




February 12, 2018

MEMORANDUM

TO : Tom Platero, Executive Director
Office of Legislative Services

FROM: 
Levon B. Henry, Chief Legislative Counsel
Office of Legislative Counsel

RE : CJA-07-18 – Enacted by Statute

On January 24, 2018 the Navajo Nation Council considered and passed Resolution CJA-07-18, *Amending 24 N.N.C. § 620 of the Navajo Nation Sales Tax; Allocating a Percentage of the Sales Tax to Navajo Nation Fire and Rescue Services*. The Speaker of the Navajo Nation Council certified the resolution on February 1, 2018. On that same day, the Office of the President and Vice-President received the resolution for the President's consideration. 10 days later on February 11, 2018, the Office of the President and Vice-President returned the resolution to the Office of Legislative Services. Neither the Navajo Nation President nor the Vice-President signed the resolution.

Pursuant to 2 N.N.C. § 221(B) "All resolutions that enact new Navajo law or amend existing Navajo law and are adopted by the Navajo Nation Council shall become effective on the day the President of the Navajo Nation signs it into law or the Navajo Nation Council takes action to override the President's veto..." Resolution CJA-07-18 specifically refers to 2 N.N.C. § 221(B). The President's statutory power includes signing "legislation passed by the Navajo Nation Council into Navajo law within ten calendar days after the certification of the legislation by the Speaker..." 2 N.N.C. 1005(C)(10). "The President's authority to sign into law or veto legislation shall be deemed waived if not exercised within ten calendar days after certification of the legislation by the Speaker...and the legislation shall be deemed enacted and become effective pursuant to 2 N.N.C. § 221." 2 N.N.C. § 1005(C)(12).

The Speaker certified Resolution CJA-07-18 on February 1, 2018 and the President's office received the resolution on the same day. The 10-day period extended to February 11, 2018. The President did not sign the resolution within the 10-day period. Therefore, by law Resolution CJA-07-18 is deemed enacted and considered Navajo Nation law.

cc: Hon. LoRenzo Bates, Speaker, 23rd Navajo Nation Council
Council Delegates, 23rd Navajo Nation Council
Pete Atcitty, Chief of Staff, Legislative Branch

RESOLUTION OF THE
NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL -- Fourth Year, 2018

AN ACT

RELATING TO THE LAW AND ORDER, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; AMENDING 24 N.N.C. § 620 OF THE NAVAJO NATION SALES TAX; ALLOCATING A PERCENTAGE OF THE SALES TAX TO NAVAJO NATION FIRE AND RESCUE SERVICES

BE IT ENACTED:

Section One. Authority

- A. The Law and Order Committee serves as the oversight committee for the Division of Public Safety. Navajo Fire and Rescue Services are part of the Division of Public Safety. 2 N.N.C. §601(C) (1).
- B. The Law and Order Committee is empowered to review and make recommendations to the Navajo Nation Council on proposed amendments to and enactments to the Navajo Nation Code. 2 N.N.C. §600(B) (14).
- C. The Budget and Finance Committee exercises oversight authority over budget and finance matters for the purposes of recommending to the Navajo Nation Council the adoption of resolutions designed to strengthen the fiscal and financial position of the Navajo Nation and to promote the efficient use of the fiscal and financial resources of the Navajo Nation. 2 N.N.C. § 300 (C) (3).
- D. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council. A proposed resolution that requires final action by the Navajo Nation Council shall be assigned to the standing committee having authority over the subject matter at issue and the Naabik'íyáti' Committee. 2 N.N.C. §§ 164(A) (9) and 700(A).
- E. The Navajo Nation Council must review and approve enactments or amendments of positive law. 2 N.N.C. §§ 164(A).

Section Two. Findings

- A. The Navajo Nation Code provides for a tax rate of up to 6 percent. 24 N.N.C. § 605.
- B. The current rate of sales tax in the Navajo Nation is 5 percent pursuant to section 6.105 of the Navajo Nation Sales Tax Regulations.
- C. The Navajo Nation Fire & Rescue Services (NNFRS) requests additional funding to support its operations. NNFRS has presented a justification and needs analysis to support the request. These documents are attached as **Exhibits A** and **B**, respectively.
- D. The chart provided in **Exhibit C** shows the impact of increasing the sales tax to 6 percent and allocating 1 percent of the tax to NNFRS.

Section Three. Amendments to Title 24

The Navajo Nation amends the Navajo Nation Code 24 N.N.C. § 620, as follows:

**NAVAJO NATION CODE ANNOTATED
TITLE 24. TAXATION
CHAPTER 6. SALES TAX**

§ 620. Allocation of Revenue

After allocation to permanent or special revenue funds as required by Navajo Nation law, and allocation to the Tax Administration Suspense Fund as required by the fiscal policy adopted by the Navajo Tax Commission for such Fund, the net revenue from this Chapter shall be disbursed as follows:

- A. To the extent that any amount is collected pursuant to Section 605(B) above, that amount shall be transmitted by the Office of the Navajo Tax Commission to the chapter in a timely manner, to be expended in accordance with the ordinance referred to in Section 605(B), above.
- B. Except as otherwise provided in subsection (C), fifty six percent (~~60~~ 50%) of the revenue collected shall be deposited into the General Fund of the Navajo Nation, twenty sixteen point six, six . . . (~~20~~ 16.6666%) of the revenue collected shall be deposited into the Judicial/Public Safety Facilities Fund, ten eight point three, three . . . percent (~~10~~ 8.3333%) of the revenue collected shall be deposited into the

Scholarship Fund, and ~~ten~~ eight point three, three . . . percent (~~10~~ 8.3333%) of the revenue shall be deposited to the Economic Development Fund to be appropriated pursuant to a fund management plan approved by the Budget and Finance Committee of the Navajo Nation Council, and sixteen point six, six . . . percent (16.6666%) of the reserve shall be deposited to the Fire and Rescue Services Fund to be appropriated pursuant to a fund management plan approved by the Budget and Finance Committee of the Navajo Nation Council.

- C. ~~Sixty~~ Fifty percent (~~60~~ 50%) of the revenue collected from retail establishments located in the Navajo Nation shall be deposited into a trust fund to be appropriated pursuant to a plan of operation developed by the Office of Navajo Government Development and approved by the Budget and Finance Committee of the Navajo Nation Council; ~~twenty~~ sixteen point six, six percent (~~20~~ 16.6666%) of the revenue collected shall be deposited into the Judicial/Public Safety Facilities Fund to be appropriated pursuant to a fund management plan approved by the Budget and Finance Committee of the Navajo Nation Council; ~~ten~~ eight point three, three percent (~~10~~ 8.3333%) of the revenue collected shall be deposited into the Scholarship Fund to be appropriated pursuant to a fund management plan approved by the Budget and Finance Committee of the Navajo Nation Council and ~~ten~~ eight point three, three percent (~~10~~ 8.3333%) of the revenue collected shall be deposited into the Economic Development Fund to be appropriated pursuant to a fund management plan approved by the Budget and Finance Committee of the Navajo Nation Council and sixteen point six, six . . . percent (16.666%) of the reserve shall be deposited to the Fire and Rescue Services Fund to be appropriated pursuant to a fund management plan approved by the Budget and Finance Committee of the Navajo Nation Council.

Section Four. Directive to the Office of the Navajo Tax Commission

The Office of the Navajo Tax Commission is directed to coordinate with the Navajo Tax Commission to make necessary changes to the sales tax rate in the Sales Tax Regulations, section 6.105.

Section Five. Codification

The provisions of the Act which amend or adopt new sections of the Navajo Nation Code shall be codified by the Office of Legislative Counsel. The Office of Legislative Counsel shall incorporate such amended provisions in the next codification of the Navajo Nation Code.

Section Six. Saving Clause

Should any provision of this Act be determined invalid by the Navajo Nation Supreme Court or the District Courts of the Navajo Nation, without appeal to the Navajo Nation Supreme Court, the remainder of the Act shall remain the law of the Navajo Nation.

Section Seven. Effective Date

The provisions of this Act shall become effective in accordance with 2 N.N.C. § 221(B).

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 16 in favor and 00 opposed, on this 24th day of January 2018.



LoRenzo C. Bates, Speaker
23rd Navajo Nation Council

2-1-18

Date

Motion: Honorable Seth A. Damon
Second: Honorable Herman M. Daniels

Speaker Bates not voting

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(10), on this _____ day of _____ 2018.

Russell Begaye, President
Navajo Nation

2. I hereby vote the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(11), on this _____ day of _____ 2018 for reason(s) expressed in the attached letter to the Speaker

Russell Begaye, President
Navajo Nation

As illustrated the Navajo Nation Sales Tax under Statute section 605. Rate of Tax no more than 6% and currently the accumulated total Tax Rate is at 5% and we would like to request to increase the rate by 1% to establish a full 6% rate.

The 1% Sales Tax increase will fund a more operable level for the fire department, and it will continue to support the operations of the fire department.

The funding of 1,400,000 current operating budget is not adequate to continue operating the fire department at an optimum level. The operating budget is not adequate considering the cost to operate three additional fire stations since FY2016; including the existing ones of six, which has been under budget for many years, and to continue operating nine total fire stations we are in need of additional funds.

We have requested to increase our budget several times, but to date we have not receive the support and the only other means as a re-occurring funding is the taxation funds that could at least start funding the operational, personnel, training and equipment needs of the department.

The following is a breakdown of how the budget is allocated, this is to illustrate that most of the funds are in vehicle insurance/ vehicle rental and we have to have this funded as shown due to fire trucks and rescue units use that are bought and maintain by Navajo Nation Fleet therefore intern charges our department budget for use.

Line items	Budget Amount	Percentage	Ideal Budget	Percentage
Personnel	\$1,133,864.00	81%	\$1,933,934.91	58%
Overtime	\$20,928.00	1%	\$185,879.27	6%
Travel Expenses	\$8,370.00	1%	\$64,350.00	2%
Vehicle-Rental/Mileage	\$115,681.00	8%	\$436,944.00	13%
Office Supplies	\$3,955.00	0%	\$28,147.00	1%
Operating Supplies	\$20,200.00	1%	\$167,500.00	5%
Parts/Supplies	\$1,500.00	0%	\$50,000.00	1%
Fuel	\$1,500.00	0%	\$50,000.00	1%
Lease & Rental	\$2,016.00	0%	\$24,200.00	1%
Comm & Utilities	\$21,780.00	2%	\$36,255.00	1%
Equipment -R&M	\$7,000.00	1%	\$94,400.00	3%
Vehicle - R & M	\$10,000.00	1%	\$90,900.00	3%
Contractual Services	\$1,500.00	0%	\$17,500.00	1%
Catering for Special Events	\$3,000.00	0%	\$42,100.00	1%
Training & Trng Supplies	\$2,228.00	0%	\$85,710.00	3%
Insurance	\$46,595.00	3%	\$32,462.41	1%
	\$1,400,000.00	100%	\$3,340,282.59	100%

For our program to initiate a training program, continuing education, recertification of personnel training, new fire trucks, personnel protective gear and improve lifesaving equipment we need to increase the budget by \$1,940,282.00.

With the ideal amount, we will be adding 27 firefighters, fund cost of overtime, travel, training, and personnel protective gear. Aging fire units replace with 9 new fire trucks, 9 new rescue, cost of maintenance, insurance/mileage and fuel. Operating cost such as district office supplies, vehicle parts, annual community events cost, additional supplies for community fire prevention activities and upkeep cost of rescue equipment.

ACCT # EXPENSES

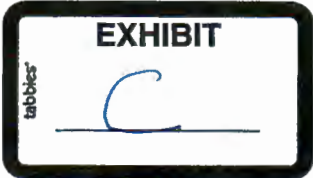
Administration LEUPP Window Rock

ACCT #	EXPENSES	AMT	NEEDED	AMT	NEEDED	AMT	NEEDED
2110/2900	Personnel	\$ 190,763.00	\$ 30,345.00	\$ 39,273.00	\$ 164,433.85	\$ 85,886.00	\$ 353,489.85
2510	Overtime			\$ 3,488.00	\$ 26,762.65	\$ 3,488.00	\$ 42,666.00
3230	Personal Travel Expenses	\$ 1,395.00	\$ 4,000.00	\$ 1,395.00	\$ 7,880.00	\$ 1,395.00	\$ 9,915.00
3110	Vehicle-Rental/Mileage	\$ 8,329.00	\$ 18,000.00	\$ 16,405.00	\$ 28,536.00	\$ 25,326.00	\$ 125,120.00
4120	Office Supplies	\$ 659.00	\$ 550.00	\$ 659.00	\$ 1,264.00	\$ 659.00	\$ 5,500.00
4410	Operating Supplies		\$ 22,500.00	\$ 3,366.00	\$ 22,500.00	\$ 3,366.00	\$ 22,500.00
4610	Parts/Supplies		\$ 5,000.00		\$ 5,000.00	\$ 500.00	\$ 5,000.00
4700	Fuel		\$ 5,000.00		\$ 5,000.00	\$ 500.00	\$ 5,000.00
5000	Lease & Rental		\$ 2,800.00		\$ 2,800.00	\$ 2,016.00	\$ 2,800.00
5500	Comm & Utilities	\$ 1,815.00	\$ 1,365.00	\$ 3,630.00	\$ 5,460.00	\$ 1,815.00	\$ 4,095.00
6130	Equipment -R&M	\$ 2,000.00		\$ 833.00	\$ 9,900.00	\$ 833.00	\$ 24,900.00
6410	Vehicle - R & M			\$ 2,000.00	\$ 11,700.00	\$ 2,000.00	\$ 23,400.00
6500	Contractual Services	\$ 1,500.00			\$ 2,500.00		\$ 5,000.00
7180	Catering for Special Events		\$ 2,500.00	\$ 500.00	\$ 6,000.00	\$ 500.00	\$ 4,500.00
7510	Training & Trng Supplies		\$ 5,600.00		\$ 8,680.00	\$ 2,228.00	\$ 25,920.00
7710	Insurance Premiums	\$ 6,656.00		\$ 6,656.00	\$ 4,301.00	\$ 6,656.00	\$ 4,301.00

Tuba City		Chinle		Fort Defiance		Twin Arrows	
AMT	NEEDED	AMT	NEEDED	AMT	NEEDED	AMT	NEEDED
\$ 39,273.00	\$ 356,756.00	\$ 89,002.00	\$ 353,489.85	\$ 39,273.00	\$ 203,707.50	\$ 39,273.00	\$ 203,707.50
\$ 3,488.00	\$ 26,762.65	\$ 3,488.00	\$ 26,762.65	\$ 3,488.00	\$ 26,762.65	\$ 3,488.00	\$ 26,762.65
\$ 1,395.00	\$ 7,880.00	\$ 1,395.00	\$ 9,915.00	\$ 1,395.00	\$ 7,880.00	\$	\$ 7,880.00
\$ 16,405.00	\$ 85,608.00	\$ 23,890.00	\$ 85,608.00	\$ 16,405.00	\$ 28,536.00	\$ 8,921.00	\$ 28,536.00
\$ 659.00	\$ 5,500.00	\$ 659.00	\$ 5,500.00	\$ 660.00	\$ 1,264.00	\$	\$ 1,264.00
\$ 3,367.00	\$ 22,500.00	\$ 3,367.00	\$ 22,500.00	\$ 3,367.00	\$ 22,500.00	\$ 3,367.00	\$ 22,500.00
\$ 500.00	\$ 5,000.00	\$ 500.00	\$ 5,000.00	\$	\$ 5,000.00	\$	\$ 5,000.00
\$ 500.00	\$ 5,000.00	\$ 500.00	\$ 5,000.00	\$	\$ 5,000.00	\$	\$ 5,000.00
\$	\$ 2,800.00	\$	\$ 2,800.00	\$	\$ 2,800.00	\$	\$ 2,800.00
\$ 3,630.00	\$ 5,460.00	\$ 3,630.00	\$ 4,095.00	\$ 3,630.00	\$ 5,460.00	\$ 3,630.00	\$ 5,460.00
\$ 833.00	\$ 9,900.00	\$ 833.00	\$ 24,900.00	\$ 833.00	\$ 9,900.00	\$ 835.00	\$ 9,900.00
\$ 2,000.00	\$ 11,700.00	\$ 2,000.00	\$ 11,700.00	\$ 1,000.00	\$ 11,700.00	\$ 1,000.00	\$ 11,700.00
\$	\$	\$	\$ 5,000.00	\$	\$ 5,000.00	\$	\$
\$ 500.00	\$ 6,000.00	\$ 500.00	\$ 4,500.00	\$ 500.00	\$ 6,000.00	\$ 500.00	\$ 6,000.00
\$	\$ 8,680.00	\$	\$ 8,670.00	\$	\$ 8,680.00	\$	\$ 8,680.00
\$ 6,656.00	\$ 4,301.00	\$ 6,657.00	\$ 4,301.00	\$ 6,657.00	\$ 4,301.00	\$ 6,657.00	\$ 4,301.00

Shiprock		New Comb		Ojo		AMOUNT (2017)		NEEDED
AMT	NEEDED	AMT	NEEDED	AMT	NEEDED	AMOUNT	%	NEEDED
\$ 203,707.00		\$ 203,707.00	\$ 153,145.92	\$ 203,707.00	\$ 114,859.44	\$ 1,133,864.00	81%	\$ 1,933,934.91
	\$ 4,000.00		\$ 3,700.00		\$ 5,700.00	\$ 20,928.00	1%	\$ 185,879.27
	\$ 11,000.00		\$ 2,000.00		\$ 3,000.00	\$ 8,370.00	1%	\$ 64,350.00
	\$ 550.00		\$ 800.00		\$ 26,000.00	\$ 115,681.00	8%	\$ 436,944.00
	\$ 15,500.00		\$ 5,000.00		\$ 2,000.00	\$ 3,955.00	0%	\$ 28,147.00
	\$ 5,000.00		\$ 5,000.00		\$ 5,000.00	\$ 20,200.00	1%	\$ 167,500.00
	\$ 5,000.00		\$ 5,000.00		\$ 5,000.00	\$ 1,500.00	0%	\$ 50,000.00
	\$ 2,800.00		\$ 1,000.00		\$ 800.00	\$ 2,016.00	0%	\$ 24,200.00
	\$ 1,365.00		\$ 1,400.00		\$ 2,095.00	\$ 21,780.00	2%	\$ 36,255.00
			\$ 3,000.00		\$ 5,000.00	\$ 7,000.00	1%	\$ 94,400.00
					\$ 6,000.00	\$ 10,000.00	1%	\$ 90,900.00
			\$ 1,600.00		\$ 2,500.00	\$ 1,500.00	0%	\$ 17,500.00
	\$ 2,500.00		\$ 2,200.00		\$ 3,000.00	\$ 3,000.00	0%	\$ 42,100.00
	\$ 5,600.00		\$ 6,656.41		\$ 3,000.00	\$ 2,228.00	0%	\$ 85,710.00
	\$ 6,656.41				\$ 6,656.41	\$ 46,595.00	3%	\$ 32,462.41
						\$ 1,400,000.00	100%	\$ 3,340,282.59

58%	Personnel
6%	Overtime
2%	Travel Expenses
13%	Vehicle-Rental/Mileage
1%	Office Supplies
5%	Operating Supplies
1%	Parts/Supplies
1%	Fuel
1%	Lease & Rental
1%	Comm & Utilities
3%	Equipment -R&M
3%	Vehicle - R & M
1%	Contractual Services
1%	Catering for Special Events
3%	Training & Trng Supplies
1%	Insurance
100%	



Increasing NN Sales Tax 1%

Chapter/General Fund	5%	60%	3.00%
Jud/Pub Safety Fac Fund	5%	20%	1.00%
Scholarship	5%	10%	0.50%
Economic Development	5%	<u>10%</u>	<u>0.50%</u>

Chapter/General Fund	6%	50%	3.00%
Jud/Pub Safety Fac Fund	6%	16.6666%	1.00%
Scholarship	6%	8.3333%	0.50%
Economic Development	6%	8.3333%	0.50%
Fire Dept. Funds	6%	<u>16.6666%</u>	<u>1.00%</u>
		100%	6.00%

NAVAJO NATION

RCS# 944

Winter Session

1/25/2018
02:40:03 PM

Amd# to Amd#

Legislation No. 0355-17

PASSED

MOT Damon

Allocating 1 Percent of the

SEC Daniels

Sales Tax to NN Fire and
Rescue Services

Yea : 16

Nay : 0

Excused : 0

Not Voting : 8

Yea : 16

Begay, NM

Chee

Filfred

Pete

Begay, S

Crotty

Hale

Smith

BeGaye, N

Damon

Jack

Witherspoon

Bennett

Daniels

Perry

Yazzie

Nay : 0

Excused : 0

Not Voting : 8

Bates

Brown

Shepherd

Tso

Begay, K

Phelps

Slim

Tsosie