

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: 0029-25

SPONSOR: Shawna Ann Claw

**TITLE: An Act Relating to the Resources and Development Committee, the Budget and Finance Committee, the Naabik'iyáti' Committee, and the Navajo Nation Council; Establishing a New Enterprise Fund for the Navajo Business Regulatory Department Under the Navajo Nation Division of Economic Development, and Waiving 12 N.N.C. §820 (N) to Prevent Reversion of Funds**

*Date posted:* March 13, 2025 at 5:04 PM.

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Office of Legislative Services  
P.O. Box 3390  
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## **SUMMARY OF PROPOSED LEGISLATION**

Tracking No. 0029-25

DATE: March 12, 2025

**RE: AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE, THE BUDGET AND FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE, AND THE NAVAJO NATION COUNCIL; ESTABLISHING A NEW ENTERPRISE FUND FOR THE NAVAJO BUSINESS REGULATORY DEPARTMENT UNDER THE NAVAJO NATION DIVISION OF ECONOMIC DEVELOPMENT, AND WAIVING 12 N.N.C. §820(N) TO PREVENT REVERSION OF FUNDS**

### **PURPOSE OF THIS LEGISLATION:**

To create a new “BRD Fund” (Enterprise Fund) consisting of revenues collected by the Business Regulatory Department from charging fees for business incorporations, registrations, etc. Revenues currently go into, and stay in, the General Fund, but would go into the new BRD Fund if this Act is approved.

### **FINAL AUTHORITY and VOTE REQUIREMENT:**

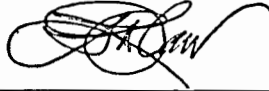
The Navajo Nation Council has final authority.  
A 7/8 vote is required pursuant to 12 N.N.C. §820(N)(4).

5-DAY BILL HOLD PERIOD:                       
Website Posting Time/Date:                       
Posting End Date: 03-18-25  
Eligible for Action: 03-19-25

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

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
2 25<sup>th</sup> NAVAJO NATION COUNCIL – Third Year, 2025

3 Introduced by:

4 

5 \_\_\_\_\_  
6 (Prime Sponsor)

7  
8 Tracking No. 0029-25

9  
10 AN ACT

11 RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE,  
12 THE BUDGET AND FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE,  
13 AND THE NAVAJO NATION COUNCIL; ESTABLISHING A NEW ENTERPRISE  
14 FUND FOR THE NAVAJO BUSINESS REGULATORY DEPARTMENT UNDER  
15 THE NAVAJO NATION DIVISION OF ECONOMIC DEVELOPMENT, AND  
16 WAIVING 12 N.N.C. §820(N) TO PREVENT REVERSION OF FUNDS

17  
18 BE IT ENACTED:

19  
20 SECTION ONE. AUTHORITY.

- 21 A. The Resources and Development Committee of the Navajo Nation Council oversees the  
22 Navajo Nation Division of Economic Development and the Division's subordinate  
23 departments, including the Navajo Business Regulatory Department. 2 N.N.C. §501(C)(1);  
24 DED Plan of Operation, Section IV(B)(3), as approved in Resolution No. RDCO-055-19.
- 25 B. The Budget and Finance Committee of the Navajo Nation Council is authorized to review  
26 and recommend to the Navajo Nation Council matters related to the budgeting, appropriation,  
27 investment, and management of all funds. 2 N.N.C. §301(B)(2).
- 28 C. The Naabik'iyáti' Committee of the Navajo Nation Council is authorized to review all  
29 proposed legislation requiring final action by the Navajo Nation Council. 2 N.N.C.  
30 §164(A)(9).

1 D. The Navajo Nation Council is the governing body of the Navajo Nation with the power to  
2 enact positive law of the Navajo Nation. 2 N.N.C. §102(A) and §164(A).

3 E. Navajo Nation funds may be deposited into approved special accounts. 12 N.N.C. §601(A).

4 F. The Navajo Nation may establish Enterprise Funds, a type of Proprietary Fund as defined in  
5 12 N.N.C. §810(S)(2), for the purpose of partially recovering the costs of government  
6 services through user charges. 12 N.N.C. §810(S)(2)(a).

7  
8 **SECTION TWO. FINDINGS.**

9 A. The Navajo Business Regulatory Department, under the Navajo Nation Division of  
10 Economic Development, routinely collects revenue by charging and collecting fees for  
11 compliance with certain provisions under Title 5 of the Navajo Nation Code, as follows:

12 Navajo Corporation Code (at 5 N.N.C. §3100 - §3425);

13 Navajo Limited Liability Act (at 5 N.N.C. §360 - §3612);

14 Navajo Uniform Partnership Act (at 5 N.N.C. §3800 - §3918);

15 Navajo Limited Partnership Act (at 5 N.N.C. §4100 - §4107);

16 Navajo Uniform Commercial Code (at 5A N.N.C. §1 - §101-9-507);

17 Administration of Weights & Measures (5 N.N.C. §2401 - §2410).

18 B. Currently, all revenue collected by the Business Regulatory Department is deposited into the  
19 Navajo Nation General Fund under the Account: *Business Fees* and the Object Code: *Fees-  
20 Nav Corp Code*.

21 C. Instead of this revenue remaining in the Navajo Nation General Fund, the Department  
22 proposes to use this revenue to cover the costs of its annual operations.

23 D. The Business Regulatory Department's operating costs include, but are not limited to:  
24 purchases of office supplies; purchases, rentals, or repairs of equipment, furniture, or  
25 facilities; telephone, internet, and cellular services; personnel expenses such as salaries,  
26 bonuses, fringe benefits, and background checks; consultant services; costs associated with  
27 outreach efforts; building space rentals; travel expenses; employee training; photocopying,  
28 and other costs.

29 E. The Office of the Controller has provided a memorandum dated March 5, 2025 that lists the  
30 revenue collected by the Business Regulatory Department in previous years, which money

1 has remained in the Navajo Nation General Fund. **EXHIBIT A.**

2 F. It is in the best interest of the Navajo Nation to establish a new Enterprise Fund for the set  
3 aside of revenue collected by the Business Regulatory Department from its Title 5  
4 authorities, to assist in funding the Department's annual operations.

5  
6 **SECTION THREE. ESTABLISHING A NEW ENTERPRISE FUND FOR THE**  
7 **NAVAJO BUSINESS REGULATORY DEPARTMENT.**

8 The Navajo Nation hereby establishes the "Business Regulatory Department Enterprise Fund"  
9 and approves its enabling legislation as follows:

10 \_\_\_\_\_  
11 **Title 12. Fiscal Matters**

12  
13 **Chapter 30. Business Regulatory Department Enterprise Fund.**

14  
15 **§3201. Establishment; Purpose.**

16 A. Pursuant to 12 N.N.C. §601(A) and 12 N.N.C. §810(S)(2)(a), the Navajo Nation hereby  
17 establishes the "Business Regulatory Department Enterprise Fund" (hereinafter referred to  
18 as "BRD Fund") for the exclusive use by the Navajo Business Regulatory Department under  
19 the Navajo Nation Division of Economic Development.

20 B. The BRD Fund is established to provide a source of funds for the Business Regulatory  
21 Department's annual operating expenses, and to assist the Department in carrying out its  
22 responsibilities under the following Navajo Nation laws:

- 23 1. Navajo Corporation Code (at 5 N.N.C. §3100 - §3425);  
24 2. Navajo Limited Liability Act (at 5 N.N.C. §360 - §3612);  
25 3. Navajo Uniform Partnership Act (at 5 N.N.C. §3800 - §3918);  
26 4. Navajo Limited Partnership Act (at 5 N.N.C. §4100 - §4107);  
27 5. Navajo Uniform Commercial Code (at 5A N.N.C. §1 - §101-9-507); and  
28 6. Administration of Weights & Measures (at 5 N.N.C. §2401 - §2410).

1 **§3202. Source of money for the BRD Fund.**

2 A. The BRD Fund shall consist primarily of all revenue collected by the Business Regulatory  
3 Department from the assessment of fees upon individuals and entities for compliance with  
4 the Navajo Nation laws cited in §3201(B)(1)-(6) herein.

5 B. All such revenue is currently deposited into the Navajo Nation General Fund under the  
6 Account: *Business Fees* and the Object Code: *Fees-Nav Corp Code*. Upon the Effective Date  
7 of this Act, all such revenue shall be deposited directly into the BRD Fund immediately upon  
8 payment and collection of any/all revenue, and none of the revenue shall remain in the  
9 Navajo Nation General Fund.

10 C. The Navajo Nation Council may at any time approve further appropriations or allocations  
11 into the BRD Fund from any other sources of revenue available to the Navajo Nation.

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13 **§3203. No lapsing or reversion.**

14 The BRD Fund shall be a continuing account and no money in the BRD Fund shall lapse or  
15 revert at the end of the fiscal year, as might otherwise occur under 12 N.N.C. §820(N) or any  
16 other provision of Navajo Nation law.

17  
18 **§3204. Fund Management Plan.**

19 A. All allocations and expenditures of money from the BRD Fund shall be in accordance with  
20 a Fund Management Plan approved by both the Resources and Development Committee and  
21 the Budget and Finance Committee, with the Budget and Finance Committee having final  
22 approval authority.

23 B. The Fund Management Plan shall have attached to it an “Exhibit A” consisting of the  
24 Schedule of Fees mandated in §3205 herein.

25 C. The Fund Management Plan shall not permit any other entity to receive allocations from the  
26 BRD Fund for any purpose. The BRD Fund shall be used solely for the Business Regulatory  
27 Department for the purposes stated in §3201 herein.

28 D. The Business Regulatory Department shall present its proposed Fund Management Plan to  
29 the Resources and Development Committee and the Budget and Finance Committee within  
30 60 calendar days after the Effective Date of this Act.

1 E. No money from the BRD Fund shall be expended until final approval of the Fund  
2 Management Plan by the Budget and Finance Committee.

3  
4 **§3205. Schedule of Fees.**

5 A. Fees shall be charged to individuals and entities for compliance with the Title 5 provisions  
6 enumerated in §3201(B)(1)-(6) herein. The Business Regulatory Department shall determine  
7 the amount of fees and shall prepare a Schedule of Fees to be attached to the proposed Fund  
8 Management Plan as “Exhibit A.”

9 B. Once approved within the Fund Management Plan, the Business Regulatory Department  
10 shall charge and collect fees strictly according to the Schedule of Fees.

11 C. Once approved by the Budget and Finance Committee, the Schedule of Fees shall remain in  
12 effect until rescinded or amended by the Budget and Finance Committee after  
13 recommendation of such rescission or amendment by the Business Regulatory Department  
14 and the Resources and Development Committee.

15 D. The current approved Schedule of Fees shall be made publicly available by the Business  
16 Regulatory Department and/or posted on the Department’s public website at all times.

17 E. Any rescission or amendment to the Schedule of Fees shall be considered a rescission or  
18 amendment of the approved Fund Management Plan, and such rescission or amendment shall  
19 require approval by the Resources and Development Committee and the Budget and Finance  
20 Committee, with the Budget and Finance Committee having final approval authority.

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22 **§3206. BRD administration; reporting.**

23 A. The Business Regulatory Department shall administer the BRD Fund. The Director of the  
24 Division of Economic Development and the Resources and Development Committee shall  
25 have oversight authority over the Department’s activities regarding administration of the  
26 BRD Fund.

27 B. On a Fiscal Year Quarterly basis, the Director of the Business Regulatory Department shall  
28 provide a written report, with a verbal report if so requested, to the Navajo Nation Council.

29 C. Said report shall include an explanation of all revenue collected and all uses of the BRD Fund  
30 during the previous Fiscal Year Quarter.

1 **§3207. Use of BRD Fund.**

2 **A. Department's annual budget.**

- 3 1. All money in the BRD Fund shall be used first for the Business Regulatory Department's  
4 annual budget for each fiscal year.
- 5 2. By June 1<sup>st</sup> of each calendar year, the Director of the Business Regulatory Department  
6 shall provide the Director of the Division of Economic Development a projected available  
7 BRD Fund amount for use by the Department in the upcoming fiscal year.
- 8 3. The Director of the Division of Economic Development shall use the projected BRD Fund  
9 amount to prepare and include the Business Regulatory Department's annual budget as  
10 part of the proposed annual budget for the Division of Economic Development.
- 11 4. The Business Regulatory Department's annual budget shall be recommended by the  
12 Resources and Development Committee and the Budget and Finance Committee, and  
13 shall be approved by the Navajo Nation Council as part of the Navajo Nation's Annual  
14 Comprehensive Budget process and in accordance with established Navajo Nation budget  
15 policies and procedures.

16 **B. Department functions. If any money remains in the BRD Fund after covering the**  
17 **Department's annual budget, all remaining funds shall be used by the Department for:**

- 18 1. carrying out its responsibilities and activities pursuant to its authorities under the Title 5  
19 provisions enumerated in §3201(B)(1)-(6) herein; and
- 20 2. covering the costs of the Department's annual operations; such costs include, but are not  
21 limited to: purchases of office supplies; purchases, rentals, or repairs of equipment,  
22 furniture, or facilities; telephone, internet, and cellular services; personnel expenses such  
23 as salaries, bonuses, fringe benefits, and background checks; consultant services; costs  
24 associated with outreach efforts; building space rentals; travel expenses; employee  
25 training; photocopying, and other costs.

26

27 **§3208. Annual audit.**

28 The Navajo Nation Auditor General shall perform at least one audit of the BRD Fund on an  
29 annual basis, or more frequently if an audit is requested by the Resources and Development  
30 Committee or the Budget and Finance Committee. The audit report shall be provided in writing



1 to the Resources and Development Committee and the Budget and Finance Committee.

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3 **§3209. Amendments.**

4 Any portion of this Act may be amended by a simple majority vote of the full membership of  
5 the Navajo Nation Council and signature approval of the President of the Navajo Nation.

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9 **SECTION FOUR. DIRECTIVES.**

10 A. Promptly upon the effective date of this Act, the Office of the Controller shall set up the new  
11 BRD Fund financial account for the Navajo Nation, in accordance with the Navajo Nation's  
12 usual accounting and bookkeeping procedures for Enterprise Funds. All revenues collected  
13 after the Effective Date of this Act shall be deposited into the BRD Fund and shall not be  
14 kept in the General Fund.

15 B. The Navajo Nation Council hereby directs the Business Regulatory Department to prepare  
16 and present a Fund Management Plan to the Resources and Development Committee and the  
17 Budget and Finance Committee, within 60 calendar days after the Effective Date of this Act.

18  
19 **SECTION FIVE. WAIVER OF 12 N.N.C. §820(N).**

20 The Navajo Nation Council hereby waives 12 N.N.C. §820(N) to the extent necessary to effect  
21 all provisions of this Act.

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23 **SECTION SIX. SAVING CLAUSE.**

24 If any part of this Act is determined invalid by the Navajo Nation Supreme Court, or by a  
25 District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the  
26 remainder of the Act shall remain the law of the Navajo Nation.

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28 **SECTION SEVEN. EFFECTIVE DATE.**

29 This Act shall become effective upon a 7/8 vote of the Navajo Nation Council, as provided in  
30 12 N.N.C. §820(N)(4), 2 N.N.C. §221(B), 2 N.N.C. §1005(C)(10), and 2 N.N.C. §164(A)(17).

1 **SECTION EIGHT. CODIFICATION.**

2 The provisions of this Act which amend or adopt new sections of the Navajo Nation Code shall  
3 be codified by the Office of Legislative Counsel. The Office of Legislative Counsel shall  
4 incorporate such amended provisions into the next codification of the Navajo Nation Code.

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