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## FISCAL IMPACT REPORT

SPONSOR Pinto ORIGINAL DATE 2/5/16  
LAST UPDATED 2/10/16 HB \_\_\_\_\_

SHORT TITLE Rock Springs Chapter Public Services SB 266/aSICAC

ANALYST Boerner

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$300.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

### SUMMARY

#### Synopsis of Indian and Cultural Affairs Committee Amendment

The Indian and Cultural Affairs Committee amendment modifies the intent of the appropriation to make it for funding for road improvements instead of providing public services.

#### Synopsis of Original Bill

Senate Bill 266 appropriates \$300 thousand dollars from the general fund to the Indian Affairs Department to provide public services to the inhabitants of the Rock Springs chapter of the Navajo Nation.

### FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended balance remaining at the end of fiscal year 2017 shall revert to the general fund. The appropriation is reclassified as nonrecurring because of the intent charge to road improvements.

## BACKGROUND

In January 2014, the Navajo Times published a story on Rock Springs as part of a series for which the paper committed to visiting all 110 chapters in alphabetical order. The Rock Springs story was the 71st in the series.

<http://www.navajotimes.com/news/chapters/013014rocksprings.php>

According to the article:

- People assume that since the chapter is so close to Gallup that the city provides assistance but it does not.
- Although Rock Springs is within McKinley County, the county commission bristles when the chapter asks for help maintaining its roads and also charges a fee.
- Because the chapter is so near Gallup nobody thinks of starting a business there--even though the chapter comprises prime real estate at the junction of Arizona Highway 264 and U.S. 491 (basically, Rock Springs is a suburb without any of the attendant privileges).

The article also reported that on an audit of the 27-month period ending Dec. 31, 2012, the Navajo Nation Auditor General found 19 financial violations, including lack of documentation, favoritism in doling out chapter services, inappropriate expenditures and unjustified travel which the chapter has been working to correct.

Other projects reported to be on the horizon:

- an 8,000-square-foot multi-purpose facility, built with the aid of state funds
- a 2,000-square-foot veterans' building, also with help from the state
- a sewer lagoon for the new business district
- bathroom additions
- road surfacing to the Navajo Housing Authority development
- remediating and remodeling the chapter house
- scattered-site or cluster NHA housing.
- A surprising number of Rock Springs residents are without electrical power, since the area is so checkerboarded that running power lines across three or four jurisdictions is prohibitive. The chapter is experimenting with offering its more isolated residents off-the-grid solar panels.

### **Also from the article: Rock Springs at a Glance**

Name: The chapter has a lot of interesting rock formations, including some that are considered sacred sites, and also some nice springs. But Chapter Secretary-Treasurer Eleanor Jones, who hails from here, says she has yet to find an elder who can tell her definitively how the chapter got its name. The name of China Springs, a community within the chapter, is easier to trace. "They say the Chinamen who built the railroad used to camp there," Jones said.

Population: 1,086; Land area: One of the Navajo Nation's smaller chapters at 27,000 acres; Assets: proximity to Gallup, good potential for commercial development at the intersection of Highways 491 and 264.

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Famous residents: Former McKinley County Deputy Sheriff "Bobcat" Wilson, who was wounded in a 1935 confrontation between rioting coal miners and law enforcement, had a ranch within the chapter boundaries that is still in his family.

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