

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0014-26_

SPONSOR: Carl R. Slater

TITLE: An Act Relating to the Resources and Development Committee, Budget and Finance Committee, Naabik'iyáti' Committee, and Navajo Nation Council; Authorizing Payment in Lieu of Taxes for the Painted Desert Power Solar Project and Waiving the Sales Tax (24 N.N.C. §§ 601 et seq.), Business Activity Tax (24 N.N.C. §§ 401 et seq.), and Possessory Interest Tax (24 N.N.C. §§ 201 et seq.) for the Project

Date posted: January 16, 2026 at 4:41PM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0014-26

DATE: January 16, 2026

TITLE OF RESOLUTION: AN ACT RELATING TO THE RESOURCE AND DEVELOPMENT COMMITTEE, BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO NATION COUNCIL; AUTHORIZING PAYMENT IN LIEU OF TAXES FOR THE PAINTED DESERT POWER SOLAR PROJECT AND WAIVING THE SALES TAX (24 N.N.C. §§ 601 *ET SEQ.*), BUSINESS ACTIVITY TAX (24 N.N.C. §§ 401 *ET SEQ.*), AND POSSESSORY INTEREST TAX (24 N.N.C. §§ 201 *ET SEQ.*) FOR THE PROJECT

PURPOSE: The purpose of this proposed resolution is to authorize payment in lieu of taxes for the Painted Desert Power Solar Project and waiving the sales tax (24 N.N.C. §§ 601 *Et Seq.*), Business Activity Tax (24 N.N.C. §§ 401 *Et Seq.*), and Possessory Interest Tax (24 N.N.C. §§ 201 *Et Seq.*) for the project.

FINAL AUTHORITY: Navajo Nation Council

VOTE REQUIRED: 2/3 vote of the full membership of the Navajo Nation Council

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: SSD
Website Posting Time/Date: _____
Posting End Date: 01-21-26
Eligible for Action: 01-22-26

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

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
25th NAVAJO NATION COUNCIL – Fourth Year, 2026

Introduced By

/s/ L. Sw
(Prime Sponsor)

Tracking No. 0014-26

AN ACT

RELATING TO THE RESOURCE AND DEVELOPMENT COMMITTEE, BUDGET
AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE, AND NAVAJO
NATION COUNCIL; AUTHORIZING PAYMENT IN LIEU OF TAXES FOR THE
PAINTED DESERT POWER SOLAR PROJECT AND WAIVING THE SALES TAX
(24 N.N.C. §§ 601 *ET SEQ.*), BUSINESS ACTIVITY TAX (24 N.N.C. §§ 401 *ET SEQ.*),
AND POSSESSORY INTEREST TAX (24 N.N.C. §§ 201 *ET SEQ.*) FOR THE
PROJECT

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resource Development Committee is a standing committee of the Navajo Nation Council that makes recommendations to the Council concerning energy related matters. 2 N.N.C. §.
- B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council that oversees and regulates the financial policies of the Navajo Nation. 2 N.N.C. §300(C)(1).
- C. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council that reviews legislations requiring final action by the Council. 2 N.N.C. §164(A)(9).

- 1 D. The Navajo Nation Council is the governing body of the Navajo Nation with the authority
2 to review and approve amendments to the Navajo Nation Code. 2 N.N.C. §102(A), 2
3 N.N.C. §164(A).
4

5 **SECTION TWO. FINDINGS**

- 6 A. Painted Desert Power, LLC (“Painted Desert Power”) is an entity co-developed by
7 Navajo Power and AES Clean Energy. Painted Desert Power intends to develop and
8 operate a 750 Megawatt AC utility-scale solar energy generation and a 750 Megawatts
9 AC- 4hr storage project for the sale, transmission, and delivery of electricity to
10 consumers (the “Project”) on the Navajo Nation lands pursuant to Lease Agreement
11 Between the Navajo Nation and Painted Desert Power, which was approved by RDCJY-
12 28-25 and RDCJA-01-26; and
- 13 B. The Navajo Nation and Painted Desert Power agree long-term stability and predictability
14 in tax obligations support efficient, economical, and successful construction,
15 development, and operation of the Project; and
- 16 C. Painted Desert Power worked with the Office of the Navajo Tax Commission and the
17 Navajo Nation Minerals Department, and the Parties agreed on a payment-in-lieu-of-tax
18 compensation package; and
- 19 D. The Parties agree that Painted Desert Power’s payments of certain amounts in lieu of
20 Navajo tax payments (specifically the Possessory Interest, Business Activity, and Sales
21 Taxes) will support efficient, economical, and successful construction, development, and
22 operation of the Project; and
- 23 E. The Navajo Nation hereby enacts this Payment In-Lieu of Taxes (PILOT) Agreement for
24 the purpose of supporting the development and operation of Painted Desert Power. The
25 Agreement is attached hereto as **Exhibit A**.
26

27 **SECTION THREE. PAYMENT IN LIEU OF TAXES**

- 28 A. The Navajo Nation Council hereby approves the PILOT Agreement between the Navajo
29 Nation and PDP for the Project, attached as **Exhibit A**, as negotiated and recommended
30 by Office of the Navajo Tax Commission and the Navajo Nation Minerals Department..

1 B. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute the
2 PILOT Agreement and all documents necessary for the implementation of the intent of
3 this resolution.
4

5 **SECTION FOUR. WAIVER**

6 Upon the execution of the PILOT the following Navajo taxes are hereby waived for the PDP
7 project: the Sales Tax, (24 N.N.C. §§ 601 *et seq.*), the Business Activity Tax (24 N.N.C. §§
8 401 *et seq.*), and the Possessory Interest Tax (24 N.N.C. §§ 201 *et seq.*), and any future taxes
9 imposed by the Navajo Nation on utility scale solar generation and battery storage facilities.
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11 **SECTION FIVE. SEVERABILITY**

12 If any provision of this legislation, as amended, or its application to any person or
13 circumstance, is held invalid by a final judgment of a court of competent jurisdiction, the
14 invalidity shall not affect other provisions or applications of the legislation which can be
15 given effect without the invalid provision or application, and to this end, the provisions of
16 this legislation are severable.
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