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JUDICIARY COMMITTEE HEARS TESTIMONY ON PROPOSED SALES TAX INCREASE

The Navajo Nation Council Judiciary Committee is seeking the public's opinion regarding its proposal to increase Navajo Nation sales tax by 1 percent to fund public safety and judicial system initiatives.

The Committee has scheduled hearings in each of the five agencies across the Navajo Nation for this week beginning with one held in Chinle, Arizona yesterday and one held in Fort Defiance, Arizona today.

The hearings will continue tomorrow at the Tuba City Chapter house beginning at 9 a.m., on Thursday at the Crownpoint Chapter house and on Friday at the Ayanii Neez Center in Shiprock, N.M.

Kee Allen Begay (Many Farms/Round Rock), who sponsored the legislation to increase the sales tax to the Navajo Nation Council during the fall session, said that so far the response has been positive. Nearly 40 people showed up at the Chinle Chapter house on Monday and the majority was in support of the increase, he said.

The current Navajo Nation sales tax rate is 3 percent. The tax is a gross receipts tax on all goods sold within the Navajo Nation or services performed on the Navajo Nation, according to the Office of the Navajo Tax Commission.

Currently, sales tax is put into the Navajo Nation's general fund if the retail facility is located outside the Navajo Nation or if the sale is of a service. Revenue collected from retail facilities located within the Navajo Nation is distributed back to the Chapters. If the Chapter it is located in is governance-certified then the Chapter receives the revenue. If not, then the revenue is put into a trust fund and distributed annually to all Chapters.

Navajo Nation sales tax collections in Fiscal Year 2006 added up to \$15.8 million. The Office of the Navajo Tax Commission stated that raising the tax rate by 1 percent, as proposed, could generate an additional \$3 million to \$4 million annually. The money would be deposited into a fund specifically for judicial and public safety facilities.

Participants at the public hearings were also provided information and statistics on the state of the Navajo Nation's judiciary system.

Begay said, "If we want progress, a strong Navajo Nation judicial system needs to be in place."

Some who testified said that public safety on the Navajo Nation needs to be prioritized in order to improve quality of life through opportunities with education and economic development. One person was concerned that the Navajo people would foot the bill for what should be a federal responsibility.

However, Begay pointed out that the Judiciary and Public Safety Committees have lobbied extensively to the federal government with no results. In fact, Delores Greyeyes with the Navajo Nation Department of Corrections said that the Bureau of Indian Affairs has not set aside money for facilities since 2001.

“The federal government doesn’t know who will handle new facilities,” Greyeyes said.

“With declining federal dollars, the Navajo Nation government must do more with less, and that means we have to take measures to address the lack of adequate jails within our Navajo Nation and to address our growing communities through the expansion of our courts,” Begay said.

Council delegate Leroy Thomas (Dilkon/Teesto) said that when the elders in his community discussed the issue, they supported the initiative because the Navajo people pay taxes in border towns and pay the costs for those towns to make capital improvements. They would like to see their money benefit the Navajo Nation as a whole, Thomas said.

Begay said that one of the main concerns from the public was in regards to expenditure of the sales tax.

“They don’t want the money to be diverted elsewhere,” Begay said. He added that the revenue would be disbursed into a fund management account to be used exclusively for construction of new jails and courts.

Some Division of Public Safety employees testified to the great need for improved facilities.

“We try our best in Window Rock to keep our criminals in jail,” one officer said adding that law offenders are released within days due to the overcrowded conditions.

“Our community – they look to us to address this,” she said.

Meanwhile, Begay said that because of the lack of adequate jail space, money is instead going off the Navajo Nation to house offenders. However, after two days of public hearings, Begay is optimistic.

“I think we’re getting there,” he said. “It will not be an easy road, but the people will see progress.”

The public hearings will continue this week with each beginning at 9 a.m.