



25th Navajo Nation Council

25TH NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Budget and Finance Committee passes Nicotine Tax Legislation extending tax to cover non-tobacco nicotine products



Left to Right - Vice Chair Carl Slater, Chair Shaandiin Parrish, and Council Delegate Lester Yazzie.

WINDOW ROCK, Ariz.– The Navajo Nation Budget and Finance Committee (BFC) recently convened to deliberate a critical legislation extending the existing current tobacco tax to cover non-tobacco nicotine products such as vaporizers and nicotine pouches.

The legislation, which was unanimously approved by the BFC, aims to reduce nicotine addiction among Diné youth.

“We must act decisively to protect our youth from the dangers of nicotine addiction,” said Vice Chair Carl Slater, the bill’s sponsor. “This legislation takes a critical step toward safeguarding the health of future generations by making these harmful products less accessible.”

The legislation exempts FDA-approved cessation products like nicotine patches and gums, ensuring that those seeking to quit nicotine will not face additional financial penalties.

In addition to the nicotine tax legislation, the BFC reviewed the progress of the Navajo Nation Broadband Initiative, a large-scale infrastructure project aimed at improving digital connectivity across the reservation by 2030.

The project, which includes the construction of 78 new towers and the installation of 1,265 miles of fiber-optic cable, carries a total estimated cost of \$271.4 million. To date, \$77 million has been secured through the American Rescue Plan Act (ARPA), leaving a funding gap of \$193.6 million.

Committee members expressed concerns about regulatory hurdles, particularly surrounding right-of-way approvals, and discussed strategies for securing the remaining funding. The committee unanimously accepted the broadband report and committed to strategizing on how to fund the initiative.

The Office of Management and Budget (OMB) presented the third-quarter budget and expenditure report, which raised concerns about over-expenditures in certain areas, particularly travel costs. According to the report, travel expenses in the Office of the President and Vice President exceeded the allocated budget by 185%, alarming committee members as the fiscal year approaches its end on September 30.

“We must tighten our financial controls and improve oversight as we move forward,” said Alva R. Tom, Budget Officer for the Navajo Nation. “We are focused on completing the fiscal year closeout by the end of this month and expect to deliver the final expenditure reports by early October.”

The committee acknowledged the need for improved budget monitoring to prevent similar over-expenditures in the next fiscal year and agreed to implement corrective actions.

In the coming weeks, the BFC will reconvene to finalize the fiscal year closeout, continue discussions on securing funding for the broadband initiative, and further advance the nicotine tax legislation through the Navajo Nation Council.

The Budget and Finance Committee voted four in favor and none opposed in approving Legislation 0145-24. The bill now moves on to the Naabik’yáti’ Committee for further consideration.

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