

CLEARING THE PATH

FIRST NATIONS TAX COMMISSION

VOLUME 3 ISSUE 4 DECEMBER 2009



Merry Christmas from the FNTC!

Focus Group Convened on Taxpayer Representation to Council Laws

On October 7-8, 2009, the First Nations Tax Commission (FNTC) held a focus group in Vancouver, BC on Taxpayer Representation to Council (TRC) laws. These local revenue laws, under paragraph 5(1)(c) of the *First Nations Fiscal and Statistical Management Act*, are designed to assist First Nations in establishing procedures for taxpayers to make representations to the Council.

"We believe that insights from your community will help develop a sample law for First Nations that is exceptionally useful and effective," said Chief Commissioner Jules in a letter to First Nations. Those involved were from Kamloops, Westbank, Sliammon, Songhees, White Bear, Tsawout, Tzeachten, and Squamish. There were 29 participants in total, including residential and commercial taxpayers, tax administrators, FNTC staff, and David Fairman from the Consensus Building Institute (Harvard-M.I.T), who facilitated the group.

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Commissioner Leslie Brochu welcomes taxpayer and First Nation participants on the opening day of the focus group meeting in Vancouver.

Education Program Expanding at Tulo Centre

The Tulo Centre of Indigenous Economics is once again expanding their education program.

"Since we launched the Certificate in First Nation Tax Administration (CFNTA) in March 2008, the demand for courses and interest in the program has exceeded our expectations," said Sarah Jules, Administrator for the program.

The CFNTA program consists of eight classes and is offered in both the executive format and online. The executive version of the CFNTA program, consisting of week-long intense face-to-face instruction, will resume in Winter 2010.

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Message from the Chief Commissioner



Last month saw the untimely passing of Nelson Leeson, President of the Nisga'a Lisims Government. President Leeson was a tireless defender of Nisga'a Government interests. He will be remembered for implementing the Nisga'a Treaty and working to reduce the social and economic gaps between First Nation and non-First Nation people. One of his many achievements was the recently enacted Nisga'a Landholding Transition Act. This legislation allows Nisga'a to own their residential properties in fee simple, so that they can mortgage, transfer, bequeath, lease or sell their property to any person. This is the first indigenous land title system granting fee simple to First Nation members in the world. Mr. Leeson called it a "...significant step towards true self government...a process for increasing economic prosperity for our people." Although we have lost a tremendous leader and a friend, his legacy and vision will endure for generations to come.

Property ownership and the governance of lands are essential for the implementation of property taxation and building strong economies. Most recently, the Commission has been exploring property ownership options for First Nations. Successful economies require clearly defined property ownership rules and strong legal, administrative and institutional systems to support them. In 1968, my father and other leaders spoke about the need for First Nations to own their own lands so that they could participate in the market economy and conduct land transactions at the "speed of business". Over the last two years, I have been leading an initiative to help First Nations address the deficiencies in First Nation real property ownership. I have worked to develop a concept for that will offer an option to participating First Nations. Our research to support this work has received international attention and commentary from recognized experts such as Hernando De Soto.

In the new year, I look forward to expanding my dialogue with First Nations and other interested parties as we explore the concept of First Nation private property rights. In that regard, a special edition of *Clearing the Path*, with a focus on First Nations property ownership, will be published in February 2010.

The Commission is also continuing its work with other First Nation fiscal institutions and Canada to expand First Nation revenue options. Our current work is to develop a regulation that enables First Nations to use other revenues in addition to their local revenues for long term debt financing.

Finally, please join me in welcoming Gitsegukla First Nation (BC), Beaver Lake Cree Nation (AB), and Kahkewistahaw First Nation (SK) as new First Nation taxing authorities under the FSMA.

The holiday season is a time for us to celebrate the festive season with our friends and families. I hope that each of you have a Merry Christmas and a happy and safe holiday season!

A handwritten signature in black ink that reads "Manny".

C.T. (Manny) Jules
Chief Commissioner

First Nation Property Ownership: International Symposium on Land — March 16-17, 2010

On March 16-17th, 2010, the FNTC, in cooperation with the International Property Tax Institute (IPTI), BC Assessment Authority, and the BC Ministry of Aboriginal Relations and Reconciliation will hold a symposium: "Land: The Economic and Social Platform for First Nations".

Conference participants will gain insight and understanding of what is being practised today, and what else is possible, to convert Aboriginal land ownership and land use into sustainable

services for native people and non-natives alike.

A panel of national leaders and international experts will cover pertinent issues, including: the management of interests in land; necessity of accurately recording and protecting all interests in land; management of land to create economic activity and revenue for government purposes; international and domestic options in the taxation of land; and Canadian First Nation experiences and successes in land taxation systems and other international perspectives.

The symposium will be held at the Delta Victoria Ocean Pointe Resort (45 Songhees Rd, Victoria, BC). For more information or to register, go to the IPTI website at www.ipti.org or call 416-228-8874.



Tax Administrators Recognized: Chief Commissioner Jules made presentations to Christina Clarke (above left, from the Songhees First Nation) and Glenda Paul (above middle, from the Pentiction Indian Band) at the **First Nations Tax Administrators Association Annual Meeting**, in recognition of their outstanding contribution to the First Nation property tax system. The meeting, held in Osoyoos, BC, included an update from the FNTC (above right) and a presentation on one of the online courses offered by the Tulo Centre of Indigenous Economics. Forty-three delegates, representing twenty-seven First Nations were in attendance.

Update on Tax Administration Software

A new version of the Tax Administration Software (TAS) will be ready for release in January 2010. The software was designed to help First Nation tax administrations accurately implement legislative requirements and maintain compliance with FNTC policies and standards.

The new version of TAS will include:

- Financial management software integration;
- Enforcement module;
- New and updated reports;
- Updated payment procedures; and
- Refined and updated internal procedures.

The cost of the development and testing phase of the software were supported by the FNTC. In order to achieve the long term viability of TAS, which will include ongoing service, updates and support (quarterly updates, remote setup assistance, network setup assistance, user help desk, remote trouble shooting of potential TAS errors, custom report generation, and tax notice help), the First Nations who wish to use the program will have to cover the cost for these services.

The FNTC is exploring ways to ensure the operation and maintenance of TAS can be self-sustaining. After consultation with tax administrators and members of the FNTAA Board, it was determined that the service charge

would be prorated based upon the size of the tax system served. This approach will help to ensure that even First Nations with a limited tax base will be able to take advantage of the benefits of using TAS for their tax administration and tax notice generation. First Nations with an expanded tax base, who usually require more assistance and have more sophisticated computer networks, will pay a larger premium.

One of the courses offered by the Tulo Centre, *APEC 164: Administration – Tax Notices, Collecting and Enforcement*, is largely based on the functions and operations of TAS and is part of the Certificate in First Nation Tax Administration.

Notice of Meeting: Canadian National Railway and First Nation Economic Opportunities

A workshop on **Canadian National Railway (CNR)** for interested First Nations along the CNR corridor, in British Columbia, is being coordinated for early next year. The discussion at the workshop will be on property taxation related to railway interests and other economic opportunities arising from the expansion of the Port of Prince Rupert.

A date and location for the meeting will be confirmed in the near future.

Focus Group on TRCs

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Commissioner Brochu opened the meeting by highlighting the importance of good taxpayer relations in building investment on First Nation lands. A presentation by Dr. Tim Raybould, entitled *Rebuilding First Nations' Governance*, followed, examining the trend of First Nation governments to revitalize their economies and governance institutions. He emphasized that taxpayers on reserve lands are a fundamental part of the process.

On the second day, Mr. Fairman asked each First Nation taxpayer and tax administrator to describe their experiences with taxpayer relations. It was revealed that there is a wide range of experience and level of complexity in this area. The FNTC also gave a presentation on the sample TRC law, highlighting the underlying policy rationale and proposed FNTC requirements.

Participants agreed that there is a need to expand the knowledge of taxpayers and band members about property taxation. Also, the relationship between tax administrator and taxpayers should be stronger. First Nation tax administrators and taxpayers discussed and provided varying opinions on the requirement for notification of annual laws. Some participants saw the need for a pre-assessment screening that the FNTC would develop for First Nations interested in these laws. Others thought the sample should include conflict of interest provisions and mechanisms for the financing of advisory committees, if used. The FNTC is pleased with the dialogue and will consider all points made in their final drafts.

FNTC Seeking Public Input on TRC Standards

An electronic version of the draft Standards for Taxpayer Representation to Council Laws is available at www.fntc.ca.

Please provide your comments to the FNTC before February 5, 2010. Comments may e-mailed to mail@fntc.ca or sent by regular mail to our address below.

All public input on the draft standards will be reviewed and considered by the Commission.

Tulo Centre

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The eight classes in the certificate program are:

- Introduction to First Nation Taxation
- Establishing First Nations Tax Rates & Expenditures
- Assessment and Assessment Appeals
- Administration – Tax Notices, Collecting and Enforcement
- Communications and Taxpayer Relations
- Service Agreements and Joint Contracts
- Development Cost Charges
- Capital Infrastructure & Debenture Financing

Tulo has most recently been concentrating on the development of online courses for the CFNTA program. The first class, *APEC 161: An Introduction to First Nation Taxation*, is currently underway with 18 students participating from across Canada.

The remaining CFNTA online classes are in various stages of development and will be rolled out consecutively after APEC 161 is complete in mid-January 2010.

The First Nations Tax Commission will be offering tuition and travel bursaries to students who qualify. For more information on Tulo or the CFNTA program, please visit www.tulo.ca.



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