

RESOLUTION OF THE  
RESOURCES AND DEVELOPMENT COMMITTEE  
23<sup>rd</sup> Navajo Nation Council --- Third Year, 2017

AN ACTION

RELATING TO BUDGET AND FINANCE, RESOURCE AND DEVELOPMENT  
COMMITTEES; APPROVING THE BUDGET MODIFICATION IN THE AMOUNT OF  
\$2,973,204 FROM THE HOTEL OCCUPANCY TAX FUND TO THE NAVAJO PARKS  
AND RECREATION DEPARTMENT, BUSINESS UNIT NO. 510006

BE IT ENACTED:

SECTION ONE. AUTHORITY

The Navajo Parks and Recreation Department is within the Division of Natural Resources. The Resources and Development Committee serves as oversight over the Division of Natural Resources. 2 N.N.C § 501 (C) (1).

The Navajo Nation Tourism Fund Management Plan indicates that, "[a]n 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 [now Resources and Development Committee] and Budget and Finance Committee of the Navajo Nation Council through the annual budget process." Navajo Nation Tourism Fund Management Plan, Exhibit D, Section 6. Annual Budget/Expenditure Plan.

A budget modification is an increase or decrease to an existing business unit budget in a previously approved budget. Budget modifications require oversight approval, unless it is a prior approval of carryover funds. This budget modification does not involve carryover funds, so oversight approval is required. Navajo Nation Budget Instruction Manual, Section XIII.C.1.3.

SECTION TWO. FINDINGS

The Navajo Nation Council enacted the Hotel Occupancy Tax, 24 N.N.C. §§ 701 et. seq.

The Hotel Occupancy Tax is imposed for the purpose of promoting tourism and tourism development, is retained in the Navajo Nation Tourism Fund, and being consistent with Navajo laws and utilizing the prudent person rule, shall be applied for the advancement of tourism promotion and to develop projects throughout the Navajo Nation, 24 N.N.C. §741.

The Navajo Nation Tourism Department requests a drawdown from the Navajo Nation Hotel Occupancy Tax Fund to the Navajo Parks and Recreation Department, Business Unit #510006, in the amount of \$2,973,204 for capital outlay. Budget forms supporting this request are attached as Exhibit A.

The Navajo Nation Office of the Controller has determined funds are available in the Navajo Nation Tourism Fund, Memorandum from Robert Willie, Office of the Controller, and is attached as Exhibit B, along with the rest of the documents that are part of the Executive Branch 164 review.

The Navajo Nation Tourism Fund Management Plan is attached as Exhibit C

### **SECTION THREE. APPROVAL**

The Navajo Nation hereby approves the budget reallocation of \$2,973,204 from the Hotel Occupancy Fund to the Navajo Parks and Recreation Department, Business Unit #510006, see Exhibit A, to assist in tourism economic activity resulting in an increase in tourism sales.

### **SECTION FOUR. DIRECTIVE TO THE OFFICE OF THE CONTROLLER**

The Office of the Controller is directed to make the modifications to the Navajo Tourism Department Fund, Business Unit 510006 in accordance with the budget documents attached as Exhibit A.

**CERTIFICATION**

I, hereby certify that the following resolution was duly considered by the Resources and Development Committee of the 23<sup>rd</sup> Navajo Nation Council at a duly called meeting at Red Rock Chapter House, Red Rock (Navajo Nation) New Mexico, at which a quorum was present and that same was passed by a vote of 4 in favor, 0 opposed, 1 abstained on this 13th day of June, 2017.

A handwritten signature in blue ink, appearing to read 'B. Bennett', with a long horizontal line extending to the right.

Benjamin Bennett, Vice Chairperson  
Resources and Development Committee  
of the 23<sup>rd</sup> Navajo Nation Council

Motion: Honorable Leonard Pete  
Second: Honorable Walter Phelps

THE NAVAJO NATION  
PROGRAM BUDGET SUMMARY



PART I. Business Unit No.: 510006		Program Title: Tourism (HOT Tax - NPRD)		Division/Branch: DED/Tourism	
Prepared By: Alvina Arviso		Phone No.: 928-871-6647		Email Address:	

PART II. FUNDING SOURCE(S)	Fiscal Year Term	Amount	% of Total
HOT Tax Funds - NPRD	10/1/16-09/30/17	2,973,204.00	100%
<div style="border: 2px solid red; padding: 5px; text-align: center;"> <b>RECEIVED</b>  APR 16 2017  OFFICE OF THE CHIEF OF BUDGET </div>			

PART III. BUDGET SUMMARY		(A)	(B)	(C)
Fund Type	NMC Approved	FY 17	Proposed Budget	Difference (Column B - A)
Code	Original Budget			
2001 Personnel Expenses	0			0
3000 Travel Expenses	0			0
3500 Meeting Expenses	0			0
4000 Supplies	0			0
5000 Lease and Rental	100,012			100,012
5500 Communications and Utilities	0			0
6000 Repairs and Maintenance	0			0
6500 Contractual Services	0			0
7000 Special Transactions	0			0
8000 Public Assistance	0			0
9000 Capital Outlay	202,000		2,973,204	3,175,204
9500 Matching Funds	0			0
9500 Indirect Cost				0
<b>TOTAL</b>	\$302,012.00		2,973,204	3,275,216

PART IV. POSITIONS AND VEHICLES		(D)	(E)
Total # of Positions Budgeted:			
Total # of Permanently Assigned Vehicles:			

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

SUBMITTED BY: Alvina Arviso 03/17/17

APPROVED BY: [Signature] 3/16/17

FY 2017

THE NAVAJO NATION  
PROGRAM PERFORMANCE CRITERIA

Received  
MAR - 7 2017  
The Navajo Nation, Window Rock, Arizona

Page 2 of 3  
BUDGET FORM 2

PART I. PROGRAM INFORMATION:

Business Unit No.: 510006

Program Name/Title: \_\_\_\_\_

Tourism (HOT Tax - NPRD)

PART II. PLAN OF OPERATION REFERENCE/LEGISLATED PROGRAM PURPOSE:

PART III. PROGRAM PERFORMANCE CRITERIA:

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

1. Program Performance Area:

Provide accessibility of our park to our visitors

Goal Statement:

To complete the 2nd phase of the Monument Valley Navajo Tribal Park road project for visitors and residents

0	0	4	4	
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2. Program Performance Area:

To ensure safe and adequate facilities are available to our visitors

Goal Statement:

To establish waterless restrooms at two locations in Monument Valley Navajo Tribal Park

0	0	2	2	
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3. Program Performance Area:

Provide adequate and accessible parking for our visitors

Goal Statement:

To establish parking lot for first viewpoint at Little Colorado River Tribal Park

0	0	1	0	
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4. Program Performance Area:

To process a post design for administration building

Goal Statement:

To product a desing to construct an administration building for NN Parks Office

0	0	1	0	
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5. Program Performance Area:

Goal Statement:

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

Program Manager's Printed Name and Signature/Date  
Amelia 3/3/17

Division Director/Branch Chief's Printed Name and Signature / Date  
Wanda D. Whiting 3-7-17

FY 2017

# THE NAVAJO NATION DETAILED BUDGET AND JUSTIFICATION

Office of Management & Budget  
The Navajo Nation, Window Rock, Arizona

Received  
MAR - 7 2017  
Page 3 of 3  
BUDGET FORM 4

## PART I. PROGRAM INFORMATION:

Program Name/Title:

Tourism (HOT Tax - NPRD)

Business Unit No.:

510006

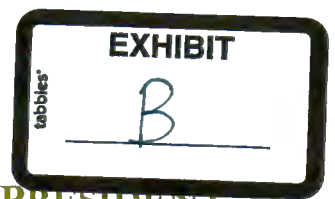
## PART II. DETAILED BUDGET:

(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
9000	<b>CAPITAL OUTLAY</b> Consulting fees for second phase of Monument Valley Navajo Tribal Park road project to include 8 low water crossings, new aggregate base and stabilizing the road. In addition includes installing headwalls on the 7 previously installed culverts and providing erosion control from first phase. Little Colorado River Tribal Park project includes a new access road to SR 64, new left turn lane and right turn lane on SR64, and relocating the entrance booth. The parking lot includes new pavement, curb and gutters, signing and striping.		2,973,204
9020	<b>Infrastructure</b> 9024 Roads MV - Northern/Southern project - 8 low water crossings, plus aggregate LCR - Parking Lot	2,099,300	
9050	<b>Building</b> 9052 Buildings SST Aspen Quattro Waterless Restroom w/4' Storage Room @ John Ford Point & Artist Point - (2) Locations \$203,725.50 x 2 Locations = \$ 407,451.00 SST Aspen Compact Double Waterless Restroom w/Storage Room @ John Ford Point & Artist Point - (2) Locations \$171,525.00 x 2 Locations = \$343,051.00	750,502	
9070	<b>CAP - Pro Tech Services</b> 9072 CAP - Consulting Bid support, post design and construction administration	123,402	
<b>TOTAL</b>		2,973,204	2,973,204



## THE NAVAJO NATION


**RUSSELL BEGAYE** PRESIDENT  
**JONATHAN NEZ** VICE-PRESIDENT



### Memorandum:

Date: March 24, 2017

To: 2 NNC § 164 Reviewers  
Delegates & 2 NNC '164 Reviewers  
Navajo Nation Government

From:   
Robert Willie, Accounting Manager  
Office of the Controller

Subject: 164 Review-007651- 2<sup>nd</sup> HOT-NPRD -Request Increase Ann Allocation

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

1. The Tourism Fund is requesting an increase to their budget allocation for FY 17 in the amount of \$2,973,204.27 for Parks and Recreation.
2. There are sufficient unallocated amounts within the Tourism Fund Balance to cover this request for funding.
3. This amount if approved will reduce the amount available for the Tourism Fund.
4. Document 164-007475 is also requesting access to unallocated Fund Balance. If both of these requests are approved there will be nothing left in the reserve account for the Tourism Department.

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

Document No. 007651Date Issued: 03/03/2017**SECTION 164 REVIEW FORM**Title of Document: 2nd HOT-NPRD Req Increase Ann Allocation Contact Name: MCCABE, ARVAL T. *Ar*Program/Division: DIV. OF ECONOMIC DEVELOPMENTEmail: arvaltmccabe@discovernavajo.com Phone Number: (928) 810-8501Division Director Approval for 164A: *Yngstad*

**Check document category: only submit to category reviewers. Each reviewer has a maximum 7 working days,** except Business Regulatory Department which has 2 days, to review and determine whether the document(s) are sufficient or insufficient. If deemed insufficient, a memorandum explaining the insufficiency of the document(s) is required.

**Section 164(A) Final approval rests with Legislative Standing Committee(s) or Council**

<input type="checkbox"/>	Statement of Policy or Positive Law:		Sufficient	Insufficient
	1. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	IGA, Budget Resolutions, Budget Reallocations or amendments: (OMB and Controller sign ONLY if document expends or receives funds)			
	1. OMB: <u><i>D. Segal</i></u>	Date: <u>3-16-17</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	2. OOC: <u><i>R. Rupp</i></u>	Date: <u>3-24-17</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	3. OAG: <u>E.C. 4/5</u>	Date: <u>4/5/17</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Section 164(B) Final approval rests with the President of the Navajo Nation**

<input type="checkbox"/>	Grant/Funding Agreement or amendment:			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Subcontract/Contract expending or receiving funds or amendment:			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. BRD: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	5. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Letter of Assurance/M.O.A./M.O.U./Other agreement not expending funds or amendment:			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	M.O.A. or Letter of Assurance expending or receiving funds or amendment:			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>



# NAVAJO NATION DEPARTMENT OF JUSTICE

## DOCUMENT REVIEW REQUEST FORM



DOJ
03-29-17 9/11am
DATE / TIME
<input checked="" type="checkbox"/> 7 Day Deadline
DOC #: 007651
SAS #:
UNIT: ECDH

☐ RESUBMITTAL

\*\*\* FOR NNDOJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED. \*\*\*

CLIENT TO COMPLETE			
DATE OF REQUEST: 3/29/17		ENTITY/DIVISION: Economic Development	
CONTACT NAME: Arnet McElroy		DEPARTMENT: Tourism	
PHONE NUMBER: 928-810-8501		E-MAIL: ArnetMcElroy@Discovernavajo.com	
TITLE OF DOCUMENT: 164 review - 007651 - 2nd NOT - Request for Review on Appeal			
DOJ SECRETARY TO COMPLETE			
DATE/TIME IN UNIT: 3/29/17 10:30am		REVIEWING ATTORNEY/ADVOCATE: Elizabeth Coronado	
DATE/TIME OUT OF UNIT:			
DOJ ATTORNEY / ADVOCATE COMMENTS			
Sufficient - see memo			
REVIEWED BY: (PRINT)		DATE / TIME	
Elizabeth Coronado		4/5 11am	
SURNAMED BY: (PRINT)		DATE / TIME	
CBO		4/5/17 1217pm	
DOJ Secretary Called: Marilyn		for Document Pick Up on 4/5/17 at 118 By: AH	
PICKED UP BY: (PRINT)		DATE / TIME:	

NNDOJ/DRRF-July 2013






# THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT  
JONATHAN NEZ VICE PRESIDENT

March 8, 2017

## MEMORANDUM:

**TO** : Lisa Jymm, Principal Budget Analyst  
Office of Management & Budget

**FROM** :   
Arval T. McCabe, Department Manager I  
Tourism Department  
DIVISION OF ECONOMIC DEVELOPMENT

**SUBJECT** : Drawdown from the Hospitality Occupancy Tax (HOT)

**REF** : 164 Document #007475 & 007651

1. I requested a total amount of the HOT fund from OOC and was informed that the amount for drawdown for both Tourism Department and Parks & Recreation Department is \$4,503,862.37 (Attached as Exhibit "A"). The breakdown by years and amount for artsco, inc, dba, the View Hotel, is shown in Exhibit "B". Of the breakdown shown in the attachment \$1,530,658.10 is Tourism Department (Account #510003) and \$2,973,204.27 is Parks & Recreation Department (Account #510006). Other supporting documents are attached as Exhibit "C".
2. I sent a memo requesting assistance from Tax Commission and I was informed that it is my offices responsibility to track the different funding for the HOT fund, so my office conducted the investigation on how much of the available balance from the drawdown was payment from artsco, inc, dba, The View hotel. This HOT fund is allocated for Parks & Recreation Department HOT fund. This information was researched from 510003-1100 and the results of the findings are attached.
3. The amount of the drawdowns is requested in the budget medication and are attached herein.

Your approval to my request for the attached budget modication is appreciated. If you have any questions, please do not hesitate to call me at extension 871\*7392.

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# THE NAVAJO NATION

RUSSELL BEGAYE  
JONATHAN NEZ

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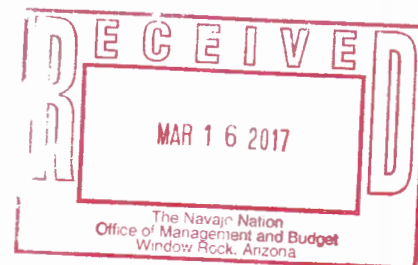
## MEMORANDUM

**TO :** ALL DEPARTMENTS

**FORM :** Arval T. McCabe  
Arval T. McCabe, Department Manager II  
Tourism Department  
DIVISION OF ECONOMIC DEVELOPMENT

**DATE :** March 9, 2017

**SUBJECT :** STANDING DELEGATION-Monday, March 13-17, 2017



The following DED staff will be delegated to act in my capacity in my absence:

**Libby Valteau, Program Manager II-FD RBDO**

The above individual will be responsible for ensuring that daily operations of the departments are met and have the authority to sign off on all routine documents. All other matters that require my attention will be handled upon my return to the office.

Your cooperation and adherence to the memorandum is appreciated. If you have questions, you may contact me at (928) 810-8501 during normal working hours.

### ACKNOWLEDGEMENT:

L. Valteau  
Libby Valteau, Program Manager II

### CONCURRED:

Elaine Young  
Elaine Young, Department Manager

Crystal J. Deschinny  
Crystal J. Deschinny, Division Director

xc: DISTRIBUTE  
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# THE NAVAJO NATION



RUSSELL BEGAYE PRESIDENT  
JONATHAN NEZ VICE PRESIDENT

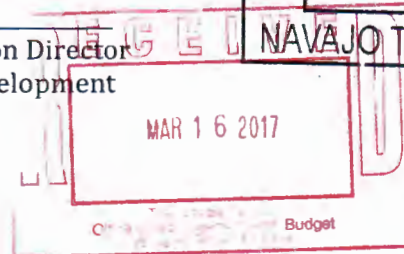
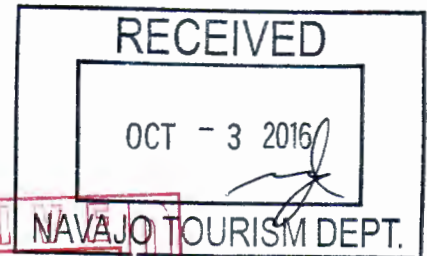
## MEMORANDUM

TO : ALL CONCERNED

FROM :   
Crystal Deschinny, Division Director  
Division of Economic Development

DATE : September 30, 2016

SUBJECT : **Standing Delegation**



The following department director will automatically assume the responsibility, during the times that I am not in the office.

Anthony Perry, Department Manager, Project Development Department  
Raymond Nopah, Chief Financial Officer, Support Services Department  
Bertha Aguirre, Department Manager, Real Estate Department

This standing delegation gives authority to handle all routine operation of Division of Economic Development, except those needing special attention of the Executive Director.

I ask for your full cooperation to be given to the delegated, so that there is no interruption in services. Thank you for your cooperation and understanding.

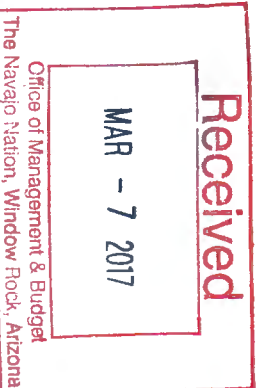
## **ACKNOWLEDGEMENT:**

  
Anthony Perry, Department Manager  
Project Development Department

  
Raymond Nopah, Chief Financial Officer  
Support Services Department

  
Bertha Aguirre, Department Manager  
Real Estate Department

NAVAJO PARKS AND RECREATION DEPARTMENT  
FY16 MASTER PLAN



Location	FY2016	DESCRIPTION	OBSTACLE(S)	STATUS
<u>Four Corners Monument</u>	Activate waterline connection to FCM restroom	Construction firm is being solicited to complete the connection and NTUA to install meter.	Winter conditions will not permit connection to be made. Wait until Spring 2016.	Pending digital drawings NTUA is requesting for the drawings. * LOCATE DIGITAL DRAWINGS AND PROCEED
	Complete parking lot improvement at FCM	Construction company will be hired to improve grounds by leveling area.	federal funds have been withdrawn	No funds *Include in next budget transfer. *Get cost estimate from NECA
	Powerline Extension	Three phase From TeeNosPos to FCM	Review and amend the contract	Obtaining original documents and modify the contract.
	Flag Pole Replacement	Seven Flag Poles	Getting assistance to construct	Obtain quotations
Lake Powell	Renovate building for Lake Powell and convert to visitor center/offices	The lease agreement has been signed and need to have building appraised for insurance coverage.		164 Packet is at Contracts & Grants Obtained updated documents from contractor for the building renovation Start 164 Review for building renovation (Nate Boyd) **Building Renovation-TIME SENSITIVE** NMC has deadline of 9/30/17 for allocated funding.
	Cultural resources survey for potential helicopter landing sites at Lake Powell	Cultural survey completed and clearance received.	Budget transfer needs to be done to prepare contract for biological survey/clearance.	Three surveys 1 <sup>st</sup> completed HPD Sign off 2 <sup>nd</sup> Environmental Clearance - pending 3 <sup>rd</sup> biological Clearance - pending Contacted lina' bah' - at a stand still *Identify funds
	Environmental Clearances for Landing Sites	Conduct environmental clearances for eleven (11) proposed landing sites for air service tours.	Environmental & Biological Assessments will be completed before any landing can be permitted at proposed sites. \$100,000.00	Look into possible companies to complete as individual site projects. - Nate Boyd
	Upper Antelope	Construct a new fee	The new fee station will be used	Need to obtain quotations to include in the HOT

	Canyon Fee Station – HOT Budget	station to replace outdated fee station	to oversee tour and fee collection operators. \$80,000	<i>funds.</i>
	New Public Restrooms – HOT Budget	Research and finalize plan to purchase approximately sixteen (16) waterless restroom units for Upper and Lower AC.	The availability of adequate number of waterless restroom units will eliminate the need for porta johns and be more cost efficient to maintain. \$293,304.00	<i>Include in FY-18</i>
Marble Canyon	Undertake development plan for Marble Canyon Lee's Ferry	Senior Planner position will be transferred to Lechee office to begin working on plan.	Need to get approval for transfer of position.	Senior Planner is at LeChee Office Under the Western GMP *Collect data Come up with a development concept plan, i.e. fee station, campground, hiking trails, waterless restrooms Draft scope of work for the chapter
Monument Valley	Complete 3.5 mile road construction project at Monument Valley	The project is approximately 75% complete.	Project is on hold due to winter conditions.	Prepared project summary for MV. Need funding in proper object code. No maintenance Project is completed, but the road is damaged again. *Follow up with NDOT (Nate Boyd)
	Establish waterless restrooms at three locations at Monument Valley	The budget will be prepared with funding assistance from Hotel Occupancy Tax funds.		Funding is allocated Follow up with HPD – obtain clarification
	Develop Backcountry Management Plan for Mystery Valley Monument Valley Tribal Park	No activity at this time due to limited staff capability.		Assessment & Inventory for Mystery Valley Map of all roads Identify Arch. Sites Work with HPD Land Users – pin point on map Develop guidelines for Tour Operators Begin Pilot Project
	Cash Register System	Pilot Project at MV and set up at the central office		
Little Colorado River	Construct vendor village at Little Colorado River Second	On-going road project on access road needs to be completed first.		Need NEPA Compliance Waterless restroom will be installed Need to identify the funds

	viewpoint			<b>**TIME SENSITIVE**</b>
	Complete access road to first viewpoint at Little Colorado River Tribal Park	Working with ADOT and NDOT to undertake the project. Engineering services to be contracted through NDOT.	Budget transfer needed to fund engineering services. Legislation is now going through 164 review.	Need to identify funds - \$830K Need to complete OMB Forms Meeting scheduled February 8 <sup>th</sup> at NDOT @ 10:00 a.m.
	Fee Station			
	Complete first draft of Western Area Parks General Management Plan	An orientation session for all potential stake holders is planned for January 27-28.		Need to identify funds for Cultural Mapping - \$118K
	Contract for consultant services to develop master development concept plan for third viewpoint	Request for Proposals was distributed, proposals received and contractor selected.	Contract documents still pending.	Need to identify funds
	Complete trail improvement to first viewpoint overlook with handicapped access	Assessment needs to be done on the rocky areas to determine what type of trail would be feasible.		Obtain supporting resolution Henry Yazzie made other plans and will draft scope of work. Find other alternatives for walk way RFP to construct the walk way
	ASU			Need to identify Funds @ \$118,642
	Waterless Restrooms at 2 <sup>nd</sup> Viewpoint	Quote dated 1/19/17 at \$672,215.94 from ROMTEC		Need to identify funds for legislation (fund balance) \$700K Need to complete OMB Forms
Canyon de Chelly	Establish agreement with National Park Service Canyon de Chelly to reopen Ledge House viewpoint with NPRD operation	National Park Service is favorable to the plan and will need to develop an inter-governmental agreement.	Develop implementation plan and budget for additional staff.	Pending first formal meeting Pending feedback on cooperative plan Prepare an operating budget to do a cost benefit analysis.
	Complete first draft of Canyon de Chelly Joint	Core team has been established by Division of		DNR is the lead agency

	Management Plan	Natural Resources to work with NPS, BIA and chapters.		Will expire on April 12, 2017 Contact NPS – Discussion of agreement renewal Mtg confirm Feb. 2 <sup>nd</sup> at 1:30 p.m. @ NPS Maint. Conf. Room Attendees: MLB, AA DJ, DY, NB & Lynn Correnza
	Review, amend and renew agreement with NPS to operate Cottonwood Campground	The agreement will expire in 2016 and will be re-negotiated.		Funding available at 550K RFP Phase 1 Bid Opening – Thursday, Feb. 2, 2017
	Campground Cabins			commission requirement removed Need to work on Security Contract for the parks – RFP sent out and due Thursday Start Date: March 1 <sup>st</sup> Each Park will get 6 Security Personnel and 15 for MV Purchase Vehicles and computer equipment
All areas	Establish enforcement program to cover all tribal park areas	A Memorandum of Agreement was signed between the Parks and Recreation Department and Resources Enforcement.	Ranger positions need to be classified before any hiring, then training that will take months.	Need event budget Revenue Projection
Navajo Fairgrounds	Plan and undertake Fourth of July Celebration	The Fair Office has met with potential contractors and the PRCA to discuss the plans.	Funding will be a concern and needs to be discussed with the new Controller.	Need event budget Revenue Projection
	Plan and undertake Navajo Nation Fair	Same as above.	Same as above.	Need event budget Revenue Projection
	Navajo Rodeo Hall of Fame and Museum (Coordinate with NN Museum)	Local Navajo rodeo associations have proposed this idea but will need assistance to continue the project to reality.	A location needs to be identified and a funding source.	Work with Museum and Rodeo Associations
Other projects	Assessment to establish Western Area Tribal Parks Office	No activity. Construction services will be decentralized to work out of LeChee to assist western area parks.		Adding some construction staff to LeChee Office
	Assessment for Three	A Management Plan has		Follow up with Nazlini Chapter Officials

	Turkey Ruins as potential tribal park	been prepared and will be presented to the Nazlini Chapter.		Meeting scheduled Feb. 6 <sup>th</sup> at 9am NPRD Conf. Room WR
	Work with National Park Service and Federal Aviation Administration on Air Tour Management Plan for NN	Department Manager was reappointed as member to the National Parks Overflights Advisory Group.		Meet with NPS on getting assistance
	Navajo Trails Network	Discussions have taken place to develop a trail from the Museum to Window Rock. Other trails can be considered. A trails conference will be upcoming.		Museum Trail - completed MV, FCM & LCR
	Establish volunteer program to assist with Park Operations			For FY-18 Establish number of volunteers PCQ/Job description
	Maintenance / Utility Vehicles and additional equipment	Each park will develop a list		
	Employee Housing	Monument Valley and Four Corners Monument		Waiting for Proposal from the company.
	HOT TAX - \$2,657,947.76	Fee Station for LPNTP & FCM		
	Fund Balance	FCM @ LCR @ \$830,000 CDC @ ASU @ \$118,642 (ASU & LCR) LCR WWR @ VP2 @ \$700K		
	Security Camera	All Parks		Develop Scope of Work RFP

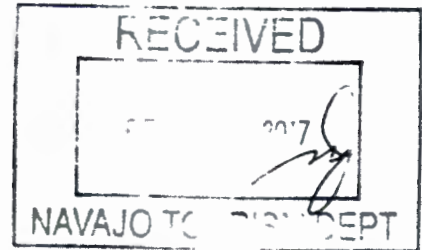


"A"  
THE NAVAJO NATION

EXHIBIT A  
RUSSELL BEGAYE PRESIDENT  
JONATHAN NEZ VICE PRESIDENT

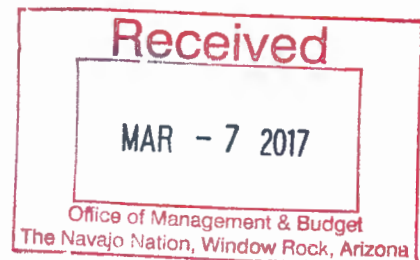
## MEMORANDUM

To: Arval T. McCabe, Department Manager I  
Tourism Department  
Division of Economic Development



Thru: Robert Willie  
Robert Willie, Accounting Manager  
General Accounting Section  
Office of the Controller

From: Shani Francis  
Shani Francis, Associate Accountant  
General Accounting Section  
Office of the Controller



Date: February 1, 2017

Subject: Re: Hospitality Occupancy Tax (HOT) Fund; Account 510003

The Office of the Controller has reviewed the memo dated January 5, 2017 from your department. After analysis of the Navajo Tourism Fund Balance Sheet and Income Statement the following information is available per your request:

1. The unaudited fund balance of the Navajo Tourism Fund, Company 1100 is \$4,503,862.37 as of December 31, 2016
2. If there is any pending appropriations in the legislative process that have not been approved as of this date are not included in the calculation of this available balance.

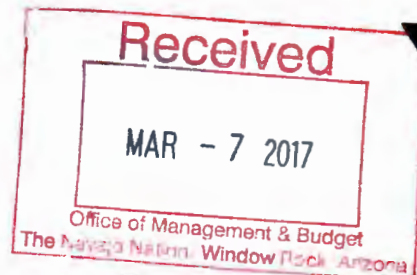
If you should have any questions please feel free to reach me at tribal X7655. Thank you.

"B"

92 rooms		artsco, inc. dba the view hotel in monument					
8%	2009	2010	2011	2012	2013	2014	2015
Quarterly	\$ 2,017.03	\$ 87,384.00	\$ 90,778.00	\$ 84,634.00	\$ 78,921.00	\$ 106,477.0	
	\$ 51,824.00	\$ 76,085.00	\$ 90,778.00	\$ 86,036.00	\$ 97,517.00	\$ 177,250.0	
	\$ 77,970.56	\$ 83,807.00	\$ 4,631.00	\$ 148,937.00	\$ 163,282.00	\$ 81,362.0	
		\$ 84,947.00	\$ 132,200.00	\$ 90,481.00	\$ 91,365.00	\$ 74,652.0	
			\$ 96,123.00				
Total HOT fund	\$ 131,811.59	\$ 332,223.00	\$ 414,510.00	\$ 410,088.00	\$ 431,085.00	\$ 439,741.0	
Less 2% reserve	\$ 2,636.23	\$ 6,644.46	\$ 8,290.20	\$ 8,201.76	\$ 8,621.70	\$ 8,794.8	
	\$ 129,175.36	\$ 325,578.54	\$ 406,219.80	\$ 401,886.24	\$ 422,463.30	\$ 430,946.1	
HOT Actual	\$ 4,503,862.37						
Less Parks & Rec	\$ 2,973,204.27						
Total Available	\$ 1,530,658.10						



THE  
NAVAJO  
NATION



JEN SHELLY  
PRESIDENT


OFFICE OF THE NAVAJO TAX COMMISSION  
Post Office Box 1903 • Window Rock, Navajo Nation (Arizona) 86515-1903  
(928) 871-6681 • (928) 871-7608 FAX

REX LEE JIM  
VICE - PRESIDENT

EXHIBIT C

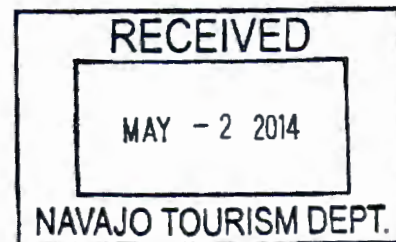
MEMORANDUM

TO: Arval T. McCabe, Department Manager I  
Tourism Department - Division of Economic Development

FROM:   
Martin E. Ashley, Executive Director  
Office of the Navajo Tax Commission

DATE: May 2, 2014

SUBJECT: Tourism Fund: Artsco, Inc. dba The View Hotel



The Office of the Navajo Tax Commission (ONTC) received your memorandum dated April 4, 2014 requesting a fund balance for both the Tourism Department and the Parks & Recreation Department. This request should be researched and developed by Tourism Department/Division of Economic Development staff, not ONTC.

ONTC is responsible for collecting and administering the seven taxes approved and authorized by the Navajo Nation Council; including the Hotel Occupancy Tax (HOT), Business Unit # 510004.

I personally accessed the Financial Management Information System (FMIS) to research the data you are seeking in regards to tax payment made by Artsco, Inc. dba The View Hotel to benefit the Parks and Recreation Department. I developed a report based on Business Unit 510004 for FY 2009 to 2013, verified by the ONTC Principal Accountant with a few minor corrections, hereto attached detailed by Fiscal Year.

Historically, ONTC has communicated with the previous Department Manager of Tourism Department to research and download the information from the FMIS. Going forward, Tourism Department will be responsible to extract the information and have ONTC verify the data.

The amount calculated of \$1,685,323.24 is Parks & Recreations share of the fund balance (does not include other set-aside being deducted if required), the difference is Tourism Department's share based upon the analysis provided.

Should there be any questions, please call me at tribal extension 6992 or email at [mashley@navajotax.org](mailto:mashley@navajotax.org).

XC: Albert Damon, Jr., Exec. Dir., DED (via email)  
Arbin Mitchell, Chief of Staff, OPVP (via email)

Martin Begaye, Dir., Parks & Rec Dept. (via email)  
Sue Bizade, Prin. Acct., ONTC (via email)

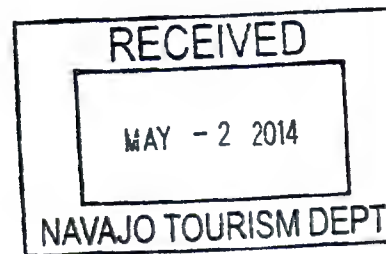
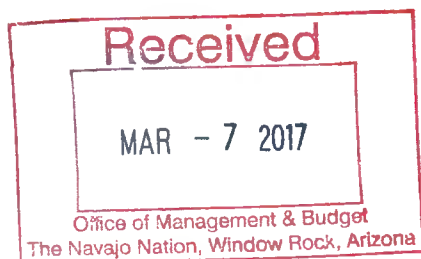
payer:

Artsco, Inc. dba The View Hotel in Monument Valley

Hotel Occupancy Tax - Tax Payment History

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total
\$ 2,017.03	\$ 87,384.00	\$ 90,778.00	\$ 84,634.00	\$ 78,921.00	\$ 343,734.03
\$ 51,824.00	\$ 76,085.00	\$ 90,778.00	\$ 86,036.00	\$ 97,517.00	\$ 402,240.00
\$ 77,970.56	\$ 83,807.00	\$ 47,867.49	\$ 148,937.00	\$ 163,282.00	\$ 521,864.05
	\$ 84,947.00	\$ (47,867.49)	\$ 90,481.00	\$ 91,365.00	\$ 218,925.51
		\$ 4,631.00			\$ 4,631.00
		\$ 132,200.00			\$ 132,200.00
		\$ 96,123.00			\$ 96,123.00
\$ 131,811.59	\$ 332,223.00	\$ 414,510.00	\$ 410,088.00	\$ 431,085.00	\$ 1,719,717.59
\$ 2,636.23	\$ 6,644.46	\$ 8,290.20	\$ 8,201.76	\$ 8,621.70	\$ 34,394.35
\$ 129,175.36	\$ 325,578.54	\$ 406,219.80	\$ 401,886.24	\$ 422,463.30	\$ 1,685,323.24

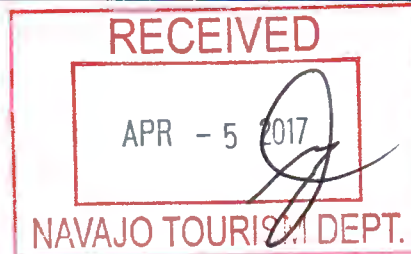
Less 2% Reserve





**NAVAJO NATION DEPARTMENT OF JUSTICE**  
**OFFICE OF THE ATTORNEY GENERAL**

ETHEL B. BRANCH  
ATTORNEY GENERAL



RODGERICK T. BEGAY  
DEPUTY ATTORNEY GENERAL

M E M O R A N D U M

TO: Arval T. McCabe, Department Manager  
Tourism Department, Division of Economic Development

FROM: Ei c  
Elizabeth Coronado, Attorney  
Economic/Community Development Unit, Dept. of Justice

THROUGH: UPJ  
LaTonia B. Johnson, Acting Asst. Attorney General  
Economic/Community Development Unit, Dept. of Justice

DATE: April 5, 2017

SUBJECT: 164 Document No. 007651: Request to Increase Annual Allocation

The Department of Justice (DOJ) has reviewed the above-mentioned 164 review request and finds it sufficient, but DOJ wants to ensure that Parks and Recreation Department (PRD) is spending its portion of the Hotel Occupancy Tax (HOT) consistent with the purpose. Tourism Department is requesting \$1.5 million from the HOT for capital outlay and construction services and \$2,973,204.26 for PRD. The Tourism Department's Business Unit Number 510003 will increase by \$1.5 million while the Tourism Department's Business Unit Number 510006 for PRD will increase by \$2,973,204.26. Although the Tourism Department is requesting a drawdown from the HOT, the request is increasing Tourism's annual budget in the aggregate by \$4,473,204.26 million which is above the original authorized budget approved by the Navajo Nation Council. Therefore, the increase of the Tourism Department's Fiscal Year 2017 budget constitutes as a budget modification which must be approved by Resources and Development Committee. See Budget Instruction Manual, Section XIII (C) (1) (c).

Memorandum to: Arval T. McCabe

RE: 164 Document No. 007651: Request to Increase Annual Allocation

April 5, 2017

Page 2

Additionally, the HOT 24 N.N.C. § 741(B) was amended for taxes collected within any Navajo Tribal Park be used exclusively by the Navajo Parks and Recreation Department for maintenance and improvement of facilities within Navajo Tribal Parks. Generally, the Fund Management Plan (Plan) should outline the management of these funds, but because the Plan has not been amended to reflect the above-mentioned amendment, it appears that Tourism Department is in charge of all spending including ensuring that PRD spends the funds consistent with § 741(B). To address this concern, the Tourism Department and PRD need to enter into an intragovernmental agreement to ensure that PRD is only spending the HOT for the purpose of maintaining or improving facilities within Navajo Tribal Parks. Another option would be to amend the Plan to allow PRD to request funding from the HOT on its own. DOJ has previously sent those proposed amendments to Tourism Department for consideration.

If you have any questions regarding this memorandum, please contact me at 928-871-6933. Thank you.

EC/ah/61

xc: Crystal J. Deschinny, Division Director  
Division of Economic Development



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

**EXHIBIT "A"**

**NAVAJO TAX COMMISSION  
RESOLUTION # TAX-92-087**

**RESOLUTION OF THE NAVAJO TAX COMMISSION****Recommending to the Economic Development Committee of the Navajo Nation Council the Approval of Amendments to the Business Activity Tax and Enactment of the Hotel Occupancy Tax****WHEREAS:**

1. The Navajo Tax Commission is delegated the power pursuant to 2 N.T.C. §3353(a)(1) to review and study all sources of wealth and income within the Navajo Nation and possible revenues from the taxation of those sources, in order to develop an appropriate, comprehensive system of taxation; and

2. The Navajo Tax Commission has reviewed existing tax revenue sources and has determined that the primary industry taxed is the natural resource extractive industry. It has also been determined that this tax base is declining and is expected to gradually decline in the future; and

3. In an effort to develop a comprehensive system of taxation, the Navajo Tax Commission has determined that the tax base should be expanded, which conforms to the original legislative intent for the Navajo Tax Commission; and

4. The initial impact of expanding the tax base will be additional revenues available for governmental services and projects, with minimal impacts to the bearer of the taxes -- Navajo businesses, Navajo enterprises, and Navajo residents; and

5. The Navajo Tax Commission believes that one significant source of tax revenue is from amending the Business Activity Tax, which currently taxes source-gains of business activity after certain deductions and exemptions; and

6. The Navajo Tax Commission has developed amendments to the Business Activity Tax which it proposes be enacted into law by the Navajo Nation Council. The proposal, attached as Exhibit A, amends Title 24, Navajo Tribal Code, Business Activity Tax; and

7. The Navajo Tax Commission also believes that another source of tax revenue is from the taxation of lodging or rentals on the Navajo Nation; and

8. The Navajo Tax Commission has developed the Hotel Occupancy Tax, codified as Title 24, Navajo Tribal Code, Hotel Occupancy Tax, and it proposes that it be enacted into law by the Navajo Nation Council, as attached in Exhibit B; and

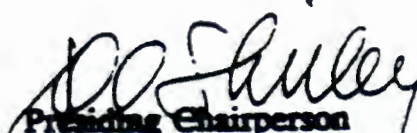
**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Navajo Tax Commission recommends to the Economic Development Committee of the Navajo Nation Council the approval of the Amendments to the Business Activity Tax and the Enactment of Hotel Occupancy Tax (attached as Exhibits A and B).

2. The Navajo Tax Commission recommends to the Economic Development Committee of the Navajo Nation Council that a provision for a dedication of certain revenues for economic development purposes and a provision for chapters to receive a share of the taxes generated within their chapters be considered and included in the Navajo Tribal Code.

**CERTIFICATION**

I hereby certify that the foregoing resolution was duly considered by the Navajo Tax Commission at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 3 in favor, 0 opposed and 0 abstained, this 20th day of March, 1992.

  
Presiding Chairperson  
Navajo Tax Commission

**MOTION:** Victor Joe  
David Brunt

**EXHIBIT "B"**

**TITLE 24, NAVAJO TRIBAL CODE  
SUBSECTION 700 TO 740  
CHAPTER 7, HOTEL OCCUPANCY  
TAX**

**Hotel Occupancy Tax**

**Title 24, Navajo Tribal Code, §§ 700 to 741**

**Table of Sections - Continued**

- 731. Abatement authority**
- 732. Closing agreements**
- 733. Confidentiality rules**
- 734. Effective notice**
- 735. Investigative authority**
- 736. Oaths and affirmations**
- 737. Receipts; disbursements**
- 738. Severability**
- 739. Effective dates**
- 740. Repeals**
- 741. Allocation**

Hotel Occupancy Tax

Title 24, Navajo Tribal Code, §§ 700 to 741

Chapter 7. HOTEL OCCUPANCY TAX

Table of Section Numbers and Titles

- 700. Definitions
- 701. Tax imposed
- 702. Rate of tax
- 703. Collection of tax
- 704. Exception: Permanent Resident
- 705. Exception: Navajo Nation
- 706. Return and Payment
- 707. Administrative regulations
- 708. Reimbursement for Tax Collection
- 709. Extension of time
- 710. Recordkeeping
- 711. Interest imposed
- 712. Penalties for failure to file
- 713. Penalties for failure to pay
- 714. Penalties for attempt to evade or defeat tax
- 715. Charges for administrative costs
- 716. Failure to comply with chapter
- 717. Interference with administration
- 718. Collection powers
- 719. Security for payment
- 720. Lien for taxes
- 721. Foreclosure of lien
- 722. Application of proceeds
- 723. Release of lien
- 724. Interference with foreclosure
- 725. Transfer of business
- 726. Mutual assistance agreements
- 727. Prohibition of suits
- 728. Statute of limitations
- 729. Procedure for refunds
- 730. Procedure for appeal from  
assessments and actions

**Hotel Occupancy Tax**

**§700. DEFINITIONS**

- (1) "Hotel" means a building in which members of the public obtain sleeping accommodations for consideration. The term includes a hotel, motel, tourist home, tourist court, lodging house, inn, or rooming house, but does not include a hospital, sanitarium, or nursing home.
- (2) "Branch" means any person owning, operating, managing or controlling any hotel.
- (3) "Person" means any organization, whether it be a sole proprietorship, partnership, joint venture, trust, estate, unincorporated association, corporation, or government (other than the government of the Navajo Nation), or any part, division, or agency of any of the foregoing, and an individual or group of individuals.
- (4) "Commission" means the Navajo Tax Commission.
- (5) "Fraud" has the same meaning as that established in the interpretation of Section 7206 of the United States Internal Revenue Code of 1954, as amended or renumbered.
- (6) "Levy" means seizure and distraint by any means.
- (7) "Period" means a calendar quarter or any other reporting period established by regulation.
- (8) "Regulations" means the regulations adopted by the Commission.
- (9) "Taxes" means the tax, and any interest, penalty, or costs, imposed or assessed pursuant to this chapter.

**§701 TAX IMPOSED**

(a) A tax is imposed on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room or space in a hotel costing \$2 or more each day.

(b) The price of a room in a hotel does not include the cost of food served by the hotel and the cost of personal services performed by the hotel for the person except for those services related to cleaning and readying the room for use or possession.

**Hotel Occupancy Tax**

**§702. RATE OF TAX**

The rate of the tax imposed by this chapter is five percent of the price paid for a room in a hotel. On January 1, 1994, the rate of the tax imposed by this chapter will increase to eight percent of the price paid for a room in a hotel.

**§703. COLLECTION OF TAX**

A branch owning, operating, managing, or controlling a hotel shall collect for the Commission the tax that is imposed by this chapter and that is calculated on the amount paid for a room in the hotel.

**§704. EXCEPTION: PERMANENT RESIDENT**

This chapter does not impose a tax on a person who has the right to use or possess a room in a hotel for at least 30 consecutive days.

**§705. EXCEPTION: NAVAJO NATION**

Nothing in this chapter shall be construed as imposing a tax on the government of the Navajo Nation. For the purposes of this chapter, the term Navajo Nation does not include tribal enterprises.

**§706. RETURN AND PAYMENT**

(1) On the last day of each period, a branch required to collect the tax imposed by this chapter shall pay the Commission the tax collected during the preceding period, and at the same time shall file with the Commission a return stating:

- (a) The total amount of the payments made for rooms at the branch's hotel during the preceding period.
- (b) the amount of the tax collected by the branch during the preceding period; and
- (c) other information that the Commission requires to be in the return.

Provided, that the Commission shall be authorized to assess against a branch responsible for the collection of taxes under this chapter, and that such assessments are presumed to be correct.

(2) When it appears that the return filed by a branch does not reflect the tax due under this chapter, the Commission shall assess the branch for the deficiency, interest, penalties, and costs.

(3) If no return is timely filed, the Commission is authorized to make an estimate of the tax due

## Hotel Occupancy Tax

and to assess the branch responsible for collecting the tax due under this chapter for that tax, interest, penalties, and costs. This assessment is binding on the branch unless shown to be clearly erroneous.

(4) If a branch fails to provide information within its possession or control which is relevant to a determination of taxes due and which it is required to provide under this chapter, the Commission is authorized to make an estimate of the tax due and to assess the branch for that tax, interest, penalties, and costs. This assessment is binding on the branch unless it is shown that the estimate, on the basis of the best information available to the Commission, was clearly erroneous or unless the Commission for other good cause shown relieves the branch from the operation of this paragraph.

(5) Any taxes assessed shall become the liability of the branch responsible for the collection of the tax on the date due. If the branch is a corporation or a trust or a part thereof, then the corporation or trust shall be liable for the taxes. If the branch is an association, joint venture, or partnership, or a part thereof, then all the associates, participants, or partners both general and limited, shall be jointly and severally liable for the taxes. Subject to alteration by agreement between them, any associate, participant, or partner shall have a right of contribution from any other associate, participant, or partner for its proportional share of taxes paid, and shall have a lien on the interest of any such other for said taxes paid.

### §707. ADMINISTRATIVE REGULATIONS

The Navajo Tax Commission is empowered to administer this tax and, to that end, shall be empowered to adopt rules and regulations, both substantive and procedural, orders implementing its decisions, rulings, and instructions such as may be necessary to the proper and efficient administration of this chapter.

### §708. REIMBURSEMENT FOR TAX COLLECTION

The branch required to file a return under this chapter may deduct and withhold from the taxes otherwise due to the Navajo Nation on the quarterly return, as reimbursement for the cost of collecting the tax, one percent of the amount of the tax due as shown on the return. If taxes due under this chapter are not paid to the Navajo Nation within the time required or if the branch required to file a return fails to file the return when due, the branch forfeits the claim to reimbursement that could have been taken if the tax had been paid or the return filed when due.

### §709. EXTENSION OF TIME

(a) A branch may request an extension of time for filing a return. The request must be made to the Commission in writing on or before the due date for the return. An extension may be granted at the discretion of the Commission.

(b) The extension of time for filing will also constitute an extension of time for payment, unless expressly denied by the Commission. The Commission may in its discretion condition such extension on the payment of an estimated tax or the posting of a bond or provision of other security.

**Hotel Occupancy Tax**

**§710. RECORDKEEPING**

(a) Every branch shall keep full and true records of room receipts and taxes collected for each period, in accordance with regulations and shall make these records available at the request of the Commission.

(b) In the case of a branch which is part of a corporation, partnership, association or other person, separate accounting records for the person must be maintained.

(c) Records required to be kept under this section must be preserved for six (6) years beyond the time payment of tax is made, or if no payment is due, for six (6) years beyond the end of the period to which the records relate.

**§711. INTEREST IMPOSED**

Annual rates of interest shall be established in regulations. Interest shall be imposed on any unpaid amount of tax from the date the payment was due, without regard to any extension of time or stay of payment, to the date payment is received. Interest at a lesser rate shall be paid on any overpayment of tax from the date the payment was made to the date the overpayment is refunded.

**§712. PENALTIES FOR FAILURE TO FILE**

(a) If a branch fails to file a return by the time due, a penalty of ten percent (10%) of the tax due for the period, but not less than \$100, shall be assessed against the branch.

(b) An additional penalty of one percent (1%) of the tax due for the period, but not less than \$100, shall be assessed for each full month the return is overdue. Provided, that the additional penalty shall not, except as to the minimum amounts, exceed twenty-four (24%) of the tax.

(c) A return filed on or before an extended date for filing is timely filed.

(d) For good cause shown, the Commission may in its discretion relieve the branch from all or part of the penalties imposed under this section.

**§713. PENALTIES FOR FAILURE TO PAY**

(a) A branch failing to pay an amount of tax by the time due shall be assessed a penalty of five percent (5%) of the amount of the underpayment.

(b) An additional penalty shall be assessed of one-half percent (1/2%) of the underpayment for each full month payment is overdue, but not to exceed thirty-six percent (36%) of the underpayment.

(c) An amount paid on or before an extended date for payment is timely paid.

(d) For good cause shown, the Commission may in its discretion relieve the branch from all or

**Hotel Occupancy Tax**

part of the penalties imposed under this section.

**§714. PENALTIES FOR ATTEMPT TO EVADE OR DEFEAT TAX**

(a) Any branch understating the tax imposed by this chapter through negligence or intentional disregard of the rules and regulations (but without the intent to defraud) shall be assessed a penalty of \$250, plus twenty-five percent (25%) of the underpayment of tax.

(b) If any part of an understatement of tax is shown to be due to fraud, a branch shall be assessed a penalty of fifty percent (50%) of the underpayment of tax.

(c) Any person who assists a branch in the fraudulent understatement of the tax due under this chapter shall be subject to a penalty of \$500, plus twenty-five percent (25%) of the underpayment of tax. Any liability arising under this subsection shall be assessed and collected as a tax imposed by this chapter.

**§715. CHARGES FOR ADMINISTRATIVE COSTS**

A branch failing to pay any taxes at the time due may be charged for extraordinary administrative costs incurred in collecting the unpaid amount, including attorney fees and other costs of collection outside the jurisdiction of the Navajo Nation. These charges shall be assessed unless the Commission for good cause shown relieves the branch from the operation of this section.

**§716. FAILURE TO COMPLY WITH CHAPTER**

Any branch or other person obligated to pay taxes pursuant to this chapter, to designate an individual, to file a return, to provide information or documents or allow access to equipment within its possession or control, to furnish a surety bond of other security, or to comply with a lawful order of the Commission, and failing to do the same in accordance with the provisions of this chapter and the regulations, may have its rights to engage in productive activity within all or some of the Navajo Nation suspended, until compliance is made or for such shorter time as the Commission may provide. The Commission is empowered to order such suspension, provided that it shall first give the person to be suspended notice and an opportunity to be heard under §730(a), and that any suspension may be appealed pursuant to §730(b).

**§717. INTERFERENCE WITH ADMINISTRATION**

(a) It shall be unlawful for any person, forcibly, or by bribe, threat or other corrupt practice, to obstruct or impede the due administration of this tax.

(b) It shall be unlawful for any person willfully to fail to comply with a subpoena duly issued pursuant to §735(b).

(c) It shall be unlawful for any person to commit fraud, or knowingly to assist another in the

#### **Hotel Occupancy Tax**

commission of fraud, with the intent to evade or defeat the assessment or collection of any taxes imposed by this chapter.

(d) It shall be unlawful for any person with knowledge and intent to falsely verify by written declaration any return or document.

e) Any Indian who violates any of the provisions of this section shall be guilty of an offense and, upon conviction, shall be sentenced to a term of imprisonment of not more than 180 days, or ordered to pay a fine not to exceed \$500, or both, in accordance with the provisions of Title 17, Navajo Tribal Code.

(f) Any non-member of the Navajo Nation who violates any of the provisions of this section may be excluded from land subject to the jurisdiction of the Navajo Nation in accordance with the procedures set forth in 17 N.T.C. §§1901-1906.

(g) Any person who violates any of the provisions of this section, or whose employees or agents violate any of the provisions of this section, may have its rights to engage in productive activity within all or some the Navajo Nation temporarily or permanently suspended. The Commission is empowered to order such suspension, provided that it shall first give the branch to be suspended notice and an opportunity to be heard under §730(a), and that any suspension may be appealed pursuant to §730(b).

#### **§718. COLLECTION POWERS**

(a) The Commission shall have full power to collect any taxes assessed, including the power to attach and seize, in accordance with the provisions of this chapter, the assets of a branch or any property subject to lien, and any other powers available to the Navajo Nation for collection of debts owed it.

(b) The Commission may request the Attorney General of the Navajo Nation to bring suit or enforcement proceedings in any court of competent jurisdiction. Provided, that the bringing of suit or enforcement proceedings shall not constitute a waiver of sovereign immunity and further provided that the Commission shall never be compelled to assert a claim for taxes in litigation by way of counterclaim or otherwise.

#### **§719. SECURITY FOR PAYMENT**

Whenever necessary to secure the payment of any taxes due or reasonably expected to become due, the Commission is authorized to require the branch to furnish an acceptable surety bond in an appropriate amount, payable to the Commission and conditioned upon the payment of the taxes therein identified no later than the date on which the liability becomes conclusive, or to furnish other acceptable security in an appropriate amount, and to require the branch to furnish additional security as it becomes necessary.

#### **§720. LIEN FOR TAXES**

## Hotel Occupancy Tax

(a) If a branch fails to pay any taxes after demand by the Commission, the amount shall be a lien in favor of the Navajo Nation upon all property or rights to property of those liable for collecting the taxes due under this chapter.

(b) The lien shall arise at the time the demand is made, shall attach to all property then owned and thereafter acquired, and shall continue until the amount of the lien is satisfied or released, and shall be effective against related persons without notice.

(c) The lien shall not be effective as against other parties until notice is recorded in the offices of the Commission in a form available for inspection by the public.

(d) Provided, that with respect to a return filed, a lien shall arise for any unpaid taxes at the time of filing without further demand, and further provided that, if a lien is required as a condition for granting an extension or stay of payment, such lien shall arise according to the terms of the extension or stay.

### §721. FORECLOSURE OF LIEN

(a) The Commission may foreclose upon any or all items of property or rights to property subject to a lien for taxes by levying upon the same and, where such property does not consist of money, converting the same into money by any appropriate means including the sale thereof or the operation under receivership of the business in which the property is used. Provided, that the Commission may by regulation prescribe the circumstances in which property or rights to property subject to a lien may be retained to offset the amount due, rather than being converted into money.

(b) The Commission by regulation may provide for the redemption of property levied upon, within time limits and on terms specified.

(c) The effect of a levy upon any branch for obligations due or payable by a branch liable to collect the tax due under this chapter shall be continuous from the date the levy is first made until the liability out of which the levy arose is satisfied.

(d) Any person in possession of or obligated with respect to property or rights to property upon which a levy has been made who, upon demand by the Commission, surrenders such property or rights to property (or discharges said obligation) to the Commission, shall be discharged from any obligation or liability to the person or persons liable for collecting the tax due under this chapter whose property or rights to property were levied upon.

(e) The Commission shall carry out the provisions of this section under regulations comporting with due process, and no court proceeding shall be required in order for it to do so.

(f) Proceedings for the sale of property substantially in compliance with the regulations shall be effective to transfer to the purchaser all right, title, and interest therein of the branch or person whose property or rights to property were levied upon. Provided, that where required by Federal law the sale of property shall not be final without the approval of the Secretary of the Interior.

## Hotel Occupancy Tax

(g) The Commission may delegate and empower persons to carry out the procedures of this section, including officers of the Navajo Division of Public Safety, who shall render assistance in this regard on request by the Commission.

### §722. APPLICATION OF PROCEEDS

(a) Money levied upon by the Commission, or realized from property or rights to property levied upon, shall be applied first to the expenses of the levy and proceedings for the conversion of property, and then to the liability for costs, penalties, interest, and tax, in that order.

(b) The balance, if any, shall be remitted to the person or persons who have claimed and proven legal entitlement thereto, provided that the Commission may set time limits or other reasonable conditions on the making and proving of such claims.

### §723. RELEASE OF LIEN

(a) Payment of the entire liability of the branch on account of whose liability the lien arose, shall operate to release the lien.

(b) The payment of any part of the liability shall operate to reduce the amount of the lien by the amount paid.

(c) Where a lien has been recorded and the Commission thereafter receives all or part of the taxes giving rise to the lien, the Commission will immediately cause a notation of the complete or partial release of the lien to be made in the record.

(d) The Commission may in its discretion release liens on certain property without payment of all outstanding liabilities, for good cause and where the interests of the Navajo Nation are adequately protected by other security.

### §724. INTERFERENCE WITH FORECLOSURE

(a) It shall be unlawful for any person to remove from the jurisdiction of the Navajo Nation any property on which there is a lien for taxes which is effective against that person pursuant to §720.

(b) It shall be unlawful for any person in possession of or obligated with respect to property or rights to property which have been levied upon, to fail to surrender such property or rights or to discharge such obligation upon demand by the Commission therefor, except as to any part of the property or rights as is, at the time of the demand, subject to an attachment or execution under any judicial process.

(c) Any person violating the provisions of this section shall be personally liable for the value of the property removed or not surrendered, or for the amount of the obligation not discharged, not exceeding the amount for which the levy was made. Any liability arising under this section shall be assessed and collected as a tax imposed by this chapter.

**Hotel Occupancy Tax**

**§725. TRANSFER OF BUSINESS**

(a) If a person buys substantially all of the assets of a branch within the Navajo Nation, that person shall withhold from the purchase price and pay to the Commission the amount of taxes due on account of activities of the branch prior to the purchase.

(b) Any buyer failing to withhold taxes shall be personally liable up to the value of all the property acquired. Any liability arising under this section shall be assessed and collected as a tax imposed by this chapter.

(c) The buyer shall make a written request and, within 30 days after the owner's records are made available for audit, the Commission shall send a notice to the buyer for the taxes due. Thereafter, the buyer shall not be personally liable under this section for any taxes in excess of the amount stated in the notice, or for any such taxes if no notice is given within the time required.

(d) No consent to the assignment or transfer of any lease or other rights to engage in productive activity within the Navajo Nation shall be granted by the Navajo Nation unless the Commission first certifies that taxes arising from said activity have been paid, or that payment has been adequately secured.

**§726. MUTUAL ASSISTANCE AGREEMENTS**

The Commission is authorized to negotiate mutual assessment and collection assistance agreements with any other tax jurisdiction. The agreements so negotiated will come into force only upon approval of the Intergovernmental Relations Committee of the Navajo Nation Council.

**§727. PROHIBITION OF SUITS**

No suits for the purpose of restraining the assessment or collection of the taxes imposed under this chapter shall be maintained in any court by any person, whether or not such person is the person against whom such taxes were assessed.

**§728. STATUTE OF LIMITATIONS**

(a) Taxes imposed and required to be collected by this chapter shall be assessed within six (6) years after the return was filed, except as provided in subsections (b) and (d) of this section.

(b) In the case of a fraudulent return with the intent to evade tax, no period of limitations shall apply.

(c) Any action in a court or by levy for collection of taxes imposed under this chapter must be commenced within six (6) years of the assessment, except as provided in subsections (d) and (e) of this section.

(d) The running of the period of limitations provided in subsections (a) and (c) of this section is

## **Hotel Occupancy Tax**

suspended during any period the Commission is prohibited by any court from making an assessment or commencing collection proceedings and during any period of appeal under §730.

(e) The running of the period of limitations for collection may be suspended for any period agreed upon between the person and the Commission.

### **§729. PROCEDURE FOR REFUNDS**

(a) Any branch believing it has made an overpayment of taxes, within one (1) year after the time the alleged overpayment was made, may file a written claim for refund with the Commission. Provided, that it shall not be necessary to file a claim if the basis therefor has already been established under an abatement or asserted in an appeal under §730, and further provided that an issue determined pursuant to an appeal may not be reopened by the filing of a claim for refund.

(b) If an overpayment arises as a result of an action of a Navajo Nation, Federal, or state agency, or any court other than in an appeal under §730(b), wherein the action changes the factual basis upon which taxes were determined and paid, the time for filing a claim for refund shall be one (1) year from the date of such action.

(c) The Commission shall rule on claims for refund according to procedures established in regulations. If a claim is denied in whole or in part, the branch may appeal pursuant to §730.

(d) If the Commission determines, either on a claim for refund under this section, or in an appeal under §730(a) on a claim or from an assessment, from which action no appeal is taken, that a branch has made an overpayment, the Commission shall refund the overpayment, with applicable interest, to the branch.

(e) Where the action of the Commission on a claim for refund under this section, or in the appeal under §730(a) on a claim or from an assessment, is then appealed, the Commission shall make a refund of the overpayment determined by the order in that appeal, plus the applicable interest.

(f) Provided, that if the branch entitled to a refund owes unpaid taxes, the refund shall be offset and reduced by such unpaid amounts.

(g) Where an overpayment occurred through mathematical error, or other mistake, or verifiable change of fact, and within the times allowed under subsections (a) and (b) of this section, the Commission by form or regulation may provide for a credit by offset in a current period.

(h) No refunds or credits for taxes paid shall be made or allowed to any branch by any court or agency other than as provided in this section, except that the Commission may by form or regulation provide for a refund or credit where taxes paid for one period thereafter requires adjustment on account of another tax for a concurrent period which is later determined and paid.

### **§730. PROCEDURE FOR APPEAL FROM ASSESSMENTS AND ACTIONS**

## Hotel Occupancy Tax

(a) Appeals from assessments and denials of refund shall be made first to the Commission according to procedures established in regulations. The Commission may permit or require one or more levels of review by its employees or delegates and may provide for hearings before hearing officers instead of or in addition to hearings before the Commission as a body but the decision or recommendation of a hearing officer will be binding only to the extent adopted by the Commission as a final decision. The failure duly to proceed to a next required level of review under this subsection shall constitute a waiver of any further appeal pursuant to this subsection or subsection (b).

(b) Appeals from final actions of the Commission, including but not necessarily limited to assessments, denials of refund, and suspension orders, shall be made only to the Supreme Court of the Navajo Nation, according to procedures established in regulations, but in no case may an appeal of an assessment be taken to the Supreme Court until payment of the taxes assessed has first been made. Review of Commission actions in the Supreme Court shall be on the record made in the Commission and not de novo, and shall be limited to the determination whether the action of the Commission was not supported by the evidence, or was arbitrary, capricious, an abuse of discretion, beyond its authority, or otherwise contrary to applicable Nation or Federal law; except that where affirmation of the action would suspend a right of an appellant to engage in productive activity within the Navajo Nation, the appellant shall on request be entitled to a hearing de novo on any material question of fact. The Supreme Court shall be empowered to affirm, reverse, or modify a Commission action, or to remand the matter to the Commission for further action, and it may stay the effect of an order suspending a right to engage in productive activity, pending the appeal.

(c) Procedures for staying the payment of taxes which are being appealed under subsection (a) of this section may be established in regulations. The Commission in its discretion may condition the grant of a stay on the posting of a bond or provision of other security, or on the creation of a lien.

(d) The Courts of the Navajo Nation are vested with jurisdiction:

(1) over any and all persons subject to this chapter;

(2) to hear and determine any challenge to the validity of this chapter, either generally or as applied to any person, provided that the provisions of this section and the regulations hereunder are complied with.

## §731. ABATEMENT AUTHORITY

(a) In response to a written request for abatement, but before any court acquires jurisdiction in the matter, or when an assessment is found to be incorrect, the Commission may abate any part of the assessment determined to have been incorrectly, erroneously, or illegally made.

(b) Upon a compromise of liability and according to the terms of the closing agreement formalizing the compromise, the Commission shall cause the abatement of the appropriate amount of the assessment.

(c) Abatements in excess of \$1,000 shall be recorded in the offices of the Commission in a form

available for public inspection. The record shall be maintained for a minimum of six (6) years after the date of abatement.

#### §732. CLOSING AGREEMENTS

(a) If at any time after a final assessment of taxes, the Commission in good faith is in doubt of the liability of the person for the payment thereof, it may compromise the liability by entering in writing with the person a closing agreement that adequately protects the interests of the Navajo Nation, provided that such agreement shall be subject to approval by the Attorney General of the Navajo Nation.

(b) If entered into after any court acquires jurisdiction of the matter, a closing agreement shall be part of a stipulated order or judgment disposing of the case.

(c) As a condition for entering into a closing agreement, the Commission may require the provision of security for payment of any taxes due according to the terms of the agreement.

(d) A closing agreement is conclusive as to the liability or nonliability for payment of taxes relating to the periods referred to in the agreement, except upon a showing of fraud, malfeasance, or misrepresentation or concealment of a material fact.

#### §733. CONFIDENTIALITY RULES

(a) It shall be unlawful for any employee or former employee of the Commission to reveal to any individual, other than another employee or legal counsel of the Commission, any information contained in the return of any branch or any other information about any person acquired as a result of his or her employment by the Commission, except:

(1) To an authorized representative of the branch;

(2) To an employee of the government of the Navajo Nation or a member of the Navajo Nation Council authorized by the Commission to obtain information for use in connection with the governmental function of said employee or council member, provided that it shall be unlawful for the employee or council member to reveal said information except as permitted in this section;

(3) To an authorized representative of another Indian tribe or a state, provided that the receiving tribe or state has entered into a written agreement with the Commission to use the information for tax purposes only and that the receiving tribe or state has enacted a confidentiality statute similar to this section;

(4) To an authorized representative of a Federal agency, pursuant to the terms of a reciprocal agreement for the exchange of such information;

(5) In any administrative or judicial proceeding to enforce any act or collect taxes, or in any matter in which the branch has put its own liability for taxes or the amount

**Hotel Occupancy Tax**

thereof at issue;

(6) In compliance with the order of any court of competent jurisdiction in which the information sought is material to the inquiry;

(7) In recording tax liens on the property of a branch or collecting taxes by levy upon the property or rights to property of a branch;

(8) In statistical releases not identifying the information provided as applicable to any single person;

(9) To the extent of revealing whether a branch has or has not made a designation (and, if so, the name and address of that designee), or whether a person is or is not a designee (and, if so, by whom he has been designated); and

(10) To the extent of revealing to the purchaser or intended purchaser of a branch or the property thereof the amount and basis of any unpaid taxes for which the seller is liable.

(b) For purposes of this section, "employee of the Commission" shall include any person for whose services the Commission has contracted, provided that such person shall agree in the contract for services to abide by the provisions of this section.

(c) Any employee or council member who violates any of the provisions of this section shall be subject to a fine of \$50, or suspension for 30 days, or both.

(d) The Commission may further restrict the disclosure of information and provide for compliance with the provisions of this section.

**§734. EFFECTIVE NOTICE**

(a) Notice required to be given by the Commission may be effectively given to a person by mailing the notice to the individual last designated by the person, at the address shown on the designation. Where a branch has not designated an individual, notice may be effectively given by mailing the notice to a person who is lessee, permittee, or assignee of property on which the productive activity at issue is conducted, or to a person holding a permit or license for the conduct of said activity. The foregoing is not intended to exclude the use of other methods of providing notice, including publication, so long as comporting with due process.

(b) Public notice of a lien shall be effective as to all property and rights to property of a branch, business, or person so long as the description of the branch, business, or person is sufficient to put a reasonable person on inquiry to ascertain the existence of a lien on the property of said branch, business, or person.

**§735. INVESTIGATIVE AUTHORITY**

(a) For the purpose of enforcing the provisions of this chapter, the Commission is authorized to inspect property, to examine and require the production of any pertinent records, books, information, or evidence, and to require the presence of any person and require testimony under oath concerning the subject matter of an inquiry, and to make a permanent record of the proceeding.

(b) As a means for accomplishing the foregoing, the Commission is hereby vested with the power to issue subpoenas and summonses, pursuant to regulations comporting with due process.

#### §736. OATHS AND AFFIRMATIONS

Any agent or employee designated by the Commission for that purpose is authorized to administer such oaths or affirmations and to certify to such papers as may be necessary under this chapter or the regulations.

#### §737. RECEIPTS; DISBURSEMENTS

(a) There is hereby created in the treasury of the government of the Navajo Nation the Tax Administration Suspense Fund.

(b) All money received by the Commission as taxes shall be deposited forthwith to the credit of said Fund.

(c) Payment of claims for refund shall be disbursed from this Fund, except to the extent that there is a pertinent escrow established pursuant to subsection (e) of this section.

(d) At the end of each month, the balance remaining in the Fund, after the payment of refunds under subsection (c) of this section, shall be transferred to the general fund or to such other funds or the credit of such accounts, as may be provided by Navajo Nation law.

(e) Notwithstanding the foregoing, the Commission may in its discretion hold certain contested amounts in escrow, or direct some balance to be maintained in the Tax Administration Suspense Fund from month-to-month in anticipation of additional payments which may have to be made therefrom.

#### §738. SEVERABILITY

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

#### §739. EFFECTIVE DATES

This chapter shall take effect upon approval by the Navajo Nation Council. The tax imposed by this chapter shall be due and payable for calendar quarters beginning January 1, 1993.

## **Hotel Occupancy Tax**

### **§740. REPEALS**

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

### **§741. ALLOCATION**

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.

CJY-27-92

Class "C" Resolution  
No BIA Action Required.

RESOLUTION OF THE  
NAVAJO NATION COUNCIL

Enactment of the Hotel Occupancy Tax

WHEREAS:

1. The Navajo Nation Council is the governing body of the Navajo Nation, 2 N.T.C., Section 102 (a); and
2. Pursuant to 2 N.T.C., Section 724 (f)(2), the Economic Development Committee of the Navajo Nation Council, in consultation with the Navajo Tax Commission, is authorized to make recommendations to the Navajo Nation Council regarding all taxation proposals affecting business or commercial activities; and
3. The Navajo Tax Commission is delegated the power, pursuant to 2 N.T.C., Section 3353 (a)(1), to review and study all sources of wealth and income within the Navajo Nation and possible revenues from the taxation of those sources, in order to develop an appropriate comprehensive system of taxation; and
4. The Navajo Tax Commission has reviewed existing tax revenue sources and has determined that the primary industry taxed is the natural resource extractive industry. The Navajo Tax Commission has also determined that the natural resource tax base is declining and is expected to continue to gradually decline in the future; and
5. In conformity with its establishing legislation, the Navajo Tax Commission has therefore determined that to develop and maintain a comprehensive system of taxation, the Navajo tax base must now be expanded; and
6. The Navajo Tax Commission has determined that the Navajo tax base will be expanded from the taxation of lodging or room rentals on the Navajo Nation; and
7. The Navajo Tax Commission has therefore developed the Hotel Occupancy Tax, codified as Title 24, Navajo Tribal Code, Section 700 et seq., Hotel Occupancy Tax, and it proposes that it be enacted into law by the Navajo Nation Council, as attached in Exhibit "C"; and
8. The Hotel Occupancy Tax will produce significant increases in tax revenue; and

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9. The initial impact of expanding the Navajo tax base will be greater stability of the tax base and greater self-reliance through additional revenues made available for governmental services and projects, with minimal impacts to the bearer of the taxes -- Navajo businesses, Navajo enterprises and Navajo residents; and

10. By Resolution TAX-92-087 dated March 20, 1992 (Exhibit "A"), the Navajo Tax Commission recommended to the Economic Development Committee of the Navajo Nation Council the approval of the Amendments to the Business Activity Tax (Exhibit "B") and Enactment of the Hotel Occupancy Tax (Exhibit "C"); and

11. On June 8, 1992, the Navajo Tax Commission held a joint meeting with the Economic Development Committee of the Navajo Nation Council to consider a proposed resolution recommending to the Navajo Nation Council the approval of the amendments to the Business Activity Tax and Enactment of the Hotel Occupancy Tax; and

12. After consideration, the Economic Development Committee of the Navajo Nation Council voted 6 in favor, 0 opposed and 0 abstained to table the proposed resolution; and

13. The Navajo Tax Commission has since held a public hearing on Friday, June 25, 1992, to receive public comments on both the Business Activity Tax Amendments and the Hotel Occupancy Tax (Exhibit "E"); and

14. The Navajo Tax Commission, at a subsequent meeting, based on public comments and the actions of the Economic Development Committee of the Navajo Nation Council, determined to table the Business Activity Tax proposals for six months for further study and to recommend approval of only the Hotel Occupancy Tax (Exhibit "C"), to the Economic Development Committee of the Navajo Nation Council; and

15. By Resolution EDCJY-53-92 dated July 1, 1992, the Economic Development Committee of the Navajo Nation Council concurred in the decision of the Tax Commission to table amendments to the BAT (Exhibit "D") and approved the Enactment of the Hotel Occupancy Tax (Exhibit "C").

NOW THEREFORE BE IT RESOLVED THAT:


1. The Navajo Nation Council hereby approves, adopts and enacts the Hotel Occupancy Tax as 24 N.T.C., Section 700 et seq., as set out in Exhibit "C" to this resolution.

2. The Navajo Nation Council further directs the Navajo Tax Commission to conduct further evaluation of the Navajo Tax

structure, including the Navajo Business Activity Tax, and to report back to the Navajo Nation Council in six (6) months with recommendations.

#### CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by 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 51 in favor, 6 opposed and 0 abstained, this 21st day of July 1992.

  
Speaker  
Navajo Nation Council

July 28, 1992

Date Signed

#### ACTION BY THE EXECUTIVE BRANCH

1. Pursuant to 2 N.T.C., Section 1005 (c)(1), I hereby sign into law the foregoing legislation on this 30 day of July 1992:

  
Peterson Zah, President  
Navajo Nation

\* \* \* \*

2. Pursuant to 2 N.T.C., Section 1005 (c)(10), I hereby veto the foregoing legislation this \_\_\_\_ day of \_\_\_\_\_ 1992 for the reason(s) expressed in the attached letter to the Speaker:

\_\_\_\_\_  
Peterson Zah, President  
Navajo Nation

## **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.