



## The 21<sup>st</sup> Navajo Nation Council

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### Navajo Council approves legislation to help spur economic development on the Navajo Nation

**WINDOW ROCK, Ariz.** – Day three of the Navajo Nation Council's 2010 winter session concluded with the passage of legislation creating the Community Development Financial Institution and the approval of the International Swap Dealers Association between the Navajo Nation and Merrill Lynch Commodities Inc. for performance on investment services.

Navajo Council Delegate Roy Dempsey (Oak Springs/St. Michael), sponsor of the legislation for the Community Development Financial Institution (CDFI), emphasized the importance of providing job opportunities for the Navajo Nation -- particularly small business enterprises through the loan plan. Essentially, CDFI will provide funds to create businesses and jobs in rural and urban areas. The CDFI loans will be provided by the U.S. Treasury.

Dempsey highlighted the need for such a financial institution on the Navajo Nation.

"CDFI is designed to help communities in need," Dempsey explained. "On the Navajo Nation we do qualify for such funding. The CDFI offers loans for small business development."

Raymond Nopah, chief financial officer of Navajo Nation Economic Development, spoke of the importance of this legislation and announced the Navajo Nation will be the first tribal government to use the CDFI loan to provide jobs for Navajo communities.

"President Obama is going to announce a tax credit increase for entities utilizing CDFI funds and that is positive news for the Navajo Nation," said Nopah.

Tax credit programs will be beneficial to the Navajo Nation because the action plan for CDFI loans will come directly from the Nation addressing much-needed business development issues. Consequently, the tax credits will be used against federal income taxing and will be allocated to the Nation's very own CDFI. The Council passed this legislation with a 63-7 vote.

In other Council action, Council Delegate LoRenzo C. Bates (Upper Fruitland) sponsored legislation approving the International Swap Dealers Association between the Navajo Nation and Merrill Lynch Commodities Inc, and other appropriate counterparties. This particular legislation entails an agreement between the Navajo Nation and Merrill Lynch and offers an insurance plan pertaining to the Nation's crude oil. The agreement between both parties is a safety system for the Nation's oil fields.

"The Navajo Nation budget is impacted by the fluctuation of oil. When oil is high were happy, when its low were not," explained Bates.

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"This legislation protects us from a budget deficit like we experienced this past year on oil royalties. For example, if the contract price of oil is at \$64 per gallon, and the market value of oil hovers below the contract price of \$64, we will still get \$64," Bates said. "If the price of oil exceeds or increases past the contracted price of \$64 per barrel, then we have the option of terminating contract to get higher royalty funds."

Controller Mark Grant also reiterated the importance of the insurance agreement and said the insurance agreement will make the Navajo Nation budget more stable and protect the Nation from unpredictable shortfalls in the budget. The Council passed this legislation with a vote of 62-6.

The Council also entertained legislation involving Navajo Agricultural Products Industry (NAPI). With the passage of this legislation, NAPI is now allowed the ability to create and enter into a limited liability company or limited partnerships for development. The legislation, sponsored by Roy Dempsey, will further impact development by NAPI, such as the recent potato plant. The legislation also gives NAPI an advantage of borrowing funds from banks for future development. This legislation garnered a 58-0 vote, but it needed 59 votes or more to pass.

Day four of the Council's 2010 winter session will continue tomorrow, Jan. 28. You can download a copy of the full agenda at [www.navajonationcouncil.org](http://www.navajonationcouncil.org).

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