

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0193-22\_

SPONSOR: Otto Tso

**TITLE An Act Relating to Law and Order, Budget and Finance, and Naabik'iyáti' Committees, and Navajo Nation Council; Amending 12 N.N.C. § 820(N) to Change the Lapse of Certain Appropriations**

***Date posted:*** October 6, 2022 at 6:19 PM

Digital comments may be e-mailed to [comments@navajo-nsn.gov](mailto:comments@navajo-nsn.gov)

Written comments may be mailed to:

**Executive Director  
Office of Legislative Services  
P.O. Box 3390  
Window Rock, AZ 86515  
(928) 871-7586**

**Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.**

**Please note:** This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

**SUMMARY OF PROPOSED LEGISLATION**

TrackingNo. 0193-22

Date: September 28, 2022

**Re: AN ACT RELATING TO LAW & ORDER, BUDGET & FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; AMENDING 12 N.N.C. §820(N) TO CHANGE THE LAPSE OF CERTAIN APPROPRIATIONS**

**Purpose of this Legislation:**

to add new language to 12 N.N.C. §820(N) to provide that funds appropriated in the Comprehensive Budget, and UUFB funds in Supplemental Appropriations, shall lapse at the end of the fiscal year, unless a 7/8 vote of all delegates (21 delegates) determines otherwise.

OLC No. 22-287-1

5-DAY BILL HOLD PERIOD: Johnson  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 10-11-22  
Eligible for Action: 10-12-22

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

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
2 24<sup>th</sup> NAVAJO NATION COUNCIL - Fourth Year, 2022

3 Introduced by:

4   
5 \_\_\_\_\_

6 (Prime Sponsor)



7  
8 Tracking No. 0193-22

9  
10 AN ACT

11 RELATING TO LAW & ORDER, BUDGET & FINANCE, AND NAABIK'ÍYÁTI'  
12 COMMITTEES, AND NAVAJO NATION COUNCIL; AMENDING 12 N.N.C.  
13 §820(N) TO CHANGE THE LAPSE OF CERTAIN APPROPRIATIONS  
14

15 BE IT ENACTED:

16  
17 SECTION ONE. AUTHORITY

- 18 A. The Law & Order Committee is a standing committee of the Navajo Nation Council with  
19 the authority to review and make recommendations to the Navajo Nation Council regarding  
20 proposed amendments to the Navajo Nation Code. 2 N.N.C. §601(B)(14).  
21 B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council  
22 with the responsibility to “review and recommend to the Navajo Nation Council the  
23 budgeting, appropriation, investment and management of all funds.” 2 N.N.C. §301(B)(2).  
24 C. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council that  
25 considers all proposed final actions by the Navajo Nation Council. 2 N.N.C. §164(A)(9).  
26 D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).  
27 As such, the Council approves amendments of Navajo Nation law. 2 N.N.C. §164(A).  
28

29 SECTION TWO. FINDINGS

- 30 A. The Navajo Nation anticipates declining revenues from the closure of nearby power plants

1 and coal mines, as well as a decline in other revenues due to inflation and current post-  
2 COVID market factors. In short, the Navajo Nation government is facing the prospect of  
3 significant funding shortfalls. This, in turn, will likely result in a reduction of services the  
4 Navajo Nation government provides to the Navajo people and their communities.

5 B. To mitigate the expected shortfalls, the Navajo Nation recognizes that more efficient fiscal  
6 management is necessary for the Navajo Nation to continue providing government services  
7 at current funding levels.

8 C. Except for appropriations to Chapters, all funding appropriations approved by the Council  
9 shall lapse at the end of each fiscal year, pursuant to 12 N.N.C §820(N) as currently written.

10 D. Because of the automatic lapsing under 12 N.N.C §820(N), every year the Council is urged  
11 to approve appropriations carryovers in the Comprehensive Budget, so budgeted funds will  
12 remain available to Navajo Nation divisions, departments, and programs. Nevertheless,  
13 prudent and efficient fiscal management means that carryovers should not be routinely  
14 approved.

15 E. The Navajo Nation finds it in the best interest of the Navajo Nation to amend 12 N.N.C.  
16 §820(N) to limit carryovers and ensure that appropriated funds are used for their intended  
17 purpose(s) during the fiscal year for which they were originally approved.

18  
19 **SECTION THREE. AMENDING 12 N.N.C. §820(N)**

20 The Navajo Nation hereby amends Title 12 of the Navajo Nation Code, as follows (clean  
21 version attached hereto as **EXHIBIT A**):

22 \_\_\_\_\_  
23 **TITLE 12. FISCAL MATTERS**  
24 **CHAPTER 7. APPROPRIATIONS**

25 \* \* \* \*

26 **§ 820. Overall budget policies.**

27 \* \* \* \*

28 (N) Certain Appropriations Shall Lapse and Revert. ~~Appropriations approved by the~~  
29 ~~Navajo Nation Council will lapse at the end of the fiscal year unless otherwise~~  
30 ~~designated by the Navajo Nation Council. Appropriations to the Chapters of the~~

1 ~~Navajo Nation shall not lapse at the end of the fiscal year provided that the Chapters~~  
2 ~~shall budget those funds in the subsequent fiscal year in accordance with the~~  
3 ~~purposes and conditions originally set forth by the Navajo Nation Council in its~~  
4 ~~appropriations.~~

5 1. Regardless of purpose, except for that portion of funds expended or encumbered  
6 by the end of the fiscal year for which such funds are appropriated, the following  
7 funds shall lapse at the end of the fiscal year and revert to their original source:

8 (a) all funds from the General Fund that are appropriated in the Comprehensive  
9 Budget Resolution approved by the Council for each fiscal year; and

10 (b) all funds from the Unreserved, Undesignated Fund Balance ("UUFB") that  
11 are appropriated by the Council in a Supplemental Appropriation.

12 2. Notwithstanding §820(N)(1), all funds from the General Fund appropriated to  
13 any Chapter in the Comprehensive Budget, and all UUFB funds appropriated to  
14 a Chapter in a Supplemental Appropriation, shall never lapse or revert, so long  
15 as such funds are properly budgeted each fiscal year and the Chapter continues  
16 to use such funds for the purpose(s) described in the original appropriation.

17 3. The lapse and reversion of all funds appropriated outside of the Comprehensive  
18 Budget Resolution, and all non-UUFB funds appropriated in a Supplemental  
19 Appropriation, shall be governed by the particular statute governing such funds  
20 or by the Council Resolution approving such funds.

21 4. No part of this 12 N.N.C. §820(N) shall be amended or waived except by a 7/8  
22 approval vote among all Council delegates.

23 \* \* \* \*

24 \_\_\_\_\_  
25  
26 **SECTION FOUR. EFFECTIVE DATE**

27 This Act shall become effective pursuant to 2 N.N.C. §221(B).

28  
29 **SECTION FIVE. CODIFICATION**

30 The parts of this Act that amend existing provisions, or adopt new provisions, in the Navajo

1 Nation Code shall be codified by the Office of Legislative Counsel. The Office of Legislative  
2 Counsel shall incorporate the changes set forth herein into the next codification of the Navajo  
3 Nation Code.

4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

**SECTION SIX. SAVING CLAUSE**

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