

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0058-20_____

SPONSOR: Jamie Henio

TITLE: An Act Relating to Law and Order, Resources and Development, Budget and Finance, Naabik'iyáti and Navajo Nation Council; amending vote provisions of 24 N.N.C. § 605 (B), Vote Requirement for enactment of Sales Tax ordinance by local governance-certified chapter

Date posted: March 18, 2020 at 11:51am

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P.O. Box 3390
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LEGISLATIVE SUMMARY SHEET

Tracking No. 0058-20

DATE: February 21, 2020

TITLE OF RESOLUTION: AN ACT RELATING TO LAW AND ORDER, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'ÍYÁTI AND NAVAJO NATION COUNCIL; AMENDING VOTE PROVISIONS OF 24 N.N.C. § 605 (B). VOTE REQUIREMENT FOR ENACTMENT OF SALES TAX ORDINANCE BY LOCAL GOVERNANCE-CERTIFIED CHAPTER

PURPOSE: This resolution will amend 24 N.N.C. § 605(B), the Navajo Nation Tax Code. Regarding the enactment of sales taxes by local governance-certified chapters (within rates allowed), the requirement of a majority vote of registered voters will be changed to a majority of votes cast by registered voters (if proposed amendment approved).

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 288
Website Posting Time/Date: _____
Posting End Date: 03/23/2020
Eligible for Action: 03/24/2020

Law & Order Committee
Thence
Resources & Development Committee
Thence
Budget & Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL -- Second Year, 2020

INTRODUCED BY



(Prime Sponsor)

TRACKING NO. 0058-20

AN ACT

RELATING TO LAW AND ORDER, RESOURCES AND DEVELOPMENT,
BUDGET AND FINANCE, NAABIK'ÍYÁTT' AND NAVAJO NATION COUNCIL;
AMENDING VOTE PROVISIONS OF 24 N.N.C. § 605 (B), VOTE REQUIREMENT
FOR ENACTMENT OF SALES TAX ORDINANCE BY LOCAL GOVERNANCE-
CERTIFIED CHAPTER

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Law and Order Committee is a standing committee of the Navajo Nation Council with authority to "review and make recommendations to the Navajo Nation Council on proposed amendments to and enactments in the Navajo Nation Code." 2 N.N.C. §601(B)(14).

B. The Resources and Development Committee is a standing committee of the Navajo Nation Council. 2 N.N.C. § 500(A). The committee, among other responsibilities, has oversight authority over chapter activities for certain purposes, including establishing policies and coordinating projects. See generally, 2 N.N.C. § 500(C)

C. The Budget and Finance Committee is a standing committee of the Navajo Nation Council. 2 N.N.C. § 300(A). For purposes of coordinating fiscal policies of the Navajo

1 Nation, the committee, among other responsibilities, has oversight authority over “chapter
2 budget and finance” matters. 2 N.N.C. § 300 (C)(1).

3 D. The Naa'bik'íyáti' Committee is a standing committee of the Navajo Nation Council.
4 2 N.N.C. § 700(A). All proposed legislation requiring final action by the Navajo Nation
5 Council are assigned to the committee. 2 N.N.C. § 164 (A)(9).

6 E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §
7 102.

8 9 **SECTION TWO. FINDINGS**

10 A. The Navajo Nation Local Governance Act provides:

11 “A chapter ballot measure shall be used for the adoption of an alternative form of
12 chapter governance, a municipal form of government, chapter subunits, local taxes and
13 fees, issuance of community bonds and compensation of chapter officials. Adoption of
14 a chapter ballot measure shall be in accordance with 11 N.N.C. §§ 401-408.” 26
15 N.N.C. § 2001(H).

16 B. Local Governance-certified chapters, subject to provisions of the Navajo Nation sales
17 tax statute, may enact sales tax ordinances. 24 N.N.C. § 605 (B). However, passage
18 of such ordinances under current law requires a majority vote of all registered voters
19 of a Local Governance-certified chapter.

20 C. The Navajo Commission on Government Development and the Navajo Tax
21 Commission support amending 24 N.N.C. § 605(B) to change the vote requirement to
22 votes cast by registered voters. See **Exhibit A** (CNCD-1205-19) and **Exhibit B**
23 (TAX-20-235), respectively.

24 D. A purpose of the Local Governance Act is to “recognize governance at the local
25 level.” 26 N.N.C. §1(B)(1). It is necessary, and in the best interest of the Navajo
26 Nation, to amend the Navajo Nation Sales Tax statute to authorize Local Governance-
27 certified chapters to enact sales tax ordinances by a majority vote of registered voters
28 voting in a referendum or initiation election on the matter.

1 **SECTION THREE. AMENDING 24 N.N.C. § 605(B)**

2 The Navajo Nation hereby amends 24 N.N.C. § 605(B) as follows:

3
4

§ 605. RATE OF TAX

5 A. The tax imposed by this Chapter is imposed at a rate of not less than two
6 percent (2%), nor more than six percent (6%), which shall be specifically
7 established by promulgated by the Navajo Tax Commission. This tax shall
8 not be imposed on the purchase of fresh fruits, fresh vegetables and filtered
9 bottled water including nuts, nut butters, and seeds. Until another rate is
10 established, the rate shall be five percent (5%) of the applicable gross
11 receipts from all retail sales (.05 x applicable gross receipts).

12 B. ~~A majority of the registered voters of any governance certified chapter may~~
13 ~~enact an ordinance imposing an additional tax rate in addition to the rate~~
14 ~~approved by the Navajo Tax Commission in accordance with paragraph A,~~
15 ~~above. Any Local Governance Act-certified chapter may enact a local sales~~
16 ~~tax ordinance, by an election on a referendum measure / initiative, imposing~~
17 ~~a local tax rate that shall be in addition to the Navajo Nation Sales Tax rate~~
18 ~~approved by the Navajo Tax Commission in accordance with paragraph A~~
19 ~~above, provided that the Chapter complies with requirements in the Uniform~~
20 ~~Local Tax Code, 24 N.N.C. § 150 et seq., the Local Governance Act, 26~~
21 ~~N.N.C. § 1 et seq., and the Navajo Election Code, 11 N.N.C. § 1 et seq.~~
22 ~~Passage of the chapter referendum measure / initiative shall require approval~~
23 ~~by a majority of votes cast in the election by eligible registered voters of the~~
24 ~~Local Governance Act-certified chapter, in accordance with 11 N.N.C. §~~
25 ~~406. This additional rate may be from one- quarter of one percent (.25%) to~~
26 ~~four percent (4%) and shall be set forth in the ordinance.~~

1 **SECTION FOUR. EFFECTIVE DATE**

2 This action of the Navajo Nation Council herein shall be effective pursuant to 2
3 N.N.C. § 221(B). Further, the "President's authority to sign into law or veto legislation
4 shall be deemed waived if not exercised within ten calendar days after certification of the
5 legislation by the Speaker or Speaker Pro Tem and the legislation shall be deemed
6 enacted and become effective pursuant to 2 N.N.C. §221." 2 N.N.C. § 1005(C)(12).

7
8 **SECTION FIVE. CODIFICATION**

9 The provisions of these amendments of the Navajo Nation Code shall be codified by
10 the Office of Legislative Counsel. The Office of Legislative Counsel shall incorporate
11 such amendments in the next codification of the Navajo Nation Code.

12
13 **SECTION SIX. SAVINGS CLAUSE**

14 Should any provision of these amendments be determined invalid by the Navajo
15 Nation Supreme Court, or the District Courts of the Navajo Nation without appeal to the
16 Navajo Nation Supreme Court, those amendments that are not determined invalid shall
17 remain the law of the Nation.