

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0161-22_

SPONSOR: Raymond Smith, Jr.

TITLE An Action Relating to Resources and Development, Budget and Finance, Naabik'iyáti' Committees, and Navajo Nation Council; Allocating \$5,000,000 in Síhasin Funds to the Navajo Nation Oil and Gas Company for Development and Construction of the Tse Si Ani C-Store; Approving and Adopting the Tse Si Ani C-Store Expenditure Plan Pursuant to 12 N.N.C. §§ 2501 – 2508

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LEGISLATIVE SUMMARY SHEET
Tracking No. 0161-22

DATE: September 15, 2022

TITLE OF RESOLUTION: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; ALLOCATING \$5,000,000 IN SÍHASIN FUNDS TO THE NAVAJO NATION OIL AND GAS COMPANY FOR DEVELOPMENT AND CONSTRUCTION OF THE TSE SI ANI C-STORE; APPROVING AND ADOPTING THE TSE SI ANI C-STORE EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§ 2501 – 2508

PURPOSE: This resolution, if approved, will provide Navajo Oil and Gas Company with \$5,000.000 for the planning, design, and construction of the Tse Si Ani C-Store.

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

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**PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL – Fourth Year, 2022**

Naabik'iyáti' Committee

Thence

INTRODUCED BY

Navajo Nation Council



(Prime Sponsor)



TRACKING NO. 0161-22

AN ACTION

**RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND
FINANCE, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION
COUNCIL; ALLOCATING \$5,000,000 IN SÍHASIN FUNDS TO THE NAVAJO
NATION OIL AND GAS COMPANY FOR DEVELOPMENT AND
CONSTRUCTION OF THE TSE SI ANI C-STORE; APPROVING AND
ADOPTING THE TSE SI ANI C-STORE EXPENDITURE PLAN PURSUANT
TO 12 N.N.C §§ 2501 – 2508**

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation and has oversight authority over economic development and Navajo Nation Chapters, among other areas. 2 N.N.C. §501(C)(1).
- B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council empowered to “appropriate, allocate, cancel, re-appropriate and review the use of Navajo Nation funds received including but not limited to all grants, contracts, gifts and other funds from all sources.” 2 N.N.C. §301(B)(3).
- C. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council with the responsibility to hear proposed resolutions that require final action by the Navajo

1 Nation Council. 2 N.N.C. §164(A)(9).

2 D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).

3 E. The Navajo Nation Code provides the purpose of the Navajo Nation Síhasin Fund (“Síhasin
4 Fund”) is as follows:

5 §2502 Purpose

6 A. The purposes of this Fund are to provide financial support and/or financing for:

- 7 1. The planning and development of economic development and regional
8 infrastructure supporting economic development and community development,
9 including such infrastructure as, but not limited to, housing, commercial and
10 government buildings, waterline, solid waste management development, powerline
11 projects, and transportation and communication systems, within the Navajo Nation;
12 and

13 2. Education opportunities for members of the Navajo Nation.

14 B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not be
15 limited by 12 NNC §1310(F) or TCDCJY-77-99.

16 C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding in
17 part, and other weighted uses of the Fund, including loan financing from the Fund, for
18 the purposes in §2502(A)(1), shall be favored over direct funding in whole.

19 12 N.N.C. §2502, as amended by CJA-03-18.

20 F. The Síhasin Fund provides that “Fund Principal” shall consist of all deposits made to the
21 Síhasin Fund and that “Fund Income” shall consist of all earnings (interest, dividends, etc.)
22 generated and realized by the Fund Principal, and that Fund Income shall be deposited in
23 and added to Fund Principal until such time as a Fund Expenditure Plan is duly adopted.
24 12 N.N.C. §§ 2504 and 2505(C).

25 G. The Síhasin Fund provides that “Fund Principal and Income shall not be expended except
26 pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502 of this
27 Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation
28 Council.” 12 N.N.C. §2505(A).

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30 **SECTION TWO. FINDINGS**

- 1 A. The Tse Si Ani Chapter is requesting five million dollars (\$5,000,000) from the
2 Sihasin Fund be allocated to the Navajo Nation Oil and Gas Company (“NNOGC”)
3 for the planning, design, and construction of a proposed Convenience Store/Fuel
4 Station Project (“C-Store”) in the Chapter’s community. **Exhibit A** (Resolution No.
5 TSA-2022-07-035, dated July 6, 2022).
- 6 C. The NNOGC, through the Damon Development Group, has prepared a “Program
7 Budget Summary” and a line-item breakdown of estimated project costs. **Exhibit**
8 **B**.
- 9 D. The allocation of \$5,000,000 for a C-Store in the Tse Si Ani Chapter satisfies the
10 12 N.N.C. §2502(A)(1) criteria for Sihasin expenditures because the proposed C-
11 Store involves a “commercial building” project and “economic development”.
- 12 E. The project will provide economic benefits for the Tse Si Ani area, including, but
13 not limited to, employment of community members and the provision of much
14 needed goods and services to community members.
- 15

16 **SECTION THREE. APPROVAL AND ADOPTION OF THE SÍHASIN FUNDING**
17 **AND THE TSE SI ANI C-STORE EXPENDITURE PLAN**

- 18 A. The Navajo Nation hereby approves five million dollars (\$5,000,000) from the
19 Sihasin Fund to the Navajo Nation Oil and Gas Company for the planning, design,
20 and construction of the Tse Si Ani C-Store, as set forth in **Exhibits A and B**.
- 21 B. The Navajo Nation hereby approves the Síhasin Fund Tse Si Ani C-Store
22 Expenditure Plan, as set forth in **Exhibits A and B**.
- 23 C. The Controller shall determine whether the source of the \$5,000,000 approved
24 herein will be Síhasin Fund Principal or Síhasin Fund Income, or a combination of
25 both.
- 26 D. The \$5,000,000 approved herein shall be released to NNOGC through a Grant
27 Agreement with the Division of Economic Development (“DED”) that includes a
28 draw-down or disbursement schedule agreed to by the Controller.
- 29 E. The \$5,000,000 approved herein shall only be used for the planning, design, and
30 construction of the Tse Si Ani C-Store, as set forth in **Exhibits A and B**. NNOGC

1 shall be responsible for operating and maintenance costs of the C-Store after it is
2 fully constructed.

3 F. DED shall provide administrative oversight over the Tse Si Ani C-Store
4 Expenditure Plan.

5 G. The \$5,000,000 approved herein shall not lapse on an annual basis. However, any
6 Síhasin funds not spent or encumbered within twenty-four (24) months of the date
7 funds are disbursed to NNOGC shall immediately revert to the Síhasin Fund
8 Principal, unless otherwise approved by both the Resources and Development
9 Committee and the Naabik'iyáti' Committee of the Navajo Nation Council.

10 H. Any and all savings or unused amounts of the Síhasin funds approved herein shall
11 be immediately returned to the Síhasin Fund Principal once the Tse Si Ani C-Store
12 is completed, or upon the reversion deadline in Section Three (G) above.

13 I. The \$5,000,000 in Síhasin funds approved herein may be further leveraged by bond
14 or loan financing pursuant to the Navajo Nation Bond Financing Act (12 N.N.C.
15 §1300 *et seq.*, as amended), using Síhasin Fund earnings for repayment and
16 financing costs, upon approval of the Budget and Finance Committee and upon
17 further approval by a two-thirds (2/3) vote of the full membership of the Navajo
18 Nation Council.

19 J. Any and all savings or unused amounts of the Síhasin funds approved herein shall
20 be immediately returned to the Síhasin Fund Principal once the Project is
21 completed, or upon the reversion deadline in Section Three (I) above.

22 K. The Síhasin Fund shall be reimbursed all or part of the amount approved herein
23 from eligible funds available to the Navajo Nation from any and all state and federal
24 sources.

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26 **SECTION FOUR. EFFECTIVE DATE**

27 This Action and the approved Tse Si Ani C-Store Expenditure Plan shall become
28 effective pursuant to 12 N.N.C. §2505.
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1 **SECTION FIVE. SAVING CLAUSE**

2 If any portion of this Act is invalidated by the Supreme Court of the Navajo Nation, or
3 by any Navajo Nation District Court without appeal to the Navajo Nation Supreme
4 Court, the remainder of this Act shall be the law of the Navajo Nation.

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