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October 2, 2013

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Naabik'iyáti' Committee tables bond financing bill aiming to fund economic development and infrastructure projects on the Navajo Nation

WINDOW ROCK – After nearly nine hours of debate, the Naabik'iyáti' Committee tabled Legislation No. 0213-13, the Navajo Nation's intent to reimburse itself with proceeds of the General Obligation Bonds and/or the Draw-Down General Obligation Bonds for prior expenditures relating to the bond project list and to authorize the issuance of bonds for \$220 million to fund certain debts and to finance economic development and infrastructure projects.

The legislation aims to allow the Navajo Nation to issue bonds to investors, and in the form of bank loan(s), to finance certain infrastructure projects in each of the Nation's five agencies, outlined in the Navajo Nation Division of Economic Development's five-year economic development plan.

"We will be taking a loan or a bond out to fund the projects that were recommended by the seven Regional Business Development [Offices] under Division of Economic Development," said legislation prime sponsor Council Delegate Katherine Benally (Chilchinbeto, Dennehotso, Kayenta).

A similar resolution, Legislation CJN-24-13, was passed by the Council during a special session held on June 28. However, on July 12 President Ben Shelly vetoed the legislation, stating that the language in the bill needed to be further defined.

Council Delegate LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse'Daa'Kaan, Upper Fruitland) spoke in support of the bill and provided a timeline for his committee colleagues.

"There are deadlines that have to be met. The deadline we have before us is in January to be able to issue the bonds," said Delegate Bates. "If for some reason, we as a Nation miss that deadline, we have to go through this entire process again."

The majority of Monday's discussion centered on a proposed amendment to a portion of the bill that grants a limited waiver of sovereign immunity of the Navajo Nation and consents to the arbitration of disputes and the jurisdiction of the courts of the Navajo Nation, the state of New York, and the federal courts of the United States located in New York.

Supporters of the waiver argued that in order to issue bonds in the State of New York, and to fully participate and reap the full economic benefits, the Nation must grant the limited waiver and allow for other courts to possibly have jurisdiction in the event of future litigations.

“A lot of you are not satisfied with what the current system gives you. It’s not paying for projects at your chapters,” said Council Delegate Lorenzo Curley (Houck, Klagetoh, Nahata Dziil, Tsé Si áni, Wide Ruins). “We don’t have the kind of money to pay for these projects. This is the alternative.”

Council Delegate Leonard Tsosie (Baca/Prewitt, Casamero Lake, Counselor, Littlewater, Ojo Encino, Pueblo Pintado, Torreon, Whitehorse Lake) argued that the waiver would jeopardize the Nation’s assets in the event of future litigations.

“States issue bonds too. If state courts are allowed in litigation, what is the difference?” asked Delegate Tsosie. “The only thing I could see is the color of the skin. State of Arizona, State of New Mexico — they freely do this and I’m pretty sure this kind of language is not being sought from those states.”

Following a lengthy debate, committee members voted 9-7 to approve the amendment.

During the course of discussion, several delegates expressed frustration and confusion over the project listing distributed at the start of the discussion, which did not contain specific projects that were included in a previous listing.

Delegate Tsosie eventually motioned to table the legislation, along with a directive to conduct a work session to clarify and further discuss the project listing within 30 days.

Naabik’iyáti’ Committee members voted 13-2 to table the legislation.

Legislation No. 0213-13 requires a two-thirds vote, or sixteen votes of approval, to pass the bill.

The Navajo Nation Council serves as the final authority for the legislation.

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