Navajo President Joe Shirley, Jr., issues executive order to help small business owners develop on Navajo Nation

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., today issued an executive order that waives the surety bond requirement of the Navajo Nation Business Leasing Regulations in order to encourage small business development on the Navajo Nation.

Executive Order No. 01-2008 designates the Navajo Nation Division of Economic Development as the managing entity to waive businesses’ surety bond requirement.

The President said this is necessary because insurance and bonding companies have refused to bond small businesses on Navajoland despite the Bureau of Indian Affairs’ July 2006 approval of the Navajo Nation Business Leasing Regulations of 2005. This has prevented many small businesses from obtaining their business site leases.

All businesses operating on the Navajo Nation are required to obtain a surety bond. The executive order means the division will be empowered to accept certificates of deposits, letters of credit, or cash deposits, which serve the purpose of a bond.

“This waiver will help our small business owners obtain their business site leases, and, in turn, move to develop our economy and provide new jobs for our people,” President Shirley said. “It is in the best interest of the Navajo Nation to address this problem by waiving the surety bond requirement and authorizing alternative security options.”

The refusal of bonding companies to issue bonds for small businesses on the Navajo Nation hurts small business owners and the Nation’s ability to foster economic growth, the President said. The executive order will stay in effect until the Navajo Nation Council’s Economic Development Committee approves the necessary amendments to allow alternative options for surety purposes.

On July 10, 2006, the Secretary of Interior and the Navajo Nation approved the Navajo Nation Business Leasing Regulations. The regulations permit the Navajo Nation to administer, manage and approve business site leases that are governed by the tribal regulations without the longstanding requirement of secretarial oversight.

The regulations were implemented one year ago with the approval of the Navajo Nation Business Site Lease Management Plan. However, the Nation recently discovered that most insurance and bonding companies refuse to bond small businesses and entrepreneurs located on the Navajo Nation because of the success risk they face, and enforceability of the bond in Navajo Nation courts.

“This waiver will help our small business owners, move to develop our economy, and provide new jobs for our people.”

– Navajo Nation President Joe Shirley, Jr.