

LEGISLATION SUMMARY

Tracking No. 0007-22

Date: January 12, 2022

Title of

Legislation: **AN ACT RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, LAW AND ORDER, AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$900,000 FROM THE NAVAJO NATION TOURISM FUND (24 N.N.C. §741) TO THE DIVISION OF ECONOMIC DEVELOPMENT/TOURISM DEPARTMENT TO COVER THE TOURISM DEPARTMENT'S PERSONNEL AND OPERATING EXPENSES FOR THE REMAINDER OF FY2022; AMENDING 24 N.N.C. §741(B) TO ALLOW ALL REVENUE IN THE TOURISM FUND TO BE USED BY ANY AND ALL NAVAJO NATION PROGRAMS FOR TOURISM-RELATED PURPOSES**

Purpose: to allocate \$900,000 out of the HOT/Tourism Fund to the Division of Economic Development/Tourism Department to cover the Department's personnel and operating costs for the remainder of FY2022; amending the Hotel Occupancy Tax statute to allow all HOT revenue to be used by all Navajo Nation programs for tourism-related purposes - the amendment removes the current statutory restriction that HOT revenue from Navajo Tribal Parks can only be used by the Navajo Parks and Recreation Department.

OLC No. 22-008-1

5-DAY BILL HOLD PERIOD: Johnson
Website Posting Time/Date: _____
Posting End Date: 01/17/22
Eligible for Action: 01/18/22

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

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:


(Prime Sponsor)

Tracking No. 0007-21

AN ACT

RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE,
LAW AND ORDER, AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO
NATION COUNCIL; ALLOCATING \$900,000 FROM THE NAVAJO NATION
TOURISM FUND (24 N.N.C. §741) TO THE DIVISION OF ECONOMIC
DEVELOPMENT/TOURISM DEPARTMENT TO COVER THE TOURISM
DEPARTMENT'S PERSONNEL AND OPERATING EXPENSES FOR THE
REMAINDER OF FY2022; AMENDING 24 N.N.C. §741(B) TO ALLOW ALL
REVENUE IN THE TOURISM FUND TO BE USED BY ANY AND ALL
NAVAJO NATION PROGRAMS FOR TOURISM-RELATED PURPOSES

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council with the authority to oversee the Division of Economic Development. 2 N.N.C. §501(C)(1). The Navajo Tourism Department is within the Division of Economic Development. ACAU-196-87, CO-50-87, GSCAP-12-07, and RDCO-055-19.
- B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council, empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. §301(B)(2).

1 C. The Budget and Finance Committee is also in charge of the Fund Management Plan for
2 the Navajo Nation Tourism Fund, which Fund consists of revenue collected from the
3 Navajo Nation's Hotel Occupancy Tax. 24 N.N.C. §741(A) and §741(B), Resolution No.
4 BFO-56-93.

5 D. The Law and Order Committee is a standing committee of the Navajo Nation Council that
6 reviews and makes recommendations to the Navajo Nation Council regarding proposed
7 amendments to the Navajo Nation Code. 2 N.N.C. §601(B)(14).

8 E. The Naa'bik'iyáti' Committee is a standing committee of the Navajo Nation Council
9 responsible for reviewing proposed resolutions requiring final action by the Navajo Nation
10 Council. 2 N.N.C. §164(A)(9).

11 F. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C.
12 §102(A). As such, the Council has the authority to approve supplemental appropriations
13 out of available accounts that contain sufficient funds for such appropriations. "The
14 Navajo Nation Council may adopt and approve supplemental appropriations to the Annual
15 Comprehensive Budget during the fiscal year. Supplemental appropriations of General
16 Funds within the current fiscal year are permitted, if and when additional sources of
17 revenues above and beyond the initial or current revenue projections are projected and
18 which are also in excess of the reserve amount set forth at §820(J)." 12 N.N.C. §820(L).

19 G. The restrictions on supplemental appropriations include:

- 20 1. The Navajo Nation shall budget all recurring operating expenses, including capital
21 maintenance costs, from recurring revenues only; and long-term debt shall not be used
22 to finance recurring operating expenses. 12 N.N.C. §820(E). The Controller determines
23 which revenues are recurring and which are non-recurring. 12 N.N.C. §820(L).
- 24 2. All requests for supplemental funding shall be submitted to the Office of Management
25 and Budget ("OMB") for a budget impact analysis. 12 N.N.C. §820(M).

26 27 **SECTION TWO. FINDINGS**

28 A. On January 1, 1993 the Navajo Nation's Hotel Occupancy Tax ("HOT") came into effect;
29 the HOT is codified at 24 N.N.C. §§700 *et seq.* (as amended). Resolution No. CJY-27-92,
30 CJY-52-95, CJA-06-09. The HOT statute provides that HOT revenues go into a special

1 “Navajo Nation Tourism Fund” (“HOT/Tourism Fund”), and instructs that the Budget and
2 Finance Committee has responsibility for the “Navajo Nation Tourism Fund Management
3 Plan” (“FMP”). 24 N.N.C. §741.

4 B. On October 5, 1993 the Budget and Finance Committee approved the FMP. The Committee
5 Resolution No. BFO-56-93, with a copy of the FMP, is attached as **EXHIBIT A**.

6 C. In Navajo Nation Council Resolution No. CJA-06-09, signed into law on February 9, 2009,
7 the HOT was amended to mandate that HOT revenues collected from within Navajo Tribal
8 Parks can only be used by the Navajo Parks and Recreation Department for the maintenance
9 and improvement of facilities within Tribal Parks. 24 N.N.C. §741(B). **EXHIBIT B**.

10 D. The Division of Economic Development/Tourism Department is now requesting \$900,000
11 in supplemental funds out of the HOT/Tourism Fund to mitigate the negative effects of the
12 COVID-19 pandemic that resulted in the loss of an estimated \$115,500,000 of tourism-
13 related revenue since the Spring of 2020, which revenue is normally used to fund the
14 Tourism Department for the entire Fiscal Year. In the attached “Appendix K - Supplemental
15 Funding Proposal Summary” the Tourism Department explains that it needs the \$900,000
16 to cover its personnel and operating expenses for the remainder of FY2022. **EXHIBIT C**.

17 E. The Tourism Department has provided its required Budget Forms, including a “Program
18 Budget Summary” and a “Detailed Budget and Justification,” which pages are attached
19 hereto as **EXHIBIT D**.

20 F. The Tourism Department has also provided a detailed “Listing of Positions and
21 Assignments by Business Unit” and “Program Performance Criteria,” attached as
22 **EXHIBIT E**.

23 G. In accordance with 12 N.N.C. §820(L), the Controller has provided a memorandum
24 regarding this supplemental funding request, indicating that the HOT/Tourism Fund
25 contains an unaudited amount of \$4,217,157 as of August 31, 2021. **EXHIBIT F**. The
26 Controller may be requested to provide a revised memorandum or verbal statement
27 regarding this matter, when this legislation is considered by the Navajo Nation Council.

28 H. At the time of initial public posting of this legislation, the Office of Management and Budget
29 had not reviewed this supplemental funding request. Therefore, to comply with 12 N.N.C.
30 §820(M), OMB may be requested to provide a budget impact analysis by memorandum or

1 verbal statement, when this legislation is considered by the Navajo Nation Council.

2 I. Section 6 of the approved FMP generally governs the Tourism Department's annual
3 budgeting and funding proposals for each fiscal year, whereby the Tourism Department
4 requests and receives a HOT/Tourism Fund appropriation in the context of the Navajo
5 Nation's Comprehensive Budget process. FMP, Section 6. **EXHIBIT A**.

6 J. However, for FY2022 the Tourism Department submitted three proposed budgets, and only
7 one was approved; this has left the Department's personnel and operating expenses
8 unfunded. **EXHIBIT C**. Therefore, the Tourism Department has needed to submit this
9 supplemental funding request for the \$900,000 amount from the HOT/Tourism Fund, in
10 order to remain open and continue its activities for the rest of FY2022. **EXHIBIT C**.

11 K. Because this funding request is for a supplemental appropriation, those subsections of 12
12 N.N.C. §820 pertaining to supplemental appropriations must be acknowledged and
13 followed. Thus, the explanations in SECTION 2(G) and SECTION 2(H) above are included
14 in this legislation.

15 L. Notably, the Controller has indicated in **EXHIBIT F**, and the Director of the Tourism
16 Department has confirmed, that all HOT revenues collected both from within Navajo Tribal
17 Parks and from locations outside the Tribal Parks, are deposited into the HOT/Tourism Fund
18 without regard to the source of such revenues - the funds are simply comingled.

19 M. Because of this comingling there is no way to distinguish which dollars in the HOT/Tourism
20 Fund are available for programs other than the Navajo Parks and Recreation Department.
21 Thus, approval of the Tourism Department's funding request would appear to violate 24
22 N.N.C. §741(B), which states: "[a]ny tax imposed by this Chapter that is collected within
23 any duly established Navajo Tribal Park shall be retained within the Navajo Nation Tourism
24 Fund *for the exclusive use of the Navajo Parks and Recreation Department*"

25 N. The Navajo Nation finds that, in order to approve the Tourism Department's supplemental
26 funding request, the above-cited wording in 24 N.N.C. §741(B) would need to be addressed.
27 Furthermore, the above-cited provision appears overly restrictive and may unfairly impede
28 the Tourism Department and other Navajo Nation programs from requesting and receiving
29 appropriations using the HOT/Tourism Fund, even if such appropriations would clearly be
30 used for tourism-related purposes.

O. The Navajo Nation finds it in the best interest of the Navajo Nation and the Navajo People to approve the Tourism Department's HOT/Tourism funding request in the amount of \$900,000, as described herein, and to amend Section 741(B) of the HOT to allow all revenue in the HOT/Tourism Fund to be used by any and all Navajo Nation programs, so long as such use is for legitimate tourism-related purposes and is consistent with the provisions set forth in the FMP. Such amendment would not prevent the Navajo Parks and Recreation Department from requesting appropriations out of the HOT/Tourism fund if needed, but would simply allow the Tourism Department and other programs to request this money for approved tourism-related activities and goals.

SECTION THREE. ALLOCATING \$900,000 FROM THE HOT/TOURISM FUND TO THE DIVISION OF ECONOMIC DEVELOPMENT/TOURISM DEPARTMENT TO COVER THE TOURISM DEPARTMENT'S PERSONNEL AND OPERATING EXPENSES FOR THE REMAINDER OF FY2022

A. The Navajo Nation hereby allocates \$900,000 out of the HOT/Tourism Fund to the Division of Economic Development/Tourism Department for the Tourism Department's personnel and operating expenses for the remainder of FY2022, as shown in **EXHIBITS C, D, and E.**

B. Pursuant to 12 N.N.C. §820(N) this supplemental appropriation shall lapse on September 30, 2022 and all unused/unencumbered funds shall revert to the HOT/Tourism Fund, unless the Navajo Nation Council determines otherwise by resolution.

C. Upon approval by a Navajo Nation Council resolution, the HOT/Tourism Fund may be reimbursed up to the \$3,600,000 amount approved in this legislation, from prospective funds available to the Navajo Nation from state or federal sources, including additional Congressional appropriations, if any, under the American Rescue Plan Act of 2021, or from other COVID-19-related relief.

SECTION FOUR. AMENDING 24 N.N.C. §741(B) TO ALLOW ALL REVENUE IN THE TOURISM FUND TO BE USED BY ANY AND ALL NAVAJO NATION PROGRAMS FOR TOURISM-RELATED PURPOSES

The Navajo Nation hereby amends 24 N.N.C. §741(B) in the Navajo Nation Code, as follows:

TITLE 24. TAXATION

* * * *

§ 741. Allocation

A. ~~Except as provided in Subsection B, the~~ The tax imposed by this Chapter is imposed for the purposes of generating revenue for Navajo Nation programs to use in promoting tourism and tourism development. To accomplish this end, this tax shall be retained in a special fund entitled the "Navajo Nation HOT/Tourism Fund" which shall be administered by the Navajo Tourism Department; and which shall, be used first to fund the Tourism Department's annual fiscal year budget, before any supplemental appropriations out of the HOT/Tourism Fund are requested by the Tourism Department or any other Navajo Nation program.

B. ~~e~~Consistent with the laws of the Navajo Nation and utilizing the prudent person rule, the HOT/Tourism Fund shall be applied used for the advancement of local tourism promotion, and to develop tourism-related projects throughout the Navajo Nation.

C. The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the a Fund's mManagement pPlan for the HOT/Tourism Fund, including any amendments thereto. The Budget and Finance Committee shall have the final authority to approve/adopt and amend the Fund Management Plan.

~~B. D. All budgeting, appropriations, and expenditures of any money in the HOT/Tourism Fund shall be Any tax imposed by this Chapter that is collected within any duly established Navajo Tribal Park shall be retained within the Navajo Nation Tourism Fund for the exclusive use of the Navajo Parks and Recreation Department for maintenance and improvement of facilities within Navajo Tribal Parks, in accordance with the fund Fund mManagement pPlan, for the Navajo Nation Tourism Fund, which shall be amended by the Budget and Finance Committee to accommodate this provision.~~

* * * *

SECTION FIVE. EFFECTIVE DATE

This Act shall become effective as provided in 2 N.N.C. §221(B) and 2 N.N.C. §164(A)(17).

1 **SECTION SIX. SAVING CLAUSE**

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

BFO-56-93

Class "C" Resolution
No BIA Action Required.

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

Approving the Navajo Nation Tourism Fund Management Plan
to be Administered by the Navajo Tourism Department,
Division of Economic Development

WHEREAS:

1. Pursuant to 2 N.T.C., Section 372 (1), the purpose of the Budget and Finance Committee of the Navajo Nation Council is to coordinate, oversee and regulate the fiscal, financial, investment, contracting and audit policies of the Navajo Nation; and
2. Pursuant to 2 N.T.C., Subsection 372 (4), the Budget and Finance Committee of the Navajo Nation Council was established to protect the interests of the Navajo people through the prudent management of the financial reserves of the Navajo Nation and the efficient use of funds available for expenditure by the Navajo Nation; and
3. Pursuant to CMA-28-93, Exhibit "E", B. Conditions of Appropriations and Expenditures, paragraph 4, the Budget and Finance Committee is authorized to review and approve revolving accounts for approved Navajo Nation Branches, Divisions, Departments and Programs upon recommendation of the appropriate oversight committee; and
4. On July 30, 1992, the President of the Navajo Nation signed into law the Hotel Occupancy Tax, 24 N.T.C. Section 700 et. seq., (Exhibit "C"), which became effective on January 1, 1993. The resolution of the Navajo Nation Council is attached hereto as Exhibit "C"; and
5. 24 N.T.C. Subsection 741 provides that the tax imposed shall be retained in a special fund entitled the "Navajo Nation Tourism Fund" which shall be administered by the Navajo Tourism Department and applied for the advancement of local tourism promotion, tourism department operational funds, and to develop projects throughout the Navajo Nation; and
6. The Navajoland Tourism Department has developed the Navajo Nation Tourism Fund Management Plan; and

7. The Economic Development Committee has reviewed the Navajo Nation Tourism Fund Management Plan favorably as reflecting the intent of the Hotel Occupancy Tax 24 N.T.C. Subsection 700 et seq. (Exhibit "B"); and

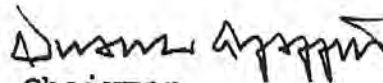
8. Pursuant to Resolution EDCAU-72-93 as attached hereto as Exhibit "E", the Economic Development Committee recommended to the Budget and Finance Committee, the approval of the Navajo Nation Tourism Fund Management Plan; and

NOW THEREFORE BE IT RESOLVED THAT:

The Budget and Finance Committee of the Navajo Nation Council hereby approves the Navajo Nation Tourism Fund Management Plan to be administered by the Navajo Tourism Department within the Division of Economic Development.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation, (Arizona), at which a quorum was present and that same was passed by a vote of 7 in favor, 0 opposed, and 0 abstained, this 5th day of October, 1993.



Chairman
Budget and Finance Committee

Motioned by: Edward T. Begay
Seconded by: Eula Yazzie

Navajo Nation Tourism Fund Management Plan

Section 1 - Authority

The President of the Navajo Nation signed into law the Hotel Occupancy Tax, 24 N.T.C. 700-Resolution CJY-27-92 et.seq., which became effective January 1, 1993.

These revenues will be retained in a special fund entitled "Navajo Nation Tourism Fund" which will be administered by the Navajo Tourism Department.

This tax shall be administered by the Navajo Tourism Department, and which shall, consistent with the laws of the Navajo Nation and utilizing the prudent person rule, be applied for the advancement of local promotion, and to develop projects throughout the Navajo Nation. The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the fund's management plan.

Section 2 - Purpose

The purpose of the Navajo Nation Tourism Fund is to provide funds for tourism promotion, tourism department operational funds; and for project development which includes the following, but is not limited to: the advertisement of Navajo people, scenery and facilities and for acquisition, construction, renovation and maintenance of tourism-related attractions and recreational facilities.

Section 3 - Objective

To promote a positive image and develop infrastructure that will make the Navajo Nation more accommodating. This will increase visitation on the Navajo Nation and maintain tourism dollars to create job opportunities for the Navajo people and escalate the Navajo Nation economy.

Section 4 - Program Administration

The Navajo Tourism Department shall propose, develop, and administer all tourism-related projects which require the use of this fund.

Section 5 - Use of Tax Proceeds

The tax proceeds will be utilized for local tourism promotion and project development, which will include, but not be limited to: multi-media advertising and for the development of tourism-related facilities and projects.

Section 6 - Annual Budget/Expenditure Plan

- A. An annual budget and expenditure plan for the Navajo Nation Tourism Fund shall be prepared for review and recommended for approval by the Economic Development Committee and Budget and Finance Committee of the Navajo Nation Council through the annual budget process.
- B. The plan shall include detailed projections of revenues for the coming fiscal year and detailed line item expenditures shall be processed as a budget justification and processed through normal tribal policy and procedures for review and approval.
- C. Carry-over funds shall remain in the Navajo Nation Tourism Fund Account to be used for the following year pursuant to an approved budget by the Navajo Nation Council. The revenues are credited against the expenditures and each year the balance in the account carries over into the following year without further action.

Section 7 - Accounting, Expenditure Control and Responsibility

- A. All funds received from the Navajo Nation Tourism Fund will be deposited through the Financial Services Department to the Cashiers Section within the Division of Finance.
- B. Expenditures within the Navajo Nation Tourism Fund will utilize the prudent person rule and will be in accordance with all normal tribal policies and procedures.
- C. Disbursement authorizations shall be signed by the Navajo Tourism Department director or delegated authority and the executive or deputy director of the Division of Economic Development.
- D. No expenditure shall be used for any illegal purpose or for the purpose of making political contributions to any candidate or for the purpose of making contributions to any individual, group, or organizations, whether for profit or on a non-profit basis.

Section 8 - Audits and Reports

- A. Accounting books for the Navajo Nation Tourism Fund shall be subject to periodic audits in conjunction with the regular tribal audit performed on all of the financial records of the Navajo Nation.
- B. The Navajo Tourism Department and Support Services directors within the Division of Economic Development shall make periodic written reports to the Economic Development and Budget and Finance Committees of the Navajo Nation Council on the status of the Navajo Nation Tourism Fund.

Section 9 - Legislative Oversight

- A Pursuant to 2 N.T.C., Section 724 (g), the Economic Development Committee of the Navajo Nation Council shall serve as the oversight committee of the Division of Economic Development including those activities which deal with the planning, development, promotion and oversight of economic development activities.
- B Also, pursuant to 2 N.T.C., Section 374 (b) (1), and (b) (8), the Budget and Finance Committee shall review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds, including requiring reports from and to monitor the financial performance of all offices, divisions, departments, enterprises, authorities, committees, boards, commissions, or entities having oversight or control over fiscal matters or financial obligations to the Navajo Nation.

Section 10 - Amendments

The Division of Economic Development and the Navajo Tourism Department are authorized to develop and make recommendations to amend the Navajo Nation Tourism Fund's management plan to the Budget and Finance Committee of the Navajo Nation Council.

CJA-06-09

RESOLUTION OF THE
NAVAJO NATION COUNCIL

21st NAVAJO NATION COUNCIL - Third Year, 2009

AN ACT

RELATING TO GOVERNMENT SERVICES, RESOURCES, ECONOMIC
DEVELOPMENT; ENACTING THE NAVAJO TOURISM FUND AMENDMENT ACT
OF 2008; AMENDING TITLE 24 OF THE NAVAJO NATION CODE, 24
N.N.C. §741

BE IT ENACTED:

**Section One. Enacting of the Navajo Tourism Fund Amendment
Act of 2008.**

The Navajo Nation Council hereby enacts the Navajo
Tourism Fund Amendment Act of 2008.

Section Two. Findings.

A. The Navajo Nation hereby finds that currently the
Navajo Hotel Occupancy Tax is administered by the Navajo
Tourism Department without regards to the location from
which tax is collected.

B. The Navajo Nation further finds that the Navajo
Hotel Occupancy Tax generated from within duly established
Navajo Tribal Parks does not necessarily go towards the
maintenance and improvement of such Navajo Tribal Parks.

C. The Navajo Nation finds that the Navajo Hotel
Occupancy Tax collected from within duly established Navajo
Tribal Parks should be dedicated to the maintenance and
improvement of such Navajo Tribal Parks, in order to allow
for the attraction of tourists to the Navajo Nation.

**Section Three. Amendment of Title 24 of the Navajo Nation
Code**

The Navajo Nation Council hereby amends Title 24 of the Navajo Nation Code, 24 N.N.C. §741, as follows:

NAVAJO NATION CODE ANNOTATED

TITLE 24. TAXATION

CHAPTER 7. HOTEL OCCUPANCY TAX

§ 741. Allocation

A. Except as provided in subsection B, the tax imposed by this Chapter is imposed for the purposes of promoting tourism and tourism development. To accomplish this end, this tax shall be retained in a special fund entitled the "Navajo Nation Tourism Fund" which shall be administered by the Navajo Tourism Department, and which shall, consistent with the laws of the Navajo Nation and utilizing the prudent person rule, be applied for the advancement of local tourism promotion, and to develop projects throughout the Navajo Nation. The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the Fund's management plan.

B. Any tax imposed by this Chapter that is collected within any duly established Navajo Tribal Park shall be retained within the Navajo Nation Tourism Fund for the exclusive use of the Navajo Parks and Recreation Department for maintenance and improvement of facilities within Navajo Tribal Parks, in accordance with the fund management plan for the Navajo Nation Tourism Fund, which shall be amended by the Budget and Finance Committee to accommodate this provision.

Section Six. Effective Date

The provisions of this Act shall become effective in accord with 2 N.N.C. § 221(B).

Section Seven. Codification

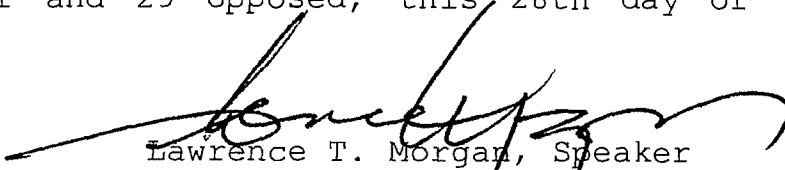
The provisions of this Act which amend sections of the Navajo Nation Code shall be codified by the Office of Legislative Counsel.

Section Eight. Savings Clause

Should any provisions of this Act be determined invalid by the Navajo Nation Supreme Court, or the District Courts of the Navajo Nation, without appeal to the Navajo Nation Supreme Court, or any other court of competent jurisdiction, those portions of this Act which are not determined invalid shall remain the law of the Navajo Nation.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 37 in favor and 29 opposed, this 28th day of January 2009.

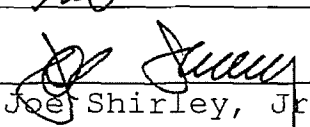

Lawrence T. Morgan, Speaker
Navajo Nation Council

02 Feb 09
Date

Motion: Peterson B. Yazzie
Second: Leonard Chee

ACTION BY THE NAVAJO NATION PRESIDENT:

- I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C)(10), on this 9 day of Feb 2009.


Dr. Joe Shirley, Jr., President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this _____ day of _____ 2009 for the reason(s) expressed in the attached letter to the Speaker.

Dr. Joe Shirley, Jr., President

APPENDIX K

THE NAVAJO NATION
SUPPLEMENTAL FUNDING PROPOSAL SUMMARY

JAN 6 2022

OFFICE OF LEGISLATIVE COUNSEL

PART I. Business Unit No.: NEWProgram Title: TourismDivision/Branch: Economic DevelopmentAmount Requested: \$900,000Prepared By: Arval T McCabePhone No.: 928-810-8501Email Address: arvalmccabe@navajo-nsn.gov

PART II. REASON FOR REQUEST AND STATEMENT OF NEED: The Tourism Industry across the Navajo Nation was hit by the Covid 19 Pandemic and affected the funding source for the Hotel Occupancy Tax (HOT), which funds the NN Tourism Department. The overall impact of the pandemic has been severe and has caused the Navajo Nation to a loss and estimated total tourism revenue of \$115,500,000 due to closure of the industry for a total of more than one (1) year.


The NN Tourism Department submitted three (3) budgets during the budget season. They are as follows: #1 Allocated budget amount of \$128,576; #2 Unmet Needs Budget in the amount of \$791,548; #3 Carry Forward Budget in the amount of \$175,000. The Unmet Needs and Carry Forward Budget were not approved. Due to these two budgets not being approved put the Tourism Department in a situation where there would be no personnel and operating funds for the department for FY 2022, therefore making it impossible for the department to meet its goals and objectives.



PART III. LIST ALTERNATIVE FUNDING SOURCES BEING PURSUED AND CONTINGENCY PLAN IF REQUEST IS NOT FUNDED:

The attached budget is to drawdown funds from account #510004, which is a combined funding source for the Hotel Occupancy Tax (HOT) fund for NN Tourism Department and NN Parks and Recreation Department. This fund holds the identified taxes that are collected throughout the year for hotel night stays by visitors. The total amount in this funding account is \$4,217,157.

PART IV. AFFIRMATION IS PROVIDED THAT THE BUDGET AND PROPOSAL INFORMATION IS COMPLETE AND ACCURATE AND THE APPROPRIATE BRANCH CHIEF RECOMMENDS APPROVAL AS A PRIORITY.

 1/2/17/2021

REVIEWED BY: Division Director's Signature / Date



RECOMMEND SUPPLEMENTAL: Branch Chief's Signature / Date

FY 2022

**THE NAVAJO NATION
PROGRAM BUDGET SUMMARY**

BUDGET FORM 1

PART I. Business Unit No.: <u>510003</u>		Program Title: <u>Tourism Department</u>		Division/Branch: <u>Economic Development</u>	
Prepared By: <u>Arval T McCabe</u>		Phone No.: <u>928-810-8501</u>		Email Address: <u>arvaltmccabe@discovernavajo.com</u>	

PART II. FUNDING SOURCE(S)		Fiscal Year /Term	Amount	% of Total
HOT/Tourism Fund		10/01/2021-09/30/2022	900,000.00	100%

PART III. BUDGET SUMMARY			Fund Type Code	(A) NNC Approved Original Budget	(B) Proposed Budget	(C) Difference or Total
2001	Personnel Expenses		5	115,411	241,321	356,732
3000	Travel Expenses		5	0	26,999	26,999
3500	Meeting Expenses		5		0	0
4000	Supplies		5	0	27,692	27,692
5000	Lease and Rental		5	0	6,775	23,362
5500	Communications and Utilities		5	0	7,991	7,991
6000	Repairs and Maintenance		5	0	14,000	14,000
6500	Contractual Services		5	13,165	189,419	202,584
7000	Special Transactions		5	0	145,803	145,803
8000	Public Assistance			0		0
9000	Capital Outlay		5	0	240,000	240,000
9500	Matching Funds			0		0
9500	Indirect Cost			0		0
TOTAL				128,576	\$900,000	1,028,576

PART IV. POSITIONS AND VEHICLES		(D)	(E)
Total # of Positions Budgeted:		1.5	4
Total # of Vehicles Budgeted:		1	1

PART V. I HEREBY ACKNOWLEDGE THAT THE INFORMATION CONTAINED IN THIS BUDGET PACKAGE IS COMPLETE AND ACCURATE.

SUBMITTED BY: <u>Arval T. McCabe</u> Program Manager's Printed Name <u>Arval T. McCabe</u> Program Manager's Signature and Date <u>10/20/21</u>	APPROVED BY: <u>JT Willie</u> Division Director / Branch Chief's Printed Name <u>JT Willie</u> Division Director / Branch Chief's Signature and Date <u>10/20/21</u>
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EXHIBIT

D

FY 2022

THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION

BUDGET FORM 4

PART I. PROGRAM INFORMATION:			
Program Name/Title: _____		Business Unit No.: 510003	
Tourism Department			
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
	2001 PERSONNEL EXPENSES		241,321
	Employees salary and fringe benefits. Adjustments/Salary increase not paid by the Personnel Lapse Fund. Merit Payment for eligible personnel.		
2110	REGULAR		
	.2120 Four (4) Regular Full-Time positions	168,309	
	.2120 .50 Regular Full-Time Cost Share		
2900	2900 - Fringe Benefits		
	2900 Regular 168,309 43.38%	73,012	
TOTAL		241,321	241,321

FY 2022

THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION

BUDGET FORM 4

PART I. PROGRAM INFORMATION:			
Program Name/Title:		Tourism Department	Business Unit No.: 510003
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
3000	TRAVEL EXPENSES		26,999
	Monthly mileage and fleet rental. Meals, lodging and air fare directly related to program business and other miscellaneous travel expenses.		
3110	FLEET	11,333	
	.3111 - Monthly/Perm: (Group A, Class XIII Sedan) \$431/month x 12 months = \$5,172		
	.3113 - Mileage: (Group A) 2,000 miles x 0.23 mi. x 12 months = \$5,520		
	6% Sales Tax		
	Total		
			\$5,482
			\$5,851
3210	VEHICLE RENTAL (OFF RESERVATION)	400	
	3220 - Vehicle Rental (off reservation) \$400		
3230	PERSONAL TRAVEL	11,265	
	.3240 \$55/Daily Per Diem x 12 days for 3 staff \$1,980		
	.3240 \$76/Daily Per Diem x 3 days for 3 staff \$684		
	.3250 \$94/Night Per Diem x 8 nights for 3 staff \$2,256		
	.3250 \$166/Night Per Diem x 8 nights for 3 staff \$3,984		
	.3260 POV @ 250 mi. x .575 x 12 mo \$1,725		
	.3290 Other Incidental Travel Expense \$636		
3810	AIR	4,001	
	.3320 - Commercial Air \$4,001		
TOTAL		26,999	26,999

FY 2022

**THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION**

BUDGET FORM 4

PART I. PROGRAM INFORMATION: Program Name/Title: _____ Tourism Department _____ Business Unit No.: 510003			
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
	4000 SUPPLIES Stationary, envelopes, binders, labels, folders, pens and pencils, staplers/staples. Computer/Xerox toner cartridges, photocopying, publication, subscription. Non-Capital items that have a value of less than \$5,000 and other supplies that are necessary for the day operation of the program.		27,692
4120	OFFICE SUPPLIES .4130 General Office Supplies \$5,000	5,000	
4200	NON CAPITAL ASSETS .4210 Non Cap Furniture and Equipment \$1,000 .4230 Non Cap Computer Equipment \$2,000	3,000	
4410	OPERATING SUPPLIES .4420 General Operating Supplies \$5,021 .4440 Non Cap Computer Software \$1,000 .4450 Postage, Courier, Shipping \$3,000 .4490 Custodial Supplies \$715 .4500 Medical Supplies \$3,429 .4520 Bulk Paper - Xerox paper \$1,500 .4530 Printing/Binding/Photocopying \$4,527 .4450 Media Supplies \$500	19,692	
TOTAL		27,692	27,692

FY 2022

THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION

BUDGET FORM 4

PART I. PROGRAM INFORMATION:			
Program Name/Title: _____		Business Unit No.: _____	
Tourism Department		510003	
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
	5000 LEASE AND RENTAL		6,775
	Office space lease for 12 months. Rental of meeting room and media equipment for committee, work sessions and special meetings. Trade		
5110	BUILDING (Lease)		
5360	.5120 Office Space: Lease with Division of Economic Development at \$16587/Yearly Rate		
	EQUIPMENT	447	
	.5170 Office Equipment		
5160	BUILDING SPACE	6,328	
	.5320 Meeting Space: Staff and RDC meetings at \$150/8 mos		
	.5330 Storage Space: \$83.50 mo x 12 mo		
	.5340 Booth/Trade Show Rental		
	.5350 Other Space Rental		
	5500 COMMUNICATIONS AND UTILITIES		7,991
	Basic telephone services and line charges, install telephone hardware, installation and service changes for DSL line. Internet service/connectivity		
5520	TELEPHONE	1,996	
	.5530 Basic Services: \$35/mo x 12 mos		
	.5540 Long Distance Service: \$63/mo x 12 mos		
	.5550 Optional Charges: \$26.67 x 12 mo		
	.5560 Hardware Install		
5570	INTERNET	5,995	
	.5600 Internet Services: 6 staff X \$83.26 X 12 = \$5,995		
TOTAL		14,766	14,766

FY 2022

THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION

BUDGET FORM 4

PART I. PROGRAM INFORMATION: Program Name/Title: _____ Tourism Department _____ Business Unit No.: 510003			
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
6300	6000 REPAIRS AND MAINTENANCE Furniture/Equipment repairs and maintenance for supplies and services; and computer services maintenance. TECHNOLOGY .6310 Computer Hardware R&M \$6,000 .6320 Software Support \$6,000 .6330 Communication R&M \$2,000	14,000	14,000
TOTAL		14,000	14,000

FY 2022

**THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION**

BUDGET FORM 4

PART I. PROGRAM INFORMATION: Program Name/Title: _____ Tourism Department Business Unit No.: 510003			
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
	6500 CONTRACTUAL SERVICES		189,419
	Professional and consultant services of particular profession to determine project viability on commercial, industrial, tourism development projects; Non-capital archaeological and design services; Archaeological, assessments, legal surveys, appraisals, feasibility studies, testing, inspection, clearance of business sites or leases.		
6520	CONSULTING	130,590	
	.6530 Fees \$90,590		
	.6540 Expenses \$40,000		
6810	ARCHITECTURE/DESIGN (NON CAP)	11,329	
	.6813 Fees \$8,000		
	.6814 Expenses \$3,329		
6820	GEO TECH SERVICES (NON CAP)	7,500	
	.6823 Fees \$5,000		
	.6824 Expenses \$2,500		
6830	OTHER TECHNICAL SERVICES	40,000	
	.6840 Feasibility Studies \$20,000		
	.6845 Environmental Assessment/Survey \$20,000		
TOTAL		189,419	189,419

FY 2022

**THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION**

BUDGET FORM 4

PART I. PROGRAM INFORMATION: Program Name/Title: _____ Tourism Department Business Unit No.: 510003			
PART II. DETAILED BUDGET:			
(A)	(B) Object Code Description and Justification (LOD 7)	(C) Total by DETAILED Object Code (LOD 6)	(D) Total by MAJOR Object Code (LOD 4)
7110	7000 SPECIAL TRANSACTIONS Program initiatives; staff development career enhancements; insurance premiums. Promotional items, appreciation gifts, contribution, catering, PROGRAMS .7130 Promotional Items \$22,501 .7140 Gifts and Awards \$20,000 .7150 Charitable Contributions \$33,000 .7180 Catering \$4,000 .7190 Refreshments \$2,000 MEDIA .7440 Print Advertising \$40,269 NTD partners with the Arizona Office of Tourism, Utah Tourism Department, & NM Tourism Department in .7450 Radio Advertising \$16,434 NTD utilized radio stations to publish tourist related events with KYAT from Gallup, NM, KNDN from Farmington, TRAINING & PROFESSIONAL DUES .7520 Training and Registration Fees \$5,090 .7550 Mandatory Professional Dues \$694 INSURANCE PREMIUMS .7720 Property: Contents 50,000/1,000x0.71 = \$35.50 .7740 Vehicle - Auto Liability .7750 Vehicle - Auto Physical Damage (vehicle under 1 ton) .7765 Policy Payment (General Liability) \$241,321/100x0.25 = .7767 - Workers Comp (less fringe) \$168,309/100x0.72 =	81,501	145,803
7410		56,703	
7510		5,784	
7710		1,815	
TOTAL		145,803	145,803

FY 2022

**THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION**

BUDGET FORM 4

PART I. PROGRAM INFORMATION: Program Name/Title: _____		Tourism Department		Business Unit No.: 510003		
PART II. DETAILED BUDGET:						
(A)	(B)				(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)				Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)
9000	CAPITAL OUTLAY Construction of infrastructure (water, sewer, power, gas, phone, data lines, roads) to serve commercial, industrial and other economic development projects to create employment and business opportunities, goods and services, generate revenue and create multiplier effects of Navajo spending dollars. Infrastructure development is a critical stage to overall development of business projects to leverage tourist spending on the Navajo Nation.				240,000	240,000
9020	INFRASTRUCTURE .9036 Communications \$ 10,000 .9038 Waterlines \$30,000 .9040 Power lines \$30,000 .9042 Water/Wastewater \$20,000				90,000	
9050	BUILDING .9060 Construction in Progress \$150,000				150,000	
TOTAL					240,000	240,000

FY 2021

**THE NAVY 'C' NATION
LISTING OF POSITIONS AND ASSIGNMENTS BY BUSINESS UNIT**

Garrick Tsosie
DPM Certified 7/14/2021
Date

SUB ACCT	POS NO	JOB TYPE	POSITION TITLE	EMP ID	WORK SITE	FY 2021 ACTUAL			FY 2022 PROPOSED		
						GIS	H/R	SALARY	HOURS	BUDGET PERIOD	BUDGET
510003 - PDD-TOURISM PROGRAM											
1101	244654	1230	Department Manager I	15591	STM	B J68A	29.52	51,637.76	2,088	10/01/2021 - 09/30/2022	51,638.00
1108	256453	3402	Senior Economic Development Specialist	12743	SRN	B J66C	26.37	55,060.56	2,088	10/01/2021 - 09/30/2022	55,061.00
1109	244169	3407	Marketing Specialist K & B	299393	STM	B J66A	24.84	51,865.92	2,088	10/01/2021 - 09/30/2022	51,866.00
1110	244170	3407	Marketing Specialist C & B	181993	STM	B J66A	24.84	51,865.92	2,088	10/01/2021 - 09/30/2022	51,866.00
1111	244167	3407	Marketing Specialist	163874	STM	B J66A	24.84	51,865.92	2,088	10/01/2021 - 09/30/2022	51,866.00
1112	150760	1260	Administrative Assistant	241718	STM	B J62A	18.06	37,709.28	1,044	10/01/2021 - 09/30/2022	18,855.00

2110 - SUBTOTAL: \$

~~291,152.00~~

BUSINESS UNIT TOTAL: \$

~~291,152.00~~

\$210,659

EXHIBIT

E

**THE NAVAJO NATION
PROGRAM PERFORMANCE CRITERIA**

PART I. PROGRAM INFORMATION:

Business Unit No.: 510003 Program Name/Title: Tourism Department

PART II. PLAN OF OPERATION/RESOLUTION NUMBER/PURPOSE OF PROGRAM:

RDCO-055-19: The Department is established to promote and develop tourism related business thereby creating jobs and business opportunities.

PART III. PROGRAM PERFORMANCE CRITERIA:**1. Goal Statement:**

Develop tourism related projects, prerequisite planning and development activities.

Program Performance Measure/Objective:

Complete development requirement per project i.e., feasibility studies, surveys, EA archeological clearances.

2. Goal Statement:

Complete funding applications for tourism related development projects.

Program Performance Measure/Objective:

Prepare and submit two funding applications per quarter to secure project funds.

3. Goal Statement:

Conduct community based tourism development planning.

Program Performance Measure/Objective:

Complete 8 tourism development presentations and/or workshops (2) per quarter.

4. Goal Statement:

Develop partnership for sustainable tourism.

Program Performance Measure/Objective:

Complete four communication and educational tools that will help tourism industry improve performance.

5. Goal Statement:

Promote and market Navajo Nation in tourism industry, locally and worldwide.

Program Performance Measure/Objective:

Per quarter: (2) Trade Shows; (3) Magazine Advertisement; (4) Maintain Website; (20) Social Media Posts

1st QTR		2nd QTR		3rd QTR		4th QTR	
Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
3		3		3		3	

2		2		2		2	
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2		2		2		2	
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1		1		1		1	
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29		29		29		29	
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PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.

Arval T McCabe

Program Manager's Printed Name

Arval T McCabe 10/20/21

Program Manager's Signature and Date

JT Willie

Division Director/Branch Chief's Printed Name

JT Willie 10/20/2021

Division Director/Branch Chief's Signature and Date

THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



Memorandum:

To: 2 NNC § 164 Reviewers
Delegates & 2 NNC '164 Reviewers
Navajo Nation Government
Arvil McCabe, Department Manager
The Navajo Nation Tourism Department

From: *Robert Willie*
Robert Willie, Accounting Manager
Office of the Controller

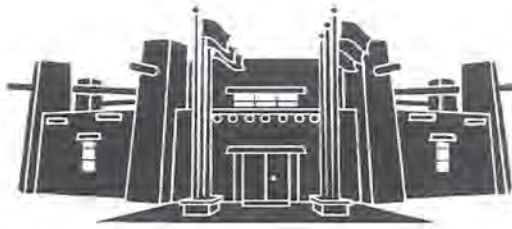
Date: October 27, 2021

Subject: Tourism request to increase budget in the amount of \$900,000

The Office of the Controller has reviewed the above referenced document.

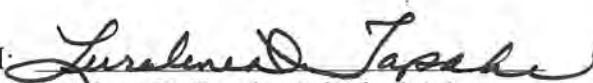
1. The Tourism fund is seeking \$900,000 additional dollars from the Tourism Fund Balance due to the department having no operating budget and funds are needed to complete FY 22 goals and objectives.
2. There is an unaudited balance of \$4,217,157 within the Fund Balance for Tourism (see Exhibit A) as of August 31, 2021. It is unknown how much is reserved for the Parks and Recreation department.
3. This would be access to fund balance to fund FY 22 unmet budget needs within the Tourism Fund. There is sufficient funding available. Program would need to get oversight approval to increase their budget. The Business Unit this would be utilized in would be 510003 which is PDD-Tourism Program.

If you should have any questions, you can contact me at tribal extension X6125.



MEMORANDUM

TO: Hon. Delegate Wilson Stewart, Jr.
Resources and Development Committee
24th Navajo Nation Council

FROM: 
Luralene D. Tapahe, Principal Advocate
Office of Legislative Counsel

DATE: January 12, 2022

SUBJECT: **AN ACT RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, LAW AND ORDER, AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$900,000 FROM THE NAVAJO NATION TOURISM FUND (24 N.N.C. §741) TO THE DIVISION OF ECONOMIC DEVELOPMENT/TOURISM DEPARTMENT TO COVER THE TOURISM DEPARTMENT'S PERSONNEL AND OPERATING EXPENSES FOR THE REMAINDER OF FY2022; AMENDING 24 N.N.C. §741(B) TO ALLOW ALL REVENUE IN THE TOURISM FUND TO BE USED BY ANY AND ALL NAVAJO NATION PROGRAMS FOR TOURISM-RELATED PURPOSES**

Per your request, the Office of Legislative Counsel has prepared the above-referenced proposed legislation and related summary sheet. Based on existing Navajo Nation law and other applicable laws, and upon review of all supporting documents submitted to OLC, this legislation as drafted is legally sufficient. However, as with any action of government, this legislation may be subject to review by the Navajo Nation courts in the event of proper legal challenge.

Please ensure that this legislation is precisely what you want. You are encouraged to review this proposed legislation to ensure that it is drafted to your satisfaction.

OLC has reviewed the appropriate standing committees' authorities to consider this legislation, based on the standing committees' powers and responsibilities set forth in Title 2 of the Navajo Nation Code. Based on its review, OLC has listed those committees in the title of this legislation. Nevertheless, the Speaker of the Navajo Nation Council may assign this legislation to committee(s) other than those shown in the title, pursuant to his authority under 2 N.N.C. §164(A)(5).

If you find this document unacceptable for any reason, please immediately contact me at the Office of Legislative Counsel (at extension 7166) and advise me of the changes you would like made to this proposed legislation. Thank you.