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FOR IMMEDIATE RELEASE

President Begaye approves NCDFI operating funds, alcohol tax



On Friday, Navajo Nation President Russell Begaye signed two legislations before the close of business. One was for the Navajo Community Development Financial Institution and the other for the alcohol tax. (Photo by Rick Abasta)

WINDOW ROCK, Ariz.— With a stroke of his pen, Navajo Nation President Russell Begaye approved Resolution No. CJY-35-15.

President Begaye approved \$200,000 from the Unreserved, Undesignated Fund Balance for the Navajo Community Development Financial Institution.

The NCDFI is a corporation that provides funding and financial products on favorable terms to Navajo tribal members who have been underserved by mainstream institutions.

“This NCDFI was created by the Navajo Nation Council to provide startup monies for Navajo owned businesses. I’m really privileged to be a part of the agreement,” said President Begaye.

The funding opens the door for small businesses to receive money to get their businesses started, he said, adding that one such business was created to sell Navajo Tea.

“You can buy Navajo Tea

across the Navajo Nation and across the country. When Navajo businesses grow, it impacts all of us,” President Begaye said. “It provides employment and provides a stronger tax base for our Navajo people.

NCDFI required operating funds to deploy capital into the market place. The funds were necessary to employ staff to distribute and administer loans to the community.

Three staff positions for chief executive officer, loan officer and administrative assistant will be funded by the \$200,000.

In addition to personnel expenses, the funding will provide for travel, meetings, supplies, lease and rental, communications, utilities, repairs, maintenance, and contract services.

The Navajo Nation Council established the NCDFI on February 8, 2010, as memorialized through Resolution No. CJA-02-10.

NCDFI has capital to lend the community, but required

operating funds to employ staff and administer loans to the community.

The goal of NCDFI is to be self-sustaining through acquisition of external funds and interest collection to continue operations after the expenditure of the initial operating funds.

Their mission is to provide capital to tribal members, individually owned businesses, tribally owned entities, local governance agents and chapters to further the economic development interests of the Navajo Nation and its people.

CEO Tom Gordon said, “This will go a long way toward helping Navajo small business people and eventually, we’re hoping to help chapters with capital development projects.”

President Begaye also signed Resolution No. CJY-31-15.

“Today, I signed a legislation that will raise taxes on alcohol consumed on the Navajo Nation,” President Begaye said.

He noted that alcohol consumption has been a huge problem for the tribe, especially with accidents and domestic violence related crimes.

The resolution amended Title 24 of the Navajo Nation Code (taxation), to include the alcohol tax.

The tax is for engaging in business activity within the Navajo Nation and for defraying necessary governmental expenses incurred in providing for the public welfare.

The rate of tax is to be not less than two percent, nor more than six percent, which shall be specifically established by the Navajo Tax Commission.

Until the rate is established, the rate will be 3.25 percent of all alcoholic beverages sold.

This alcohol tax will not be done in conjunction with the Junk Food Tax.

The Navajo Tax Commission was charged with the administration of the tax. The office will retain a quarter percent of all gross sales for administrative expenses.

Alcohol beverages include distilled or rectified spirits, potable alcohol, brandy, whiskey, rum, gin, aromatic bitters, blended or fermented beverages, beer, cider, wine and more.

The net revenue from the tax will be retained in the Navajo Division of Public Safety Alcohol Tax Fund and will be administered by the executive director of NDPS.

“The tax is going to be used by the Navajo Police to address the alcohol consumption,” President Begaye said.

NDPS will work with the Budget and Finance Committee for development of a fund management plan for the tax.

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