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## FISCAL IMPACT REPORT

SPONSOR Hanosh DATE TYPED 03/01/05 HB 1050

SHORT TITLE Navajo Nation Economic Development Study SB \_\_\_\_\_

ANALYST Weber

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$150.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB 930

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Indian Affairs Department (DIA)

No Response Received From  
Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

House bill 1050 appropriates \$150 thousand from the general fund to the Indian Affairs Department for the purpose of Phase I of a market and economic development feasibility study for six Navajo Chapters in the Eastern Navajo Agency of the Navajo Nation.

#### Significant Issues

The Indian Affairs Department contributed the following.

The Eastern Navajo Agency communities of Baca, Thoreau, Churchrock, Manuelito, and Tsa Ya Toh, with the exception of Iyanibitoh, are significantly underdeveloped due to the complex nature of the fee and federal trust land “checker board” that occurs near the Southeastern portion of the Navajo Nation. The communities have significant populations, though the population in some of the communities has dropped in recent years due

partially to economic underdevelopment. Additionally, industry that once contributed to the economic livelihood of some of the communities has ceased to exist. For example, uranium mining that sustained the community of Baca no longer exists. Furthermore, the closure of Fort Wingate near the community of Iyanibitoh led to many Navajo people losing employment.

A marketing and economic development study would be beneficial in determining and defining economic development in and around the fee and trust land checker board areas. In addition, an economic development study in some of these communities has never been conducted, thus such a study would also be beneficial to these communities, especially for the two communities of Thoreau and Iyanibitoh that have experienced population growth.

Unemployment on the Navajo Nation is estimated to be nearly 60 percent. The yearly per capita income of a member of the Navajo Nation is less than \$5,000. The medium age on the reservation is 23 years old. In the last 10 years, the Navajo Nation population grew by more than 22%. The statistics combined reveal the need for substantial economic feasibility studies for Indian communities in the State of New Mexico.

### **FISCAL IMPLICATIONS**

The appropriation of \$150 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

**MW/lg**