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Speaker Bates testifies in support of Arizona S.B. 1501 to protect Navajo mine workers and revenues for the Navajo Nation



PHOTO: Speaker LoRenzo Bates speaks in support of S.B. 1501 to members of the Arizona House Finance Committee at the Arizona State Senate building in Phoenix, Ariz. on Feb. 14, 2018.

PHOENIX – On Wednesday, Speaker LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse’Daa’Kaan, Upper Fruitland) provided testimony at the Arizona State Capitol before the House Finance Committee in support of S.B. 1501 sponsored by Sen. Steven Smith (Dist. 11 – R), which proposes to repeal the Transaction Privilege Tax on the sales and purchases of coal.

Speaker Bates requested the support of the legislators to help address one of many challenges in the ongoing effort to continue operations of Kayenta Mine and the Navajo Generating Station beyond 2019, and to prevent the loss of hundreds of jobs for Navajo workers at both sites and millions of dollars in annual revenue for the Navajo Nation and the state of Arizona.

Speaker Bates said passage of the bill would also provide an important incentive for potential purchasers of the NGS power plant. He also assured the legislators that there are several parties that are interested in owning the power plant, while also noting that it will take time to address the challenges associated with the process.

“If NGS closes, then it is likely that the Kayenta Mine may also close which has an annual contribution of upwards of \$430 million,” said Speaker Bates. “Arizona itself stands to lose approximately \$18 billion in gross state product between 2017 and 2044 - including up to 3,400 jobs unless agreements can be reached to keep NGS operating beyond 2019.”

Arizona Rep. Mark Finchem (Dist. 11 – R), sponsor of H.B. 2003 – identical to S.B. 1501, also spoke to the Finance Committee to request their support. In response to concerns over the potential loss of tax revenue for the state and counties if the TPT revenue is not collected on coal sales/purchases, Rep. Finchem said the economic losses for the state, counties, and tribes will be far greater if Kayenta Mine shuts down.

Rep. Finchem and Sen. Smith said they would seek and support an amendment that would make the effective date of the bills contingent upon securing a coal supply agreement, which would then provide a level of certainty for the continuation of coal production at Kayenta Mine. President Russell Begaye and Speaker Bates said they would support the bills with the inclusion of the proposed amended language.

On Wednesday, the Senate Finance Committee did not take action on S.B. 1501, however the House Ways and Means Committee voted 6-3 in support of H.B. 2003.

“I am very happy to see the level of support this legislature has shown for the Kayenta mining community. There is a future for the mine, and a pathway for the continued operation of NGS as a baseload safety-blanket. It will take work and cooperation with many parties, but we can do this together,” said Rep. Finchem.

H.B. 2003 will be considered next by the House Rules Committee before the full membership of the House of Representatives.

“We need to do all we can to promote and preserve the Kayenta Mine and the Navajo Generating Station and I believe this legislation that Rep. Finchem and I are sponsoring will do just that. If we can eliminate the unnecessary tax on coal, which this bill will do, we can help provide a strong future for Kayenta Mine and NGS and the hundreds of jobs they provide hard-working families,” Sen. Smith stated.

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