



FOR IMMEDIATE RELEASE
November 21, 2014

President Shelly signs Healthy Dine' Nation Act of 2014 into law



Top, President Shelly signs the Healthy Dine' Nation Act of 2014 into law. Bottom, Jonathan Nez gives his appreciation. (Photos by Rick Abasta)

WINDOW ROCK, Ariz.—Navajo Nation President Ben Shelly, with a stroke of his pen, signed the Healthy Dine' Nation Act of 2014 into law today and changed the dynamics for the war on diabetes.

His decision to enact Legislation No. CN-54-14 and amend Title 24 of the Navajo Nation Code came after negotiations with council delegates and food advocacy groups to ensure the proper monitoring provisions were included.

When the legislation was first presented, President Shelly's

concerns with definitions of junk food and the monitoring processes of tax collections resulted in a veto. At the time, he called the Healthy Dine' Nation Act progressive and asked for further clarification.

"This administration has advocated for healthy living since we took office. Vice President Jim has run across this great Nation all four years of our administration," President Shelly said. "Today, I am signing this legislation into law to continue our commitment to healthy lifestyles for our people."

"Diabetes is an enemy that we will conquer by fighting this war together," he added.

The amendments to Title 24 of the Navajo Nation Code will be imposed upon gross receipts at a rate of two percent upon minimal-to-no-nutritional value food items sold.

The revenues generated from the sales tax may be utilized for community wellness projects such as farming, vegetable gardens, greenhouses, farmers markets, clean water, exercise equipment, health classes and more.

Legislation sponsor Danny Simpson (Becenti, Crownpoint, Huerfano, Lake Valley, Nageezi, Nahodishgish, Standing Rock, White Rock) and co-sponsor Jonathan Nez (Navajo Mountain, Oljato, Shonto, Tsah Bii Kin) joined supporters of the legislation at the Office of the

being a food desert and return to being a food oasis," she said.

Livingston called the signing a "historical event" and praised the president for his decision to enact the legislation.

"Again, you are leading the way, Mr. President, across the world and across Indian Country. We thank you for your commitment, your leadership and your dedication to a healthy Dine' Nation. Ahe'hee," Livingston said.

Nez echoed Livingston's sentiments and called members of the Alliance "champions" that never gave up.

"Many of our young people out there don't have the tools to make the healthy and wise decisions on living more healthy and active lifestyles," Nez said. "Again, you're leading the way, Mr. President, across the world and across Indian Country."

"This administration has advocated for healthy living since we took office."

President and Vice President for the signing.

Simpson said, "From the bottom of my heart, thank you, Mr. President. I think we compromised on (the legislation)."

Denisa Livingston, a member of the Dine' Community Advocacy Alliance, said food is not only a material pleasure, but nourishment for our bodies, minds and spirit.

"Eating well is what will sustain and empower us for the generations to come. From this day forward, we will move from

Deborah Cayedito, another member of the Alliance, said she was raised as a farm worker and understood the purpose of food.

"We are making historical movements," she said, adding, "and from the gathering of data that we've done, we can take it back home and start youth planters and teach them how to plant."

The seed has been planted and the war against diabetes on the Navajo Nation continues.



RESOLUTION OF THE
NAVAJO NATION COUNCIL

22nd NAVAJO NATION COUNCIL-FOURTH YEAR, 2014

AN ACT

RELATING TO LAW AND ORDER, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, HEALTH, EDUCATION AND HUMAN SERVICES, NAABIK'IYATI' AND NAVAJO NATION COUNCIL; AMENDING TITLE 24 OF THE NAVAJO NATION CODE BY ENACTING THE HEALTHY DINÉ NATION ACT OF 2014

BE IT ENACTED:

Section 1. Findings

The Navajo Nation finds the following with respect to this resolution.

- A. According to Navajo Area Indian Health Service, there are 25,000 Navajos with diabetes and another 75,000 are pre-diabetic. The *Sweet Success* data reports the following in 2011: 31% of Navajo pregnancies were complicated (BMI's) in the overweight or obese range. Division of Diabetes Treatment and Prevention, Indian Health Service Headquarters (2012). Unpublished, Centers for Disease Control and Prevention and the Indian Health Service. Division of Diabetes Treatment and Prevention (2012), Annual diabetes clinical outcomes audit and Navajo sweet success annual audit (a tracking tool) (2012). Unpublished, Navajo Area Indian Health Service, St. Michaels, Arizona.
- B. At an average, it costs over \$13,000 per person annually to treat diabetes. The cost for treating diabetes related complications can exceed \$100,000 per person. O'Connell JM, Wilson C, Manson SM, & Acton KJ (2012). The costs of treating American Indian adults with diabetes within the Indian Health Service, research and practice. *American Indian Journal of Public Health*.

- C. According to the Navajo Area [Indian Health Service, IHS] *GPRA Report 2009*, of the obesity rate within the seven (7) Navajo Area IHS service units ranged from 23% to 60%, the overweight rate ranged from 17% to 39% for all age groups, and overall, "the highest percentage of patients identified as obese are those ages 25 to 54, the highest service unit is Tuba City with 60 % of those with calculated BMIs." Navajo Area Indian Health Service (2009). Navajo area GPRA report 2009: government performance results act, (GPRA) program assessment rating tool (PART) report (07/1/08-06/30/09). Unpublished, St. Michaels, Arizona.
- D. According to the *Center of Disease Control and Prevention*, "each year, more than 13,000 young people are diagnosed with type 1 diabetes" and "health care providers are finding more and more children with type 2 diabetes, a disease usually diagnosed in adults aged 40 years or older." For only American Indians, there is a "statistically significant increase in the prevalence of type 2 diabetes among children and adolescents." Center of Disease Control and Prevention (2013). Children and diabetes. <http://www.cdc.gov/diabetes/projects/cda2.htm>
- E. According to the *Mayo Clinic*, primary risk factors of Type 2 Diabetes in children are overweight, obesity, inactivity, race, and family history. Symptoms can include increased thirst, increased urination, increased hunger, weight loss, fatigue, blurred vision, slow-healing sores or frequent infections, areas of and darkened skin. Complications can include heart and blood vessel disease, increased risk cardiovascular problems, including heart disease, stroke, high cholesterol and high blood pressure, nerve damage (neuropathy), kidney damage (nephropathy), eye damage, foot damage, and skin conditions. Mayo Clinic (2014). Type 2 diabetes in children.
<http://www.mayoclinic.org/diseases-conditions/type-2-diabetes-in-children/basics/definition/con-20030124>
- F. According to the *American Journal of Clinical Nutrition*, "consumption of sugar-sweetened beverages (SSBs), particularly carbonated soft drinks, may be a key contributor to the epidemic of overweight and obesity, by

virtue of these beverages' high added sugar content, low satiety, and incomplete compensation for total energy." There is a "positive association between greater intakes of SSBs and weight gain and obesity in both children and adults" and the "weight of epidemiologic and experimental evidence indicates that a greater consumption of SSBs is associated with weight gain and obesity." There is "sufficient evidence [that] exists for public health strategies to discourage consumption of sugary drinks as part of a healthy lifestyle." Malik, Vasanti S., Schulze, Matthias B., and Hu, Frank B. (2006). Intake of sugar-sweetened beverages and weight gain: a systematic review. *American Journal of Clinical Nutrition.* Aug 2006; 84(2): 274-288. <http://ajcn.nutrition.org/content/84/2/274.long>

- G. According to the Navajo Nation Human Rights Commission, "the right to food is a human right recognized under international law that protects the right of all human beings to feed themselves in dignity, either by producing their food or by purchasing it." Resolution NNHRCFeb-02-09.
- H. According to the New York Times Magazine cover story "The Extraordinary Science of Addictive Junk Food" states that people are "addicted to junk food" and "this addiction will only deepen as the food industry continues to find new ways to get people hooked on foods that are convenient and inexpensive." Kalaidis, Jen. (2013). Should the U.S. adopt a fat tax? *The Week.*
- I. According to the British Medical Journal, economists agree that "government intervention, including taxation, is justified when the market fails to provide the optimum amount of a good for society's well-being." Kalaidis, Jen. (2013). Should the U.S. adopt a fat tax? *The Week.*
- J. According to the Diné Food Sovereignty report, 74% of respondents "think health problems in [their] communities are caused by a lack of healthy and nutritious food." Diné Policy Institute (2014). Diné food sovereignty: a report on the Navajo Nation food system and the case to rebuild a self-sufficient food system for the Diné people. <Http://www.dinecollege.edu/institutes/DPI/Docs/dpi-food-sovereignty-report.pdf>

- K. According to the *Diné Food Sovereignty* report, "the United States Department of Agriculture identifies nearly all of the Navajo Nation's 27,000 square miles as a food desert," which is defined as "an area, either urban or rural, without access to affordable fresh and healthy foods" and where "heavily processed foods are often readily available." Diné Policy Institute (2014). *Diné food sovereignty: a report on the Navajo Nation food system and the case to rebuild a self-sufficient food system for the Diné people.*
<http://www.dinecollege.edu/institutes/DPI/Docs/dpi-food-sovereignty-report.pdf>
- L. According to the *Tsehootsooi Medical Center Community Health Needs Assessment*, 86.74% of respondents recommended facilities needed in their community: walking trails, 42.54%; recreational, 60.87%; playground, 46.87%; and other, 8.47%. Health programs were recommended by 88.77% of the respondents with the following: CPR classes, 33.89%; cultural classes/resources, 34.35%; fitness instruction, 52.95%; health education/programs, 50.09%; nutrition classes, 52.12%; parenting groups, 37.66%; and other, 8.66%. Clichee, Dominic, M. (2013). *Tsehootsooi Medical Center community health needs assessment.*
<http://www.fdihb.org/files/downloads/TMC%20CHAH%20v3.2%20without%20implementation%20plans.pdf>
- M. According to the *Chinle Health Council Community Health Assessment*, community respondents identified diabetes, obesity, and unhealthy foods as the top three important health issues in their communities, with diabetes as the number one health issue in the Chinle communities. Respondents identified "Wellness/Health education (Nutrition), Community events, Wellness Center" as the "most important factors for a healthy community." Respondents rated the health of their community with the following "Nutrition/bad food, Exercise, Unidentified illness/sickness/disease." Lynch, Patrick D. & Clichee, Dominic M. (2012). Chinle Health Council community health assessment. Unpublished, Chinle Health Council.

- N. The revenue generated from the Healthy Diné Nation Act of 2014 will be earmarked for chapters to plan for community originated wellness projects such as farming and vegetable gardens; greenhouses; farmers' markets; healthy convenience stores; clean water; clean communities; wellness/exercise equipment and supplies; skate parks; health classes; parks; traditional, intergenerational, and contemporary wellness; traditional and non-traditional healthy food preparation classes; food processing and storage facilities; health food initiatives; community food cooperatives; playgrounds; basketball courts; walking, running, biking trails; picnic grounds, swimming pools; emergency preparedness; agricultural, recreational, health, youth clubs; library; Navajo traditional craft classes, equine therapy, health coaching; and any other community-based wellness projects to address improvements to physical and social environment of the community that are planned, implemented, directed, and reported by members of the Navajo Nation communities.
- O. The Healthy Diné Nation Act of 2014 is to take responsibility of our health crisis, to raise awareness of unhealthy foods, to empower everyone to lead productive and healthy lives. This Act will impact physical and social environment where communities are empowered to take positive action; improve local capacity for wellness and improved health; make healthy food available and easily accessible; provide communities with clean water and recycling centers; reduce rates of chronic diseases such as obesity, diabetes, heart diseases, cancer, etc.; preserve Diné tradition, culture, and language; preserve Diné traditional food; maintain a healthy weight; improve academic achievement of healthy children and youth; generate active and healthy communities; foster well-informed, educated communities about health and wellness to make positive, healthy choices, healthy individuals and families; build a healthy, thriving, and productive workforce; promote healthy businesses; reduce health care costs; to save lives and money; and to allow the people to take ownership of healthy initiatives; to protect and preserve our population for future healthy generations.
- P. It is the intent of the Navajo Nation Council, by approving the Healthy Diné Nation Act of 2014 to diminish the human and economic costs of obesity and diabetes on the Navajo

Nation. The intent is to improve health by creating the environment that supports health and wellness with a dedicated revenue source for Community Wellness Projects designed by Navajo Nation Chapters to prevent obesity, Type 2 Diabetes Mellitus, and other such health conditions by discouraging excessive consumption of sweetened beverages and minimal to no nutritional value food items high in sugar, salt, and saturated fat.

- Q. There is public support for the proposed tax on sweetened beverages and minimal-to-no nutritional value food items among communities across the Navajo Nation. Navajo Nation Chapter Resolutions and resolutions from other entities in support of a tax on minimal-to-no nutritional value food items are attached hereto as Exhibit A.
- R. The Navajo Nation finds it is in the best interest of the Navajo Nation to amend Title 24 of the Navajo Nation Code and to enact the Healthy Diné Nation Act of 2014.

Section 2. Amendments to Title 24 of the Navajo Nation Code

The Navajo Nation hereby amends Title 24 of the Navajo Nation Code, 24 N.N.C. §§ 1001-1024, as follows:

NAVAJO NATION CODE ANNOTATED
TITLE 24. TAXATION
CHAPTER 11. HEALTHY DINÉ NATION ACT OF 2014

§1001. Short title

The tax imposed by this Chapter shall be called the "Healthy Diné Nation Act of 2014".

§1002. Purpose

The Navajo Nation Council hereby enacts this tax for the privilege of engaging in retail business activity within the Navajo Nation, and for purposes of defraying necessary governmental expenses at the national and local level incurred in providing for the public welfare.

§1003. Tax Imposed

A tax is hereby imposed on the gross receipts of a ~~retail~~ business person. The tax due for a period is determined by first calculating applicable gross receipts from all minimal-to-no nutritional value food items sold for a period, and then multiplying those gross receipts from all minimal-to-no nutritional value food items sold by the applicable tax rate. This tax shall be reviewed at the end of the calendar year 2034 2020 unless extended for extension by the Navajo Nation Council

§1004. Legal Incidence and Responsibility for Payment

The person liable for the payment of the tax imposed by this Chapter is the person receiving the gross receipts from the sale of minimal-to-no nutritional value food item(s).

§1005. Rate of Tax

The rate shall be two percent (2%) of all minimal-to-no nutritional value food item(s) sold (.02 x all minimal-to-no nutritional value food item(s) sold).

§1006. Administration

All provisions of the Uniform Tax Administration Statute apply to this Chapter.

§1007. Definitions

Subject to additional definitions (if any) contained in the subsequent sections of this Chapter, and unless the context otherwise requires, in this Chapter:

- A. "Community Wellness Projects" means Navajo Nation Chapter community-based, community-owned wellness projects to address improvements to the physical and social environment of the community because of the need to prevent and/or reduce the incidence of obesity and Type 2 Diabetes Mellitus. Projects may include: farming and vegetable gardens; greenhouses; farmers' markets; healthy convenience stores; clean water; clean communities; wellness/exercise equipment and supplies; skate parks; health classes; parks;

traditional, intergenerational, and contemporary wellness; traditional and non-traditional healthy food preparation classes; food processing and storage facilities; health food initiatives; community food cooperatives; playgrounds; basketball courts; walking, running, biking trails; picnic grounds, swimming pools; emergency preparedness; agricultural, recreational, health, youth clubs; library; Navajo traditional craft classes, equine therapy, health coaching; and any other community-based wellness projects to address improvements to physical and social environment of the community that are planned, implemented, directed, and reported by members of the Navajo Nation communities.

B. "Minimal-to-no nutritional value food" means sweetened beverages and prepackaged and non-prepackaged snacks stripped of essential nutrients and high in salt, saturated fat, and sugar including sweetened beverages, sweets, chips, and crisps.

i. "Sweetened beverages" means a beverage, whether carbonated or noncarbonated in any form sold for human consumption. It shall include: soda; flavored water; sports drinks; energy drinks; fountain drinks; iced coffee; iced tea; flavored drinks; drinks containing sugar with natural fruit juice, natural vegetable juice, fruit juice, or vegetable juice; a powder, or base product as a liquid for sale.

ii. "Sweets" means any preparation that has a high content of sugar, sometimes in combination with flour, milk, butter, shortening, eggs, dried fruits, nuts, etc., such as candy, frozen desserts, pastries, pudding and gelatin based desserts or baked and fried goods.

iii. "Snack chips and Crisps" (sodium and saturated fat) means crispy type snack foods that are often fried, baked, or toasted, such as potato chips, tortilla chips, pita chips, or cheese puffs that are high in sodium and fat.

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iii. "Snack chips and Crisps" (sodium and saturated fat) means crispy type snack foods that are often fried, baked, or toasted, such as potato chips, tortilla chips, pita chips, or cheese puffs that are high in sodium and fat.

iv. "Sugar" includes sugar confections but not limited to sucrose, dextrose fructose, corn syrup, high-fructose corn syrup, dextrin, galactose, glucose, honey, lactose, fructose, other processed caloric sweeteners, and those derived from fruit juice.

v. "Corn syrup" means syrup made from cornstarch, consisting of dextrose, maltose and dextrins.

vi. "Sweetener" includes artificial sweetener, which includes aspartame, saccharin, sucralose, stevia, cyclamate, xylitol, mogrosides, and many others.

vii. "Natural fruit juice or fruit juice" means the original liquid resulting from the pressing of fruit, the liquid resulting from the reconstitution of fruit juice concentrate or the liquid resulting from the restoration of fruit concentrate or the liquid resulting from the restoration of water to dehydrated fruit juice.

viii. "Natural vegetable juice or vegetable juice" means the original liquid resulting from the pressing of one or more vegetables. Liquid resulting from the reconstitution of vegetable juice concentrate or the liquid resulting from the restoration of water to dehydrated vegetable juice.

ix. "Powder or base product" means a solid mixture of basic ingredients, including sugar, used in making, mixing or compounding soft drinks by mixing the powder or other base product with water, ice

syrup, simple syrup, fruits, vegetables, fruit juice or any other product suitable to make a sweetened beverage.

x. "Candy" means snacks prepared of sugar, honey, salt, saturated fat, other natural or artificial sweeteners in combination with chocolate; dried fruits; fudge; marshmallows; nuts; mints; peanut brittle; white flour; other ingredients or flavorings in many forms such as soft, hard, bars, drops, liquid, spray, floss, carbonated, crystallized, tape, paper, thread, chewy, jelly, gum, powder or pieces.

xi. "Frozen desserts" means any sweet item made by freezing liquid or semisolids, based on naturally and/or artificially flavored water, fruit purees, dairy or diary substitutes, custards; combined with fruits, nuts, candy, sweets, or other ingredients.

xii. "Pastries" consist of any mixed, baked, or fried products made primarily but not exclusively from any form of flour, sugar, artificial sweeteners, dairy, shortening, oil, butter, baking powder, nuts, fruits, eggs, jelly, and other filling ingredients.

xiii. "Pudding and gelatin based desserts" means any soft, colorful or colorless, sweet preparation based, which could include dairy, eggs, sugar, or other sweeteners, collagen, cornstarch, or any other flavorings.

xiv. "Baked and fried goods" means baked or fried dough, batter, mixes, and decoration products such as cakes, cookies, and pastries that are high in saturated fat and/or sugar.

§1008 Navajo Nation Government

A. Sales by corporations owned by the Navajo Nation government or any political subdivision thereof shall be fully subject to the tax imposed by this Chapter.

B. Sales by the government of the Navajo Nation, or political subdivisions or enterprises thereof, shall be subject to the tax imposed by this Chapter.

§1009. Reserved

§1011. Reserved

§1012. Filing of Return

A. Each person must file a return indicating all sales from applicable gross receipts and the tax due under this Chapter for each period by the fifteenth day of the second month after the end of each calendar quarter. Returns are due on February 15, May 15, August 15, and November 15 of each calendar year.

B. The Commission may by form or regulation require that other information, records or relevant documents which it deems necessary for the proper and efficient administration of this Chapter be included with the return and signed by a specified person.

C. No return need be filed by any person who is exempt under §609, provided that the Office of the Navajo Tax Commission may require such person to file the information necessary to establish its exempt status.

D. In the case of the exemption provided for in §609(A), the filing by a person of a proper certificate of exemption with the Office of the Navajo Tax /Commission shall constitute a claim for exemption.

§1013. Payment of Tax

Payment in full of the taxes owed for a particular period is due on the same date that the completed return for that same period is due. The Office of the Navajo Tax Commission, however, may require payment of any taxes due on a monthly basis.

§1014. Recordkeeping

A. Each person shall keep all records which pertain to or relate in any manner to all sales from any business activity engaged in at any time by such person. Such records shall be maintained separately for each reporting period during which a person is engaged in business activity.

B. Records required to be kept must be preserved for four years beyond the end of the period for which the records relate.

§1015. Reserved

§1016. Reserved

§1017. Reserved

§1018. Reserved

§1019. Reserved

§1020. Allocation of Revenue

After allocation to permanent or special revenue funds as required by Navajo Nation law, and allocation to the Tax Administration Suspense Fund as required by the fiscal policy adopted by the Navajo Tax Commission for such Fund, the net revenue from this Chapter shall be disbursed as follows:

A. One hundred percent (100%) of the Healthy Diné Nation Act of 2014 revenue collected from retail establishments located in the Navajo Nation shall be deposited into the Community Wellness Development Projects Fund to be appropriated pursuant to a fund management plan approved by

the Budget and Finance Committee and administered by the Division of Community Development; and

B. The Division shall disburse the funds to the chapters as seed money for leverage to initiate, match, and/or improve community wellness projects.

1021. No Conflict with Local Governance Act

The provisions of this Chapter and corresponding regulations shall not be construed inconsistently with the Local Governance Act, 26 N.N.C §§ 1-2008.

§1022. Severability

If any provision of this Chapter, as amended, or its application to any person or circumstance, is held invalid by a final judgment of a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of the Chapter which can be given effect without the invalid provision or application, and to this end, the provisions of this Chapter are severable.

§1023. Reserved

§1024. Repeals

All laws or parts of laws (or attachments thereto) which are inconsistent with the provisions of this Chapter are hereby repealed, including, without limitation, any law purporting to waive any right of taxation by the Navajo Nation.

Section 3. Development of a Fund Management Plan

The Division of Community Development is hereby directed to develop a Community Wellness Development Projects Fund Management Plan.

Section 4. Effective Date

The amendments enacted herein shall be effective pursuant to 2 N.N.C. §221(B), and after the Navajo Tax Commission has promulgated the regulations, but no later than October 1, 2014.

Section 5. Codification

The provisions of the Act which amend or adopt new sections of the Navajo Nation Code shall be codified by the Office of Legislative Counsel. The Office of Legislative Counsel shall incorporate such amended provisions in the next codification of the Navajo Nation Code.

Section 6. Savings Clause

Should any portion of the amendment enacted herein be determined invalid by the Navajo Nation Supreme Court, or the District Court of the Navajo Nation, without appeal to the Navajo Nation Supreme Court, those portions not determined invalid shall remain in law of the Navajo Nation.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 10 in favor and 4 opposed, this 14th day of November 2014.



LoRenzo Bates, Pro Tem Speaker
Navajo Nation Council

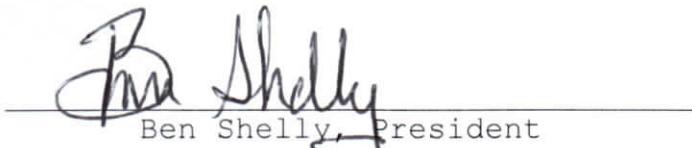
11-17-14

Date

Motion: Honorable Jonathan Nez
Second: Honorable Nelson BeGaye

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), on this _____ day of NOV 21 2014 2014.



Ben Shelly, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this _____ day of _____ 2014 for the reason(s) expressed in the attached letter to the Speaker.

Ben Shelly, President
Navajo Nation