

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0051-25\_

SPONSOR: Carl R. Slater

**TITLE: An Act Relating to Resources and Development, Law and Order, Budget and Finance, Naabik'iyáti' Committees and Navajo Nation Council; Approving the Navajo Nation Utility-Scale Solar and Energy Storage System Tax, 12 N.N.C. §§ 1301 – 1314; and Amending 24 N.N.C. §§208, 408 and 609**

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**LEGISLATIVE SUMMARY SHEET**

**Tracking No.** 0051-25

**DATE:** April 10, 2025

**TITLE OF RESOLUTION:** AN ACT RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE, LAW AND ORDER COMMITTEE, BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE AND NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION UTILITY-SCALE SOLAR AND ENERGY STORAGE SYSTEM TAX, 12 N.N.C. §§ 1301 – 1314; AND AMENDING 24 N.N.C. §§ 208, 408 AND 609

**PURPOSE:** To enact a Navajo Nation Utility-Scale Solar and Energy Storage System Tax to be applied to solar energy producers.

**FINAL AUTHORITY:** Navajo Nation Council

**VOTING REQUIREMENT:** Simple Majority

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

5-DAY BILL HOLD PERIOD:         
Website Posting Time/Date:         
Posting End Date: 04-15-25  
Eligible for Action: 04-16-25

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

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
2 25th NAVAJO NATION COUNCIL- Third Year, 2025

3  
4 INTRODUCED BY

5  
6  
7 Primary Sponsor

8 TRACKING NO. 0051-25

9  
10 AN ACT

11 RELATING TO RESOURCES AND DEVELOPMENT, LAW AND ORDER,  
12 BUDGET AND FINANCE, NAABIK'ÍYÁTI' COMMITTEES AND NAVAJO  
13 NATION COUNCIL; APPROVING THE NAVAJO NATION UTILITY-SCALE  
14 SOLAR AND ENERGY STORAGE SYSTEM TAX, 12 N.N.C. §§ 1301 – 1314; AND  
15 AMENDING 24 N.N.C. §§ 208, 408 AND 609

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17 BE IT ENACTED:

18  
19 SECTION ONE. AUTHORITIES

- 20 A. The Resources and Development Committee is a standing committee of the Navajo  
21 Nation Council with the authority to review and make recommendations to the Navajo  
22 Nation Council regarding taxation proposals affecting business or commercial  
23 activities, after consultation with the Navajo Tax Commission. 2 N.N.C. § 50l(B)(4)(d).
- 24 B. The Law and Order Committee is a standing committee of the Navajo Nation Council,  
25 empowered to review and make recommendations to the Navajo Nation Council  
26 regarding any proposed amendments to the Navajo Nation Code. 2 N.N.C. § 601(8)(14).
- 27 C. The Budget and Finance Committee is a standing committee of the Navajo Nation  
28 Council, authorized to provide oversight regarding the Navajo Nation's budgeting,  
29 finance, taxes, and other related matters. 2 N.N.C. § 300(C). The Committee is also  
30 empowered to recommend to the Navajo Nation Council, "resolutions designed

1 to strengthen the fiscal and financial position of the Navajo Nation." 2 N.N.C. §  
2 300(C)(3).

3 D. The Naabik'iyati' Committee is a standing committee of the Navajo Nation Council,  
4 authorized to review all proposed legislation requiring final action by the Navajo Nation  
5 Council. 2 N.N.C. §164(A)(9).

6 E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C.  
7 §102(A). As such, the Council must review, and give final approval of, all amendments  
8 to Navajo Nation laws. 2 N.N.C. §164(A).

9  
10 **SECTION TWO. AMENDING NAVAJO NATION CODE, TITLE 24**

11 A. The Navajo Nation possesses some of the best solar energy resources in the United States.  
12 Much of the Navajo Nation receives among the highest levels of solar irradiance in North  
13 America — averaging over 6.5 to 7.5 kilowatt-hours per square meter per day — due to  
14 the Nation's high elevation, arid climate, and consistent sunlight. [NREL, Solar Resource  
15 Maps, 2020; <https://www.nrel.gov/gis/solar.html>]. These environmental conditions,  
16 coupled with critical high-voltage electric transmission infrastructure developed during  
17 the era of coal-based electricity, provide an unparalleled opportunity for large-scale  
18 renewable energy development that generates long-term economic benefits for the  
19 Navajo people. [DOE Office of Indian Energy, *Tribal Energy Project Development*,  
20 2019; [https://www.energy.gov/indianenergy/articles/tribal-energy-project-development-  
21 pathways-success](https://www.energy.gov/indianenergy/articles/tribal-energy-project-development-pathways-success)]

22 B. The Navajo Nation recognizes that tribal sovereignty includes the power to tax, regulate,  
23 and benefit from natural and infrastructural resources within its territory. In asserting this  
24 authority, the Navajo Nation seeks to ensure that utility-scale solar and energy storage  
25 systems operating within its jurisdiction contribute fairly to the Nation's economy, while  
26 avoiding over-taxation that could discourage development.

27 C. The Navajo Nation desires to use the electric transmission lines to stimulate a large-scale  
28 solar and energy storage system within the Navajo Nation for economic development for  
29 the creation of jobs, businesses, lease rental, and taxation for the Navajo Nation.

30 D. Although the Navajo Nation desires to stimulate a utility-scale solar and energy storage

1 system within the Navajo Nation; the surrounding States tax system could limit whether  
2 the Navajo Nation can develop industries within its territorial jurisdiction. The United  
3 States Supreme Court in a 1989 opinion, *Cotton Petroleum Corp. vs. New Mexico*, 490  
4 U.S. 163 (1989), stated states can tax non-Indian businesses operating on Indian land,  
5 even if the tribe also imposes its own tax. When an Indian tribe and a State impose  
6 similar taxes upon a non-Indian business, this is known as "dual taxation".

7 E. Financial institutions and other non-Indian businesses desire clarity on what Navajo taxes  
8 will apply upon the large-scale solar and energy storage system within the Navajo Nation.  
9 If the Navajo Nation desires to tax the solar energy produced at the large-scale solar and  
10 energy storage system, the Navajo Nation must provide clarity on whether the other  
11 Navajo taxes will also be imposed on the industry.

12 F. The Navajo Nation desires to stimulate a utility-scale solar and energy storage system  
13 within the Navajo Nation, and desires to tax the energy produced. Therefore, the Navajo  
14 Nation enacted a utility-scale solar and energy storage system tax and provides clarity  
15 regarding the application of other Navajo Taxes.

16 G. The Navajo Nation finds this legislation is for the best interest of the Navajo Nation,  
17 Navajo people, jobs, economic development, and revenues for the Navajo Nation.

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19 **SECTION THREE. ENACTING THE NAVAJO NATION UTILITY-SCALE**  
20 **SOLAR AND ENERGY STORAGE SYSTEM TAX IN 24 N.N.C. §§ 1301 - 1316**

21 The Navajo Nation Council hereby enacts the Navajo Nation Utility-Scale Solar and  
22 Energy Storage System Tax, in 24 N.N.C. §§ 1301 - 1314:  
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25  
26 **Navajo Nation Code**  
27 **Title 24. Taxation**  
28 **Chapter 13. Utility-Scale Solar And**  
29 **Energy Storage System Tax**  
30

1 \*\*\*\*

2 **§ 1301.Short Title**

3 The tax imposed by this Chapter shall be called the "Utility-Scale Solar and Energy  
4 Storage System Tax."

5  
6 **§ 1302. Purpose**

7 A. The Navajo Nation hereby enacts this tax for the purpose of supporting the  
8 development and operation of Utility-Scale Solar energy generation and Energy Storage  
9 System projects within the Navajo Nation.

10 B. The Navajo Nation hereby states the intent of this tax is to not increase the tax rates  
11 upon electricity provided to the Navajo people, residents and business within the Navajo Nation.

12  
13 **§ 1303. Definitions**

14 A. "Energy Storage System" means system or device used in connection with a  
15 Utility-Scale Solar facility, such as batteries, thermal energy, compressed air or flywheels,  
16 charged through the use of electricity and which discharges or supplies electricity when  
17 needed.

18 B. "Gross Receipt" as defined in the Navajo Nation Sales Tax.

19 C. "Person" means any organization, whether a sole proprietorship, partnership, joint  
20 venture, trust, estate, unincorporated association, company, corporation, Navajo Nation-owned  
21 entities (authorities, companies, corporations, enterprises, partnerships, and institutions),  
22 government (other than the Navajo Nation government), or any part, division, or agency of any  
23 of the foregoing, and an individual or group of individuals.

24 D. "Utility-Scale Solar" means a solar power plant or solar facility used to generate  
25 and deliver to the interconnection meter energy in excess of one (1) megawatt.

26  
27 **§ 1304. Applicability**

28 Any Person that owns or operates a Utility-Scale Solar or Energy Storage System project  
29 located within the jurisdiction of the Navajo Nation is liable for payment of the tax described  
30 in this Chapter.

1 **§ 1305. Tax Imposed and Rate**

2 A. A tax is hereby imposed at a rate of five percent (5%) on the gross receipts of the  
3 sale of energy, by the owner or operator of Utility-Scale Solar or Energy Storage System  
4 facility.

5 B. A tax is hereby imposed at a rate of five percent (5%) on the gross receipts of all  
6 construction costs related to a Utility-Scale Solar or Energy Storage System facility.

7 C. The tax applies to all energy produced by a Utility-Scale Solar or Energy Storage  
8 System facility within the Navajo Nation, even if the sale or the point of delivery occurs off  
9 the Navajo Nation.

10 D. The Office of the Navajo Tax Commission is hereby authorized to periodically  
11 review the tax rate, but no more than annually, to make increase adjustments based on  
12 market and tax circumstances.

13  
14 **§ 1306. Legal Incidence and Responsibility for Payment**

15 The Person liable for the payment of the tax imposed by this Chapter is the Person  
16 producing the energy.

17  
18 **§ 1307. Administration**

19 All provisions of the Uniform Tax Administration Statute apply to this Chapter. The  
20 Office of the Navajo Tax Commission is charged with the administration of this tax. The  
21 Office of the Navajo Tax Commission shall retain five percent (5%) of all tax revenue  
22 collected under this Chapter as a fee to offset the cost of administration.

23  
24 **§ 1308. Filing a Return**

25 A. Each Person must file a return indicating the actual electricity production for  
26 each Period by the fifteenth day of the second month after the end of each calendar quarter.  
27 Returns are due on February 15, May 15, August 15, and November 15 of each calendar  
28 year.

29 B. The Commission may by form or regulation require that other information,  
30 records, or relevant documents which it deems necessary for the proper and efficient

1 administration of this Chapter be included with the return and signed by a specified  
2 individual.

3  
4 **§ 1309. Payment of Tax**

5 Payment in full of the taxes owed for a particular period is due on the same date that  
6 the completed return for the same period is due. The Office of the Navajo Tax  
7 Commission, however, may require payment of any taxes due on a monthly basis.

8  
9 **§ 1310. Recordkeeping**

10 A. Each Person shall keep all records which pertain to or relate in any manner to  
11 all sales from any business activity engaged in at any time by such Person. Such records  
12 shall be maintained separately for each reporting period during which a Person is engaged  
13 in business activity.

14 B. Records required to be kept must be preserved for four years beyond the end  
15 of the Period for which the records relate.

16  
17 **§ 1311. Allocation of Revenue**

18 After mandatory allocations of tax revenue as required by Navajo Nation law, all tax,  
19 interest, and penalties collected by the Office of the Tax Commission from this Act shall  
20 be deposited into the special account established in 24 N.N.C. § 808.

21  
22 **§ 1312. No Conflict with Local Governance Act**

23 The provisions of this Chapter and corresponding regulations shall not be construed  
24 to affect any governmental authority under the Local Governance Act, 26 N.N.C. §§1 et  
25 seq.

26  
27 **§ 1313. Severability**

28 If any provision of this Chapter, as amended, or its application to any person or  
29 circumstance, is held invalid by a final judgment of a court of competent jurisdiction, the  
30 invalidity shall not affect other provisions or applications of the Chapter which can be



1 given effect without the invalid provision or application, and to this end, the provisions of  
2 this Chapter are severable.

3  
4 **§ 1314. Repeals**

5 All laws or parts of the laws (or attachments thereto) which are inconsistent with the  
6 provisions of this Chapter are hereby repealed, including, without limitation, any law  
7 purporting to waive any right of taxation by the Navajo Nation.

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9  
10 **SECTION FOUR. APPROVING AMENDMENTS TO THE POSSESSORY**  
11 **INTEREST TAX (24 N.N.C. § 208), BUSINESS ACTIVITY TAX (24 N.N.C. § 408),**  
12 **AND NAVAJO SALE TAX (24 N.N.C. § 609)**

13 In order to support the construction and operations of Utility-Scale Solar and Energy  
14 Storage System within the Navajo Nation, and to not overly tax Utility-Scale Solar and Energy  
15 Storage System; the Navajo Nation Council hereby approves the following amendments to the  
16 Possessory Interest Tax, 24 N.N.C. § 208; Business Activity Tax, 24 N.N.C. § 408; and 24  
17 N.N.C. § 609 (Navajo Sales Tax).

18  
19 **Navajo Nation Code**  
20 **Title 24. Taxation**

21 \* \* \*

22 **Chapter 3. Possessory Interest Tax**

23 \* \* \*

24 **§ 208. Exemption**

25 \* \* \*

26 C. Nothing in this Chapter shall be construed as imposing the tax on the owner or  
27 operator of a Utility-Scale Solar or Energy Storage facility, who is taxed under the Navajo  
28 Nation Utility-Scale Solar and Energy Storage System Tax.

29 \* \* \*

1 **Chapter 5. Business Activity Tax**

2 \* \* \*

3 **§ 408 Exemption and exclusions**

4 \* \* \*

5 I. Nothing in this Chapter shall be construed as imposing the tax on the owner or  
6 operator of a Utility-Scale Solar or Energy Storage System facility, who is taxed under the  
7 Navajo Nation Utility-Scale Solar and Energy Storage System Tax.

8 \* \* \*

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10 **Chapter 6. Navajo Sales Tax**

11 **§ 609. Exemption and exclusions**

12 \* \* \*

13 F. Nothing in this Chapter shall be construed as imposing the tax related on the  
14 owner or operator of a Utility-Scale Solar or Energy Storage System facility who is taxed  
15 under the Navajo Nation Utility-Scale Solar and Energy Storage System Tax.

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18 **SECTION FIVE. EFFECTIVE DATE**

19 The Navajo Nation Code amendment enacted herein shall be effective pursuant to 2  
20 N.N.C. § 221(B).

21  
22 **SECTION SIX. CODIFICATION**

23 The provisions of this Act which amend or adopt new sections of the Navajo Nation  
24 Code shall be codified by the Office of Legislative Counsel. The Office of Legislative  
25 Counsel shall incorporate such amended provisions in the next codification of the Navajo  
26 Nation Code.

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28 **SECTION SEVEN. SAVINGS CLAUSE**

1           Should any provision of this Act be determined invalid by the Navajo Nation Supreme  
2 Court, or the District Courts of the Navajo Nation without appeal to the Navajo Supreme  
3 Court, those provisions of the Act not determined invalid shall remain the law of the Nation.  
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