

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0035-22\_

SPONSOR: Rickie Nez

**TITLE: An Act Relating to the Resources and Development, Budget and Finance, and Naabik'iváti' Committees, and the Navajo Nation Council; Approving \$400,000 from the Unreserved, Undesignated Fund Balance ("UUFB") to Pay State Property Taxes and Grazing Fees for Navajo Nation Fee Lands Under the Department of Agriculture Ranch and Eastern Land Management Program; Waiving 12 N.N.C. § 820(E), § 820(F), and § 820(J) to Allow Use of UUFB Funds for Recurring Expenses**

*Date posted:* February 17, 2022 at 7:51 PM

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## LEGISLATION SUMMARY

TrackingNo. 0035-22

Date: February 2, 2022

Re: **AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; APPROVING \$400,000 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFb") TO PAY STATE PROPERTY TAXES AND GRAZING FEES FOR NAVAJO NATION FEE LANDS UNDER THE DEPARTMENT OF AGRICULTURE RANCH AND EASTERN LAND MANAGEMENT PROGRAM; WAIVING 12 N.N.C. §820(E), §820(F), AND §820(J) TO ALLOW USE OF UUFb FUNDS FOR RECURRING EXPENSES**

Purpose: allocating \$400,000 from the UUFb to the Department of Agriculture, Ranch and Eastern Land Management Program, to pay state property taxes and grazing lease fees for Navajo Nation-owned fee lands in Arizona and New Mexico.

OLC No. 21-142-1

5-DAY BILL HOLD PERIOD: Johnson  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 02-22-22  
Eligible for Action: 02-23-22

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

PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
24<sup>th</sup> NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:

  
Rick Nez  
(Prime Sponsor)

Tracking No. 0035-22

**AN ACT**  
**RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; APPROVING \$400,000 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFb") TO PAY STATE PROPERTY TAXES AND GRAZING FEES FOR NAVAJO NATION FEE LANDS UNDER THE DEPARTMENT OF AGRICULTURE RANCH AND EASTERN LAND MANAGEMENT PROGRAM; WAIVING 12 N.N.C. §820(E), §820(F), AND §820(J) TO ALLOW USE OF UUFb FUNDS FOR RECURRING EXPENSES**

BE IT ENACTED:

**SECTION ONE. AUTHORITY**

- A. The Navajo Nation established the Resources and Development Committee as a Navajo Nation Council standing committee with oversight authority over all matters involving water, land, environment, agriculture, livestock, among other duties. 2 N.N.C. §500(C). The Resources and Development Committee also has responsibility for the Division of Natural Resources, under which the Department of Agriculture was established. 2 N.N.C. §501(C)(1).
- B. The Navajo Nation established the Budget and Finance Committee as a Navajo Nation Council standing committee with the authority to recommend to the Navajo Nation Council

1 the management of all funds. 2 N.N.C. §164(A)(9), §300(A), and §301(B)(2).

2 C. The Navajo Nation Council established the Naabik'iyáti' Committee as a Navajo Nation  
3 standing committee, and proposed legislation requiring final action by the Navajo Nation  
4 Council is assigned to the Naabik'iyáti' Committee. 2 N.N.C. §164(A)(9) and §700(A).

5 D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A).  
6 As such, the Council “. . . may adopt and approve supplemental appropriations to the Annual  
7 Comprehensive Budget during the fiscal year. Supplemental appropriations of General Funds  
8 within the current fiscal year are permitted, if and when additional sources of revenues above  
9 and beyond the initial or current revenue projections are projected and which are also in  
10 excess of the reserve amount set forth at §820(J).” 12 N.N.C. §820(L).

11 E. The restrictions on supplemental appropriations include:

12 1. Supplemental appropriations from non-recurring revenues shall be approved only for non-  
13 recurring expenses. 12 N.N.C. §820(F). The Controller determines which revenues are  
14 recurring and which are non-recurring. 12 N.N.C. §820(L).

15 2. The Navajo Nation shall budget all recurring operating expenses, including capital  
16 maintenance costs, from recurring revenues only; and long-term debt shall not be used to  
17 finance recurring operating expenses. 12 N.N.C. §820(E).

18 3. The Navajo Nation Code further provides, “. . . non-recurring revenues will be budgeted  
19 only after an examination by the Controller to determine whether or not the revenues are  
20 subsidizing an imbalance between recurring revenues and expenditures, and expenditures  
21 may be authorized only if a long-term (three-five year) forecast shows that the operating  
22 deficit will not continue. Otherwise, non-recurring revenues will be added to the  
23 Unreserved, Undesignated Fund Balance. This provision may be amended or waived by  
24 a two-thirds vote of the full Navajo Nation Council.” 12 N.N.C. §820(F).

25 4. All requests for supplemental funding shall be submitted to the Office of Management  
26 and Budget (“OMB”) for budget impact analysis. 12 N.N.C. §820(M).

27  
28 **SECTION TWO. FINDINGS**

29 A. The Department of Agriculture (“DOA”) under the Division of Natural Resources has  
30 prepared a supplemental funding request and justification, seeking \$400,000 out of the

1 UUFB for the DOA's Ranch and Eastern Land Management Program to pay state property  
2 taxes and grazing lease fees assessed on Navajo Nation-owned fee lands in Arizona and New  
3 Mexico. **EXHIBIT A.** The required Budget Forms are attached hereto as **EXHIBIT B.**

4 B. The Office of Management and Budget has provided a budget impact analysis as required by  
5 12 N.N.C. § 820(M). **EXHIBIT C.**

6 C. The Office of the Controller was asked to provide a memorandum as required by 12 N.N.C.  
7 §820(L). This memorandum shall be provided to the assigned Committees and/or the Navajo  
8 Nation Council when this legislation is up for consideration.

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10 **SECTION THREE. ALLOCATING \$400,000 OUT OF THE UUFB FOR THE**  
11 **DEPARTMENT OF AGRICULTURE, RANCH AND EASTERN**  
12 **LAND MANAGEMENT PROGRAM, TO PAY STATE**  
13 **PROPERTY TAXES AND GRAZING LEASE FEES**

14 A. The Navajo Nation hereby allocates \$400,000 out of the UUFB to the Department of  
15 Agriculture, Ranch and Eastern Land Management Program, to pay Arizona and New  
16 Mexico property taxes and grazing lease fees assessed on Navajo Nation-owned fee lands in  
17 those states.

18 B. This supplemental appropriation shall be from those funds that exceed the minimum fund  
19 reserve balance in the UUFB required by 12 N.N.C. §820(J), as determined by the Controller.

20 C. Pursuant to 12 N.N.C. §820(J), on September 30, 2022 this supplemental appropriation shall  
21 expire and any remaining funds not expended or encumbered shall revert to the UUFB,  
22 unless otherwise determined by the Navajo Nation Council.

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24 **SECTION FOUR. WAIVING 12 N.N.C. §820(E), §820(F), AND §820(J) TO ALLOW**  
25 **USE OF THE UUFB FOR RECURRING EXPENSES**

26 The Navajo Nation hereby waives 12 N.N.C. §820(E), §820(F), and §820(J) to allow use of the  
27 UUFB by the Department of Agriculture, Ranch and Eastern Land Management Program, to  
28 pay Arizona and New Mexico property taxes and grazing lease fees assessed on Navajo Nation-  
29 owned fee lands in those states, as shown in Exhibits A-B. This waiver is necessary because the  
30 UUFB expenditures for property taxes and grazing fees are considered recurring expenses.

1 **SECTION FIVE. EFFECTIVE DATE**

2 This Act shall become effective as provided in 2 N.N.C. §221(B) and 2 N.N.C. §164(A)(17).

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4 **SECTION SIX. SAVING CLAUSE**

5 If any portion of this Act is determined invalid by the Navajo Nation Supreme Court, or by a  
6 District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the  
7 remainder of this Act shall be the law of the Navajo Nation.

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