

## 23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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## Resources and Development Committee approves Navajo Nation business license regulations

**WINDOW ROCK** – The Resources and Development Committee voted 5-0 on Dec. 29, to approve business license regulations for businesses operating within the boundaries of the Navajo Nation.

The passage of the bill marks the first time the Navajo Nation has established such regulations for the purposes of securing, monitoring, and analyzing data concerning economic activity in order to assist with economic development planning and policy development, and to monitor commercial activity conducted with enrolled Navajo members.

In his opening remarks, sponsor of the legislation Council Delegate Alton Joe Shepherd (Jeddito, Cornfields, Ganado, Kin Dah Lichíí, Steamboat) explained the need for the regulations in order to identify entities that conduct business on the Nation and to ensure that they are paying Navajo Nation taxes and complying with Navajo Nation laws.

Delegate Shepherd, who chairs the RDC, said there have been growing concerns from communities across the Navajo Nation over unregulated business activities and unfair business practices due to non-Navajo businesses that do not pay Navajo Nation taxes although they earn revenue from conducting business on the Nation.

For example, Delegate Shepherd referenced recent reports of non-Navajo medical transport companies operating on the Navajo Nation that are not paying Navajo Nation taxes and not complying with Navajo laws.

In December, the Health, Education, and Human Services Committee received a report in which it was noted that non-Navajo transport drivers often claim to have a partnership with Navajo companies in order to avoid applying for necessary licenses with the Navajo Nation.

The establishment of business license regulations now requires individuals conducting business on the Navajo Nation to apply and maintain a license even in instances where a person's principal place of business is located outside of the Navajo Nation.

Delegate Shepherd acknowledged that additional policies will have to be created to fully address the medical transport issues, but said the passage of the legislation is a step in the right direction.

The bill also delegates RDC's authority, granted in Title II of the Navajo Nation Code, to issue business licenses to the Navajo Nation Division of Economic Development, which will be

responsible for ensuring that businesses apply for the license and maintain compliance and eligibility requirements.

DED Chief Financial Officer Raymond Nopah, was also present during RDC's discussion and said that currently the Nation's lack of business license regulations makes it very difficult to know how many businesses operate on the Nation and whether those businesses are complying with tax regulations and other laws.

The new regulations also outline provisions for license application and issuance, term of the license, and penalties for transacting business on the Navajo Nation without a business license.

Legislative counsel said the new regulations would not impact the ability of certified chapters, in response to a question raised by RDC member Council Delegate Walter Phelps (Cameron, Coalmine Canyon, Leupp, Tolani Lake, Tsidi To ii) over whether the new regulations would impact authority granted to certified chapters to issue such licenses.

The Resources and Development Committee serves as the final authority for Legislation No. 0405-15. Please click <u>here</u> to view the newly approved business license regulations.

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