



CLEARING THE PATH

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New Brunswick Taxing First Nations SNB service agreement

Service New Brunswick (SNB) and the Tobique and Elsipogtog First Nations have entered into a historic agreement for SNB to provide services for the two New Brunswick communities. Negotiations between the First Nations and SNB began in 2008 and much work has been done by all parties to arrive at their final agreement.

“ *This is a big success for these First Nations and Service New Brunswick. We would like to acknowledge the hard work by SNB and also the support the province is providing to First Nations in developing their own governance and taking control of their communities.*”

Deputy Chief Commissioner David Paul
First Nations Tax Commission

Each of the First Nations that have signed the agreement are at the beginning stages of developing their tax systems and will be relying on utilities and other services, as the foundation of their tax bases with an eye on future economic development in their communities.

SNB operates New Brunswick's real and personal property registries and assesses all lands, buildings and improvements in the province and also operates the property assessment and taxation system jointly with the Department of Finance.

The First Nations Tax Commission commends the First Nations, SNB and the Province of New Brunswick in reaching this agreement and looks forward to supporting each of them as they build their local economies with revenues generated from property tax.

These First Nations are the first in New Brunswick to implement property tax and the FNTC hopes this will open the door for other New Brunswick First Nations to maximize their opportunities through property tax jurisdiction. 🌱

Proposed Standards for First Nation Accommodation Operator Business Activity Tax Laws

In Canada, many provincial and local governments have various forms of accommodation/hotel taxes. Typically the tax ranges between 1% and 5%, and is applied to the price of one night of accommodation.

In many instances, the revenue from these taxes is earmarked for local tourism initiatives or for a local tourism board. Increasingly, First Nations are involving hotel properties as a part of their overall commercial development strategy, and therefore an accommodation/hotel tax provides for significant fiscal benefits.

The FNTC is currently proposing standards that would apply to business activity tax laws that provide for a tax on business operators providing accommodation on reserve.

Continued on Page 4...



In This Issue

- *In memoriam: Sherri Running Rabbit, Siksika Nation*
- *FNTC Pre-Budget Submission: Initiatives to support a new fiscal relationship*
- *Saskatchewan TLE workshop*
- *Seven First Nations added to the FMA schedule*
- *Enabling full participation in the FMA for Treaty First Nations*
- *Maori delegation visits Canada*

Chief Commissioner's Message



First, I would like to wish everyone the very best for 2017. Over the past year, we achieved a great deal, whether illustrated through greater participation in the *First Nations Fiscal Management Act* (over 200 First Nations are now using the FMA), increased tax revenues or new revenue jurisdictions.

Last fall, the Commission submitted its Pre-Budget Submission for the 2017 federal budget, marking the 19th consecutive year the FNTC has made a submission to the House of Commons Standing Committee on Finance as part of the federal government's pre-budget consultations. The Commission views the pre-budget consultation process as an opportunity to offer key insights on First Nation policy-making. This year, the Commission reiterated its advocacy for innovation in Indigenous land title, aboriginal resource taxation, and First Nation capital infrastructure. As well, it called for the introduction of new fiscal powers under the FMA. We believe these proposals are critical in advancing sustainable First Nation economies and a fiscal relationship that reflects reconciliation.

Our long-standing commitment to expanding First Nation revenue jurisdiction continues. In December 2016, the Commission approved standards for First Nation quarry tax laws in British Columbia, and approved proposed standards for First Nation accommodation tax laws. The potential for First Nation accommodation tax laws is particularly significant as nearly 20 First Nations have hotel developments on their lands, and more are planned. For 2017, we expect to be working with many of these First Nations in the implementation of this new revenue power.

Finally, I would like to congratulate Chief Clarence Louie of the Osoyoos Indian Band who was recently named to the Order of Canada. For over 30 years Chief Louie has been a tireless advocate for First Nation property tax jurisdiction and economic development, often on the vanguard of policy innovation. Chief Louie was an early supporter of First Nation property taxation, and quickly recognized its viability in helping to unlock the economic potential of his community. It is welcome to see that Chief Louie's contribution to First Nations and the Canadian federation has been so recognized.

As we begin 2017, let us build on our many successes of the past year with a renewed sense of vigour and determination to address the many challenges First Nations continue to face.

Sincerely,

C.T. (Manny) Jules
Chief Commissioner

In memoriam: Sherri Running Rabbit, Siksika Nation



The FNTC was saddened to learn of the passing of Siksika tax administrator Sherri Running Rabbit on October 2, 2016. Words cannot express the heartache FNTC staff felt for Sherri's loved ones upon receiving this sad news. We had the pleasure of getting to know Sherri when she attended classes in Kamloops at the Tulo Centre of Indigenous Economics.

Sherri was always a positive shining light in the classroom. It was clear that Sherri was fiercely proud of her family and her community. Sherri was a sweet, insightful, thoughtful and dedicated member of the Siksika Nation.

Sherri was an inspiration and a great role model and shone a light wherever she went.

Photo: Sherri Running Rabbit graduating with a Certificate in First Nation Tax Administration in June 2016. (Kamloops)

FNTC Pre-Budget Submission: Four key initiatives to support a new fiscal relationship for First Nations

The First Nations Tax Commission submitted its Pre-Budget Submission for the 2017 federal budget. In its submission, FNTC advocates in support of four key initiatives to develop a new fiscal relationship for First Nations.

A new revenue based fiscal relationship should provide First Nations with the following: (a) secure long-term revenues to support long-term budget planning; (b) new tax jurisdictions and revenue options that can be used to assume full responsibility for specific programs; (c) a reduction in the administrative demands that the current relationship places on First Nations; and, (d) an economic stake for First Nations in the success of their regional economies.

The FNTC has long advocated the current fiscal relationship is unworkable if lasting and sustainable improvements in First Nations economies, services and infrastructure are to be made.

The FNTC also believes a new revenue-based fiscal relationship is needed to improve the investment climate for resource projects all across Canada and to prevent distortions in the Canadian tax system.

The FNTC is advocating four initiatives to support this agenda:

Tax Based Fiscal Relationship: Paving the Way to Equality

The federal government should commit to developing an option whereby First Nations can use new tax revenues to assume full decision making authority and responsibility for the delivery of specific services. These revenues would then be exempted from the application of any further

transfer offsets, such as those envisioned by the proposed federal Own-Source Revenue (OSR) policy. The federal government would no longer set conditions or reporting requirements with respect to the assumed responsibilities; these could be established through the *First Nations Fiscal Management Act* (FMA).


First Nations Infrastructure: Improving Quality of Life on Reserves

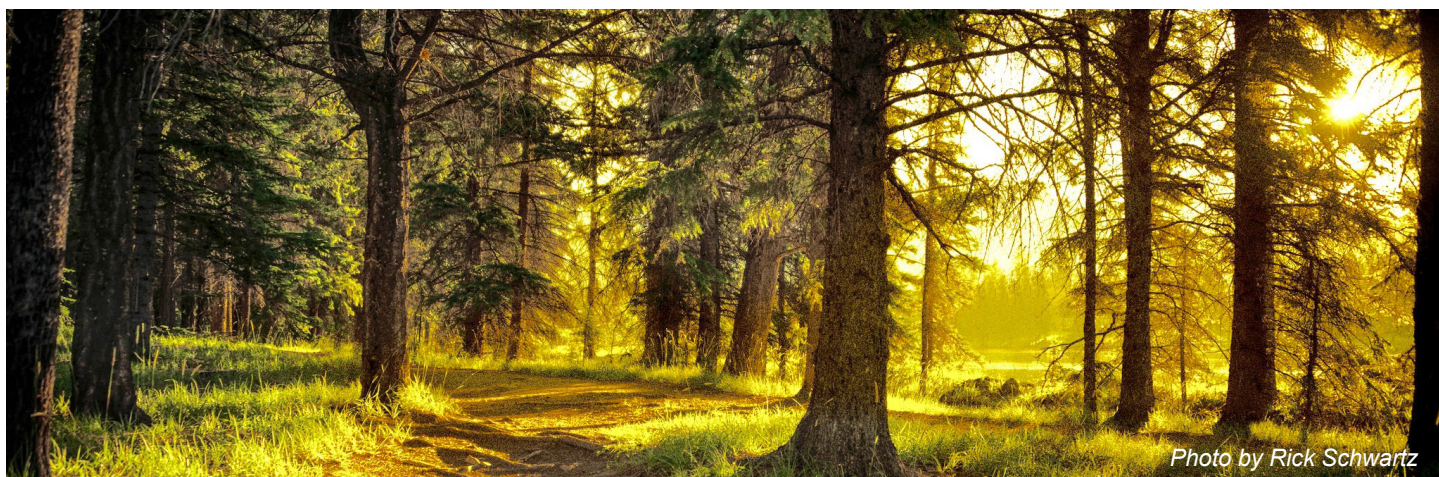
The federal government should provide First Nations with the option of assuming full responsibility for the provision of infrastructure on their lands. This should be supported by an institution that would work with First Nations in developing their ability to plan, finance, build, maintain and operate infrastructure.

Aboriginal Resource Tax: Providing Power and Protection

The federal government should help ensure that First Nation governments can more easily receive reliable revenues that are generated from new resource projects taking place on their traditional territories.

Indigenous Land Title: Creating Opportunities for Wealth and Prosperity

The First Nation led Indigenous Land Title Initiative (ILTI) will restore land ownership, giving First Nations title to their lands, the authority to maintain governance and the power to make laws related to the use of the land. The FNTC has been working with the federal government to develop a legislative option to accomplish this goal. The federal government should work with these proponent First Nations and the FNTC to advance the proposed legislation to parliament. 



FNTC and Tulo workshop on Treaty Land Entitlements through FMA jurisdiction

The First Nations Tax Commission partnered with the Tulo Centre of Indigenous Economics to develop materials and deliver a workshop on November 8, 2016, in Saskatoon, SK. The workshop was designed to provide strategies for TLE First Nations to recover these lost fiscal benefits through full use of FMA tax powers and improved service agreements.

Forty participants attended the workshop, representing 14 communities. The workshop covered the unrealized potential of TLEs, the benefits of tax-based service agreements, asserting FMA tax jurisdiction, negotiating better service agreements, as well as the programs offered through the Tulo Centre of Indigenous Economics.

The workshop began with brief presentations from participating First Nations about their TLE processes, experiences, plans and progress. A discussion point during the workshop was: “Why aren’t all First Nations capturing

fiscal benefits?” Responses included capacity, leadership, negative connotation of taxation and the time and effort involved in negotiated municipal service agreements.

Some participants noted villages and towns have minimal capacity while cities dwarf First Nation negotiating teams in capacity. There was general agreement that increased capacity support from the FNTC for municipal service agreements was a positive proposal.

FNTC Commissioner Lester Lafond spoke to the importance of asserting tax jurisdiction in support of improved service agreements and the history of the Saskatchewan TLE Framework agreement legislation. For TLEs in Saskatchewan and Manitoba, service agreements between First Nations and local governments must be completed before an Addition To Reserve (ATR) is finalized and the lands become the First Nation’s reserve lands. 🇨🇦



Workshop participants at TLE workshop in Saskatoon, SK.

Seven First Nations added to the FMA Schedule

Congratulations to the seven First Nations that were added to the Schedule of the FMA through an amendment to the Act on November 28, 2016.

The seven First Nations added to schedule are:

- Garden Hill First Nation, MB
- Jean Marie River First Nation, NT
- Little Shuswap Lake Indian Band, BC
- Micmacs of Gesgapegiag, QC
- Opaskwayak Cree Nation, MB
- Skatin Nations, BC
- Whitefish River First Nation, ON

There are now 204 FMA First Nations in Canada.

(Continued from Page 1)

Proposed standards

While similar to accommodation taxes or hotel taxes levied by provincial and local governments, the First Nation Accommodation Operator Business Activity Tax Law is distinguished by its application; it is a tax on the accommodation operator, and not on the consumer of accommodation.

Accommodation would include lodging at hotels, motels, resorts, and other lodging establishments included in the First Nation’s law that meet minimum requirements reflected in section 3.3 of the proposed Standards (i.e., accommodation must be for a period less than 28 days of consecutive lodging, lodging charges must be greater than \$30 per day or \$210 per week, and the operator must offer more than four units of lodging).

The FNTC is seeking public input in respect of these proposed Standards. If you wish to learn more, please contact the FNTC at mail@fntc.ca or by phone at (250) 828-9857. Electronic versions of the proposed Standards are available at www.fntc.ca. 🇨🇦

Enabling full participation in the FMA for Treaty First Nations

The FNTC is continuing work to enable treaty First Nations to participate in First Nations Finance Authority (FNFA) pooled borrowing under the *First Nations Fiscal Management Act* (FMA). Treaty First Nations in British Columbia need the ability to levy property taxes and fund infrastructure in a manner similar to other First Nations and local governments. The current treaty approach to property taxation provides for First Nations to levy property taxes on non-members under “tax coordination” agreements with the Province, and does not enable participation in the provincial pooled borrowing regime.

The FMA provides First Nations with a regulatory framework to support First Nation taxation through broad local revenue powers, institutional support, and a pooled borrowing regime. However, for treaty First Nations, the FMA is only accessible through a regulation under s.141 of the Act.

There are five primary benefits to enabling First Nations to continue to use the FMA post-Treaty, including:

- Taxing First Nations can continue to use their existing taxation systems
- First Nations can continue to access FMA fiscal powers to exercise their tax jurisdiction
- First Nations can continue to access the financial administration law-making tools under the FMA
- First Nations can continue to access FNFA pooled borrowing

- First Nations can continue to receive support from the FMA institutions

The FNTC supports those First Nations currently in Treaty negotiations that are interested in pursuing an FMA post-Treaty option. It is an option that would enable First Nations to directly exercise the full FMA scope of local revenue law-making powers and would simplify access to the FNFA pooled borrowing regime. First Nations could have a seamless transition to Treaty for property taxation, and continue to benefit from the institutional support provided under the FMA framework.

In July 2016, the FNTC participated in a meeting to discuss advancing a s. 141 regulation for First Nations already in Treaty with representatives from Canada, the Province, the fiscal institutions (FNFA, FMB and FNTC), and some Treaty First Nations.

The federal and provincial governments are committed to completing a regulation quickly and to move forward with enabling Treaty First Nations to borrow from the FNFA. All parties are working together to continue work on this matter.

The FNTC is currently undertaking a review of past regulatory work and will identify a preferred approach for the regulation. 🌐



“A Beginner’s Guide to Risk Management” FMB discusses its new guidebook and webinar

Have you ever had a sudden change in key personnel or experienced a funding cut that seriously affected your First Nation? If yes, then learning about identifying and managing those unplanned events can help minimize the impact of these on your First Nation. This process of identifying and managing risks is called Risk Management and implementing this within your First Nation can help you achieve your objectives and maximize your success.

What risks does my First Nation face and what can we do about it? To help you answer those questions, the First Nation Financial Management Board (FMB) has created a new guidebook: “A Beginner’s Guide to Risk Management” to walk your administration through the process of identifying risks and developing a Risk Management plan.

We also offer a webinar on Risk Management to provide you with a step-by-step approach to understanding and

implementing an effective Risk Management process within your First Nation’s administration. Please visit www.tulo.ca/webinars to view the webinar.

The FMB is a non-profit institution that supports First Nations to meet their financial management requirements, and in the development, implementation and improvement of financial relationships with financial institutions, business partners and other governments.

Specific capacity development services include financial administration law development, financial management system (FMS) and financial performance certification and local revenue account reporting.

Please contact the FMB at 1 877 925 6665 for further information on how you can turn risks into opportunities and achieve your First Nation’s objectives for prosperity, or visit our website at www.fnfmb.com for further information. ■

Tulo Student Profile: Heather Fader



Shackan Indian Band's tax administrator Heather Fader was in the 2015/2016 cohort for the Certificate in First Nation Tax Administration and will be graduating with her certificate this June. Nearly four years ago, Heather began working for Shackan as the executive director. Heather works with Chief and Council to manage day-to-day operations, reporting and budgeting, drives band projects and the development of finance policy and procedures.

Recently *Clearing the Path* had the opportunity to sit down with Heather to learn more about her experience as a tax administrator and as a student at the Tulo Centre of Indigenous Economics.

How did you get into tax administration?

Shackan began taxation in 2012. When I started in 2013, I didn't know what to do so I pulled up our previous year's laws and went from there.

How did you become enrolled in Tulo?

A previous staff member had gone through the program so those books were left in my office. I started doing online research, found Tulo and what the centre was about. I applied for a bursary to assist with the training and luckily was accepted into the program. Going through the certificate program has taught me so much more than I originally thought possible. Shackan has been working on developing strategic goals, building economic development opportunities, creating own source revenue and the course content helped put the critical pieces in place to build a solid foundation to achieve our community's long term goals.

How does what you learned at Tulo help you in your work at Shackan?

Everything I learned definitely makes me more efficient. Through Tulo, we also learned about the Tax Administration System (TAS). At Shackan, we only have two folios and they are utilities, but we decided to use TAS for consistency. The system issues tax notices rather than us using spreadsheets. It used to take me two to five days to draft the annual laws and then get the invoices out and follow up. With TAS, it takes half a day. It is so much more efficient and generates professional tax invoices.

What has been the most valuable aspect about the program for you so far?

I think overall the biggest thing is a strong understanding of First Nation tax jurisdiction. Tax can be seen as a dirty word in First Nation communities but it doesn't have to be. Understanding jurisdiction and title and rights, and turning that jurisdiction into revenue for the band is huge.

How does taxation fit into your community's financial planning?

Our expenditure laws ensure our tax budget is concrete. We have solid ground to stand on in terms of what we're spending on and with good reason. It's a strong accountability measure, and at Shackan, that accountability is expanding to cover all areas of our administration.

We are experiencing growth, but with that, we have strong principles and standards. Even just saying we have regulations and standards and discussing how we're meeting them is a huge education piece for our leadership and our members. The tax administrator program focuses on principles around jurisdiction and the founding concepts are really something that is good and sound, and can be expanded everywhere.

What are your thoughts on the diverse backgrounds of other students?

For our class, some of the students were in finance, while others came from the economic development side. There were also some band managers or executive directors. The size of the communities and the provinces we all come from was varied. This was beneficial throughout the program, as we were able to learn about perspectives, ask lots of questions and had some discussions. The diversity was wonderful for sharing knowledge and knowing we didn't have to reinvent the wheel and that other First Nations are tackling similar issues and have great solutions. I made some great friends that I will definitely remain in contact with.

What would you say to a First Nation that is taxing but hasn't had someone attend Tulo yet?

If a First Nation is taxing and they haven't done Tulo, I highly recommend it. The *First Nations Fiscal Management Act* is actual legislation and it's a lot bigger than people realize. It's not just property tax. If you are a tax administrator and you haven't done the program, you are probably missing out on revenue. There were people in our class that had been collecting property tax for a long time and they didn't have service fees or development cost charges in place so their tax dollars were being eaten up developing opportunities where DCCs can help a First Nation recoup those expenditures. The financial impacts of not doing this program are huge for those that do not fully understand everything involved in tax administration.

I personally believe in life long learning. A lot changes in the environment we work in. The world changes, political influences change. The more you can learn and understand the particulars that impact you, the better off you are going to be. The tax administration program allows a First Nation to build a solid foundation with their governance and allows them to jump on business opportunities they choose to participate in. 🌱

Williams Lake Indian Band: Building an exciting and diverse future with the support of property tax jurisdiction

The Williams Lake Indian Band (WLIB) has always fostered a positive, healthy community, and the prospects for the future are even more exciting and diverse today. WLIB is in a time of productive and exhilarating change. WLIB understands that their nation must have a long-term strategy as they work towards greater control of their lands and self-government.

Following the lead of other successful First Nations communities, WLIB started to use their land assets wisely, exploring and implementing beneficial taxation and leasehold strategies to solidify long-term prosperity. With these revenues, WLIB can respond to community needs better than with simple government program funding mechanisms.

Presently, WLIB does not have extensive development on their lands, but they do have a spectacular location and vast untapped potential. WLIB's main reserve sits along Highway 97 in British Columbia, the primary transportation corridor to the north and south, mere minutes from Williams Lake. Blessed with amazing views, the economic development potential of these lands will be dramatically enhanced by the four-laning and other improvements currently being made to Highway 97. WLIB is also landlord to Pioneer Log Homes, which is featured on the hugely successful reality television show Timber Kings. Timber Kings has provided considerable exposure to WLIB lands, and to the region generally.

Currently WLIB has a number of band-operated ventures. The successful band-run Chief Will-Yum campsite continues to generate revenue which is reinvested in the campsite to improve services. They also built the Coyote Rock Golf Course in 2010, which brings in steady revenues to help sustain its operation.

Other interests include Chief William Heritage Site and RV Park, Sugar Cane Wood Products, Sugar Cane Petroleum Products and Chief Will-Yum gas station, Sugar Cane

TreadPro, and Borland Creek Logging. WLIB collects property tax revenues from several utility companies and railway companies all of which have infrastructure cutting through reserve lands.

Lease revenues, taxes, and development are essential for long-term security. WLIB is developing a new residential development adjacent to Highway 97 which includes 28 fully-serviced leased lots under a head lease, with sub-leases sold to purchasers. They are exploring the most beneficial method to build on the lots to help solidify a long-term tax base to fund community operations and development.

Another initiative is a Development Cost Charges law which would see future development contributing to the cost of community infrastructure. This law allows WLIB to raise tax funds for specific developments and the infrastructure to support those developments.

Property tax provides a solid revenue base so they can build, maintain, and improve facilities, rather than trying to salvage them as they deteriorate. Through taxation, they can also significantly contribute to culture and language efforts and other community needs.

WLIB realizes they cannot rely on INAC funding for the long term. The dwindling federal government funding means it is up to them to develop own source revenues and build a solid future. Taxation is a jurisdiction the community is embracing. It is a valuable tool for development, sustainability, and building community.


This is an exciting period for WLIB. The First Nation is just starting to tap into the many creative and lucrative opportunities available, and through their efforts today, they will be able to protect their lands and work together to strengthen their Secwepemc culture. Living in a healthy, prosperous community is the vision, and taxation is helping to achieve this. 



Photo by Province of BC

Maori delegation visits Canada to exchange ideas and forge a strong working relationship with FNTC and the Tulo Centre

A delegation from the University of Canterbury Ngāi Tahu Research Centre (NTRC) in New Zealand travelled to Canada in September 2016 to continue the exchange of ideas and development of a working relationship between the Ngāi Tahu Research Centre, the Tulo Centre of Indigenous Economics and First Nations Tax Commission.

The Maori delegation, Te Maire Tau and Lynne Te Aika, visited a number of First Nation communities in British Columbia and attended several meetings and events, including the First Nations Tax Administrators Association Annual Forum. Te Maire and Lynne provided a presentation on the similarities and differences of Maori systems to those for First Nations in Canada and their plans to move forward in the future.

The Maori delegation was keen to learn how First Nations in Canada are using property tax and FNGST to generate economic development and revenue on their reserve lands. They noted how this allowed First Nation citizens to participate in their local economies and keep their money within their communities and reserves.

The Maori were interested in how the Tulo Centre of Indigenous Economics serves as a research centre that supports the development of First Nation economies and the expansion of their property tax jurisdiction. They noted how the Tulo Centre is unique in that its primary concern is how local economies can be implemented for First Nations rather than researching issues of sovereignty and colonization.


The NTRC and Tulo Centre are now working toward combining efforts to create a consortium that can provide leadership on economic development for Indigenous nations. This partnership will be founded on common values that support economic development on reserves and will primarily be concerned with the development of a fiscal relationship with the crown/federal government, jurisdiction on reserved lands, jurisdiction to tax and manage finance, new land title, applied economic theory, and practical tribal/band administration and development. 



Photo: Te Maire and Lynne with students from a Tulo cohort after giving a guest lecture.

Upcoming Events

AFOA Canada 17th National Conference

February 7-9, 2017 - Calgary, AB

Aboriginal Economy - Building a stronger future.
Look for FNTC's exhibit on the tradeshow floor.

Mutual Gains Negotiation workshop

February 14-15, 2017 - Moncton, NB

Delivered in partnership with the Consensus Building Institute for New Brunswick First Nations. Please contact the FNTC at mail@fntc.ca or by phone at (250) 828-9857 with questions or to register.

Restoring First Nation Tax Jurisdiction through the FMA, a Tulo Centre workshop

March 2, 2017 - Rama, ON

This workshop will provide case studies of the success of First Nations taxing in Ontario. Please watch for notices and registration information on Tulo's website (www.tulo.ca).



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