-exempt cigarettes could result in absolute chaos in cigarette distribution," observed Tribal Chief Randy Hart. "We believe the courts will see all the flaws and that ultimately the Tribes will prevail."

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The St. Regis Mohawk Tribal Council is the duly elected and federally recognized government of the St. Regis Mohawk People.

**Helping Build A Better Tomorrow**

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