



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Budget and Finance Committee selects new chair; alcohol tax voted down

WINDOW ROCK – The Budget and Finance Committee on Tuesday, selected Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí', Rock Springs, Tsayatoh), as chair of the BFC and was confirmed with a vote of 3-2. Delegate Damon filled the vacated seat of previous BFC chair, now Navajo Nation Vice President Jonathan Nez.

Following the meeting, Delegate Damon said he hoped to accomplish four goals while chair of the BFC, which include improving internal budget processes, creating a two-year budget cycle for the Nation, aid in the development of a Navajo Nation bank, and to begin utilizing the annual interest derived from the Permanent Trust Fund for police services, water and power line projects, and scholarship funding.

“We need to improve the internal budget processes to efficiently funnel money back down to services to the people. We need to begin utilizing the Permanent Trust Fund and begin having those conversations for the benefit of the Diné,” said Delegate Damon.

BFC members also discussed Legislation No. 0084-15, which seeks to amend Navajo Nation Code Title 24 by enacting the Alcohol Tax. The tax would derive from gross receipts from all alcoholic beverages and multiplying the gross receipts with the applicable proposed alcohol tax rate, set at 3.25%.

According to the legislation, the tax imposed is a legal direct tax on the retailers and distributors. However, alcoholic beverages sold would be individually taxed at the rate of 3.25%, so the responsibility of payment is at the consumer level.

BFC member and legislation co-sponsor Council Delegate Lee Jack, Sr. (Dilkon, Greasewood Springs, Indian Wells, Teesto, Whitecone) said the revenue generated from the tax could potentially contribute approximately \$76,000 to aid Navajo Nation public safety programs.

“We tax tobacco and junk food. We tax things that we know are not good for the Navajo people. This Alcohol Tax is the same thing, and the money would be beneficial and could mean a lot to public safety, although it might not be a large amount,” said Delegate Jack.

Delegate Jack also mentioned that the tax on alcohol would be exempt from being administered in accordance with the Healthy Diné Nation Act, a two-percent sales tax on unhealthy foods and beverages.

In opposition of the legislation, BFC chair Delegate Damon said that imposing the Alcohol Tax would be another stress on Navajo gaming.

“I support public safety and I agree they need funding, but I don’t think \$76,000 is adequate enough to put more stress on the tax commission and gaming. We need time for these casinos to grow, and imposing another tax on the casino is not something they need right now, and the tax commission has a strained budget as it is,” said Delegate Damon.

BFC member Council Delegate Tom Chee (Shiprock) questioned the reason for the legislation due to the projected tax revenue it would create.

“I am wondering what the driving force is behind this? My colleagues and I, we are all driven by belief and value systems, and we tend to create policies that punish a certain group of people that don’t share our same values and belief system. We need to be cautious,” said Delegate Chee.

At the conclusion of the discussion, BFC members voted down Legislation No. 0084-15 with a vote of 1-3.

On Thursday, the Naabik’iyáti’ Committee considered the legislation and voted 9-3 to pass the bill. The legislation will now move forward to the Navajo Nation Council for final consideration.

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