



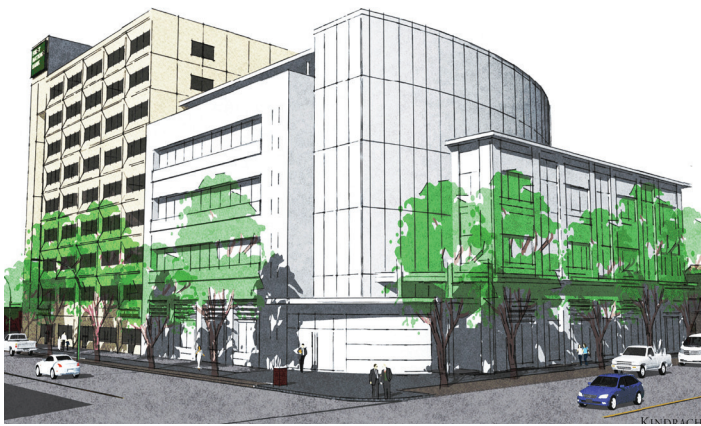
CLEARING THE PATH

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A First Nations Tax Commission Quarterly Publication

Yellow Quill First Nation:

First Saskatchewan First Nation to develop its laws entirely under the FMA.



Conceptual design - Yellow Quill Office Tower in downtown Saskatoon.

In June the Yellow Quill First Nation enacted its Property Taxation and Assessment Laws, becoming the first Saskatchewan First Nation to develop their laws entirely under the *First Nations Fiscal Management Act*. Yellow Quill joins Whitecap Dakota First Nation, White Bear First Nations, and Muskeg Lake Cree Nation taxing under the FMA, and is now among nine communities collecting tax under either the FMA or the *Indian Act*.

For Yellow Quill, the laws are integral to the First Nation's plan to develop its Treaty Land Entitlement (TLE) Lands in downtown Saskatoon into an office complex. Property tax revenue will pay for the services provided by the City of Saskatoon to the office complex, and will afford Yellow Quill the ability to improve and expand community infrastructure and services. In development for over a year, the laws are key to Yellow Quill's vision of continued community growth.

"Yellow Quill and its membership are proud of establishing this jurisdiction," said Yellow Quill First Nation Chief Larry Cachene. "The decision to tax, particularly the decision to use the FMA, had a lot do

with creating the best opportunities for investment and economic growth."

Yellow Quill's taxation of TLE lands follows the path first carved out by Muskeg Lake Cree Nation in 1992. Under the TLE Framework, Saskatchewan Treaty First Nations can acquire lands in and outside of municipal jurisdiction and convert the land into reserves. Where reserves are established within city boundaries, First Nations must negotiate a municipal services agreement with the city.

The passage of the laws is also satisfying for Yellow Quill Tax Administrator Leila Nashacappo who was a student in the First Nation Tax Administration Certificate Program at the Tulo Centre of Indigenous Economics.

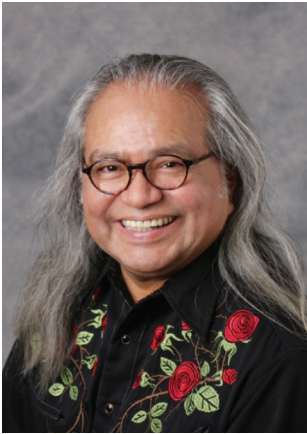
"At Tulo we studied the FMA legislative framework and how First Nations establish their tax jurisdiction. That experience served me well in helping to develop communication materials for Council and the membership. A lot of hard work went into this, and its so good to see the finished product." ■



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Message from the Chief Commissioner



On June 26th, the Supreme Court of Canada released the Tsilhqot'in decision and on July 11th, they released the Grassy Narrows decision. These are important decisions about Aboriginal title and treaty rights and the importance of the work that First Nations do to secure and implement their jurisdiction.

In 1995, the Supreme Court ruled on First Nation tax jurisdiction in the Matsqui case. In that decision the Supreme Court stated, "The regime which came into force in 1988 is intended to facilitate the development of Aboriginal Self-government by allowing bands to exercise the inherently governmental power of taxation." In the last 20 years, the FNTC has helped over 150 First Nations implement and protect their inherent power to tax in support of their Aboriginal title and treaty rights.

In the coming months, we expect more First Nations to implement their tax jurisdiction. I hope First Nations consider the importance of First Nation tax jurisdiction as a means to implement Supreme Court decisions, respond to a number of resource development and other opportunities in their territories and secure a stable long-term fiscal benefit from proposed projects. I hope other governments, taxpayers and investors consider the potential role of First Nation tax jurisdiction to provide greater economic certainty. The FNTC looks forward to working with First Nations and others to realize the benefits of First Nation tax jurisdiction.

In this edition of Clearing the Path, we have two stories about the benefits and advancement of First Nation tax jurisdiction. First, we recognize and congratulate the Yellow Quill First Nation for becoming the first Saskatchewan First Nation to develop their system entirely within the FMA. Second, we are very pleased to be able to congratulate the 13 First Nations who made history with the first FNFA bond issue backed by other revenues.

Our work on capacity development continues, congratulations to the most recent graduates of the Tulo Centre of Indigenous Economics First Nation Tax Administration Certificate.

Best wishes for an enjoyable summer.

Sincerely,

C.T. (Manny) Jules
Chief Commissioner

TAS
Tax Administration System

Tax Administration System (TAS)
is a simple and powerful administrative tool designed to help tax administrators efficiently manage the complete annual property tax cycle.

TAS is truly a one-stop shop for all aspects of property tax management:

- An automated process for generating annual laws and by-laws
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Expanding Jurisdiction and Revenue: Atlantic First Nations and Property Taxation



Atlantic First Nations are considering the option of expanding their jurisdiction and collecting new revenues by implementing property taxation. To ensure Atlantic First Nations are fully aware of the tools and resources at their disposal, FNTC hosted a workshop in Halifax, Nova Scotia for interested First Nations to learn more about expanding their jurisdiction and revenue with property taxation, with the help of guest speakers Stone Bear, Ernest Jack and Jim Prodger.

The desire to learn more about property taxation and its ability to transform First Nations economies was evident among attendees. Participants were enthusiastic about the supportive tools and programs available, including the Tulo Centre for Indigenous Economics, the Tax Administration System (TAS), the First Nations Tax Administrators Association (FNTAA) and the *First Nations Gazette* (FNG). Discussions on how these resources would be useful to their communities on their property taxation journey continued throughout the meeting.

Alyssia Jeddore, a representative from Eskasoni First Nation, had previously attended a Tulo Centre program and shared her positive experience with the group. Attendees also learned about the bursary for Tulo available through FNTC and were keen to apply for the bursary and attend a certificate program to further expand their knowledge regarding taxation.

Millbrook First Nation's Finance Manager Jim Prodger was able to relate to the attendees and share his personal experiences with taxation and the transition from the *Indian Act* to the FMA. Stone Bear provided useful insight to the development of taxation in the Atlantic Region. Presentations were also given by FNTC staff members on the role of FNTC in the property taxation process and the tools available to make the process easy and efficient.

Ernest Jack, Surveyor of Taxes at West Bank First Nation, discussed his experience with property taxation and shared a video interview that aired on Aboriginal People's Television Network (APTN) where he spoke about taxation and Westbank First Nation's plans for their annual multi-million dollar property tax base. Ernest is also the FNTAA President and was able to provide attendees insight based on his wealth of knowledge and experience.

Deputy Chief Commissioner Paul concluded the meeting with a round table discussion. Participants were also provided with the information needed to set up an FNG account so they can use the Gazette to provide notice of their laws, elections and other legal requirements.

The FNTC looks forward to seeing more Atlantic First Nations expanding their jurisdiction and revenue through property taxation. ■

FNTC approves amendments to Standards that improve efficiency and support Saskatchewan DCC laws

At its June meeting, the First Nations Tax Commission approved several amendments to the Standards for the Approval of Borrowing Laws and Standards for Development Cost Charges Laws. The amendments are designed to provide greater clarity and facilitate the development of these laws under the FMA.

One of changes to the Approval of Borrowing Law Standards is designed to provide greater flexibility in the notification requirements. Previously, First Nation borrowing laws were required to give notice a local newspaper. The change provides the option to use other means for notice including the First Nations Gazette.

One of the key amendments to the DCC Standards is to enable Saskatchewan First Nations to develop DCC laws. This includes adapting the Standards so that Saskatchewan First Nation DCC laws are consistent with prevailing practices and methods used in the province. For example, the DCC Standards can now accommodate variation in when DCCs are triggered and how they are calculated.

The amendments to the Standards were preceded by a public input period to obtain comments from First Nations, taxpayers, and other stakeholders. That input was incorporated into the changes to the Standards. ■

Profile: Deputy Chief Commissioner David Paul



FNTC Deputy Chief Commissioner David Paul is a member of the Maliseet Nation at Tobique, New Brunswick. Deputy Chief Commissioner Paul has an extensive background working with First Nations, specifically in the areas of economic development, communications, and government and corporate relations.

Deputy Chief Commissioner Paul served as the Indian Taxation Advisory Board Deputy Chair from 2003 to 2005 and as its Atlantic representative from 1989 to 2007. ITAB (FNTC's predecessor) was established in 1989 as the first independent, Aboriginal-controlled institution involved in the exercise of the Minister of Indian Affairs' decision-making authority under the Indian Act.

Clearing the Path recently had the opportunity to sit down with Deputy Chief Commissioner Paul to talk about his experience and involvement with the FNTC.

Why is property taxation important to you?

I've been involved with expanding First Nation revenue jurisdiction for a number of years. I enjoy the work we do to advance the interests of First Nations and make life better for members of our communities. The new initiatives that FNTC continues to pursue make our work interesting, challenging and of course make all of our efforts worth it as we see communities succeed.

How do you see property taxation as strengthening the future of First Nations?

As recognized by the Supreme Court, property taxation is a fundamental government power that all First Nations should exercise. It is a demonstration of First Nations exercising their authority within their jurisdiction. Taxation provides First Nation governments the means to begin generating their own revenues and moving toward self-sufficiency.

What are some of the changes you've noticed in the past 20 years in the fiscal landscape for First Nations?

The number of communities that are considering and pursuing taxation continues to grow each year. As First Nations begin implementing their property tax jurisdiction they begin to understand the benefits and potential of

establishing their jurisdiction. Expanded revenue means First Nations can build new infrastructure, expanding land development. As these communities grow and develop their businesses they understand the value of taxation and why its integral to their fiscal framework.

What is the biggest challenge to overcome in advancing the concept of property taxation?

One of the comments that we often hear is First Nations aren't interested in taxation because they think they have no business or development, or they lack the capacity to do the work.

If First Nations have telephone, cable or utilities on reserve, they have taxable interests. When First Nations aren't collecting the taxes from those interests and their understanding of property taxation grows, they quickly realize that they should be.

I often share the story of the first taxing First Nation in the east - Millbrook First Nation, which continues to be one of the most progressive communities in terms of establishing a real and true economy. Millbrook started out as a reserve with little means. Following the development of a commercial sub-division, they were the first community to pass a property tax bylaw. Since then, Millbrook has experienced an economic renaissance with a vibrant business sector, increased employment and improved infrastructure and services.

Why is property taxation such an important fiscal tool for First Nations?

Communities can no longer wait for the federal government to fix the many issues they face. They have to take action themselves. Populations are growing quickly. They need these issues addressed now - not 20 years from now.

No First Nation wants to be an expert at managing poverty. It is our responsibility to create opportunities for change.

At the end of the day, we all want to create a better life for our children. Exercising jurisdiction over property taxation will assist our communities in doing that.

What do you see for the future of economic development for First Nations?

Property taxation is now providing First Nations with close to \$80 million annually to build infrastructure and provide services in their communities.

I see a very bright future. As communities continue to develop and our members continue to reach their educational aspirations and the private sector grows, the outlook is very positive. ■

Third graduating class from Tulo Centre's First Nation Tax Administrator Certificate program



The Tulo Centre of Indigenous Economics, in partnership with the First Nation Tax Commission and the Thompson Rivers University, honoured the third graduating class from the First Nation Tax Administration program. This group of students studied and worked hard for a year to complete the program requirements.

Congratulations to this year's Tulo graduates:

- Sue Brookes, Splatsin First Nation (left in photo)
- Danette Jefkins, Buffalo Point First Nation
- Donald Kraus, Coldwater Indian Band
- Vivian Lindstrom, Cheam First Nation (right in photo)
- Robert Price, Campbell River Indian Band

This program provides students with an understanding how to develop, implement and manage legal and administrative aspects of a First Nation local revenue system. It emphasizes the management of a tax system that facilitates investment, reduces business costs and supports competitive market development on First Nations lands.

Developed and taught by industry leaders, the courses include First Nation case studies, multimedia presentations, role play simulations and state of the art activity-based learning.

“ Working in the classroom setting allowed me to get a better understanding of the issues from various communities. When working in groups, one gains knowledge from others in the same situation and then they are in a position to take that back to their community and apply it to their own needs.”

Tulo graduate Donald Kraus

Social learning is strongly encouraged as students practice what they have learned in class. This approach provides students with the practical knowledge and confidence that helps with their jobs at home in their communities. ■



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Indigenous Economics**
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Accredited Certificate Programs and Workshops
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Tulo delivers programs that offer
communities the tools to generate
profit and
long term prosperity
that will serve for generations.

2014 Tulo On-campus Schedule

Tulo's 2014/2015 Certificate in First Nation Tax Administration cohort began in April 2014.

Upcoming on-campus courses:

September 8 - 12, 2014

APEC 1640: Tax Administration -
Tax Notices, Collection, and Enforcement

October 6 - 12, 2014

APEC 1650: Communications and
Taxpayer Relations

January 12 - 16, 2014

APEC 1660: Service Agreements and
Joint Contracts

For more information on the certificate programs, how to register, or how to apply for a bursary from the FNTC, please visit the Tulo website at www.tulo.ca.

Debenture Financing: An Essential Fiscal Tool for First Nations



Prosperous and healthy communities need quality services and infrastructure to maintain their standard of living. Infrastructure drives growth because it reduces the costs of transportation and raises the value of land by converting it from undeveloped to serviced land.

According to the World Bank, the highest return to public investment and best use of government revenues is to create infrastructure because it supports future private investment.

Quality infrastructure attracts private investment. Private investment creates more jobs than public investment and is important for the long term economic growth of communities.

Economic infrastructure is a key ingredient for growing First Nation economies. The FMA fiscal institutions have provided a strong foundation for First Nations to build the necessary infrastructure to realize their economic vision, with over 154 First Nations have joined the FMA to help realize their economic objectives.

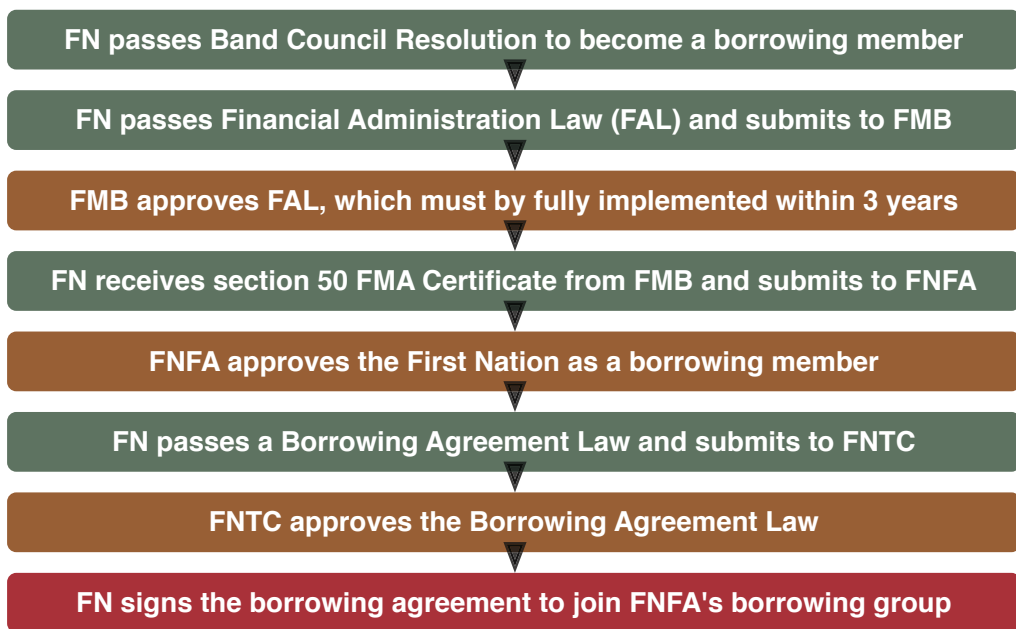
The FMA provides participating First Nations with the ability to use up to 25% of gross property tax revenue generated under the Act to finance debt over the long term.

Debenture financing is an essential tool in building capital infrastructure. Pooled debentures offer several advantages over other forms of financing for local infrastructure projects. They offer lower rates, longer amortizations, and more flexibility than bank loans. No collateral, down payment, or liens on assets are required.

FNTC assists First Nations as they go through the debenture process, making it easy and efficient for First Nations build their individual system tailored to reflect their policy choices and approaches.

First Nations interested in using property tax revenue to finance infrastructure developments are encouraged to contact FNTC to discuss their ideas. FNTC helps First Nations understand the steps in the process and ensures they are supported through every step toward growing their economy and expanding their jurisdiction. ■

Eight steps for a First Nation to become a borrowing member under the FMA



First Nations interested in using property tax revenue to finance infrastructure projects will go through a series of steps to become a borrowing member under the FMA.

The FNTC has the tools and resources to ensure this process is easy and efficient for First Nations so they can begin the process of developing their community's infrastructure and growing their local economy.



First bond issue under the FMA: FNFA and 13 First Nations make history

The First Nations Tax Commission commends participating First Nations and the First Nations Finance Authority (FNFA) on the historic announcement of the first debenture ever secured by First Nation governments under the borrowing framework of the FMA.

Congratulations to these First Nations:

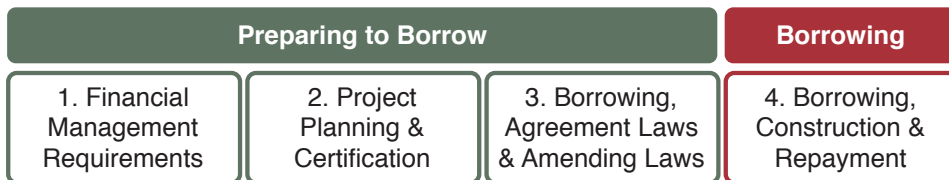
- Cowichan Tribes First Nation
- Membertou First Nation
- Nipissing First Nation
- Osoyoos Indian Band
- Penticton Indian Band
- Songhees First Nation
- Splatshin First Nation
- St. Theresa Point First Nation
- Sts'ailes
- Taku River Tlingit First Nation
- Tzeachten First Nation
- We Wai Kai Nation
- Wet'suwet'en First Nation

"This is a proud moment for all First Nation governments and their citizens, and is particularly fitting on the eve of Aboriginal Day. I know it will lead to growth in the number of First Nations participating in the FMA," said FNTC Chief Commissioner C.T. (Manny) Jules.

The announcement reflects over 20 years of tireless work by the FNFA, the First Nations Tax Commission, the First Nations Financial Management Board and a number of First Nations to develop the legislation, establish the borrowing framework and secure long-term financing for these initial pool of borrowers.

The inaugural bond issue represents a major breakthrough for First Nation self-governance. The capital raised by the debenture will be used by the First Nations to build and make improvements to roads, water and waste systems, as well as improve power/lighting and public buildings. ■

Four stages to the local revenue borrowing process



Once a First Nation has joined the FMA and is operating its property tax system, there are four stages to the local revenue borrowing process.

Preparing to Borrow

1. Once a First Nation has enacted a FAL, they can then apply to FMB for certification.
2. A project plan is required for the approval of the First Nation's Long term Borrowing Law and for the FNTC to issue a borrowing certificate for the proposed borrowing. Project planning can begin while the financial management requirements are being completed.
3. After the First Nation has obtained a financial performance certification from the FMB, the First Nation can apply to the FNFA to become a borrowing member.

The First Nation will then work with the FNTC to draft a borrowing agreement law, and identify any of the First Nation's other local revenue laws that require amendments prior to borrowing. The First Nation completes any notice requirements, enacts the borrowing agreement law and any required amendments to other laws, and submits the laws and supporting documents to the FNTC for approval and publication in the *First Nations Gazette*.

Borrowing

4. Upon completion of its project plan, the First Nation prepares a draft Long Term Borrowing Law and completes the public notification requirements. The First Nation then enacts the long term borrowing law and submits the law and supporting documents to the FNTC for approval and publication in the *First Nations Gazette*.

After the long term borrowing law has been approved by the FNTC, the FNTC will issue a borrowing certificate and forward a copy to the FNFA.

FNFA pools borrowing requests and when a sufficient amount is assembled, they will issue the debenture then lend the proceeds to each First Nation.

The First Nation then proceeds with construction of the infrastructure project and begins repayments to the FNFA. Repayments to the FNFA are included in the First Nation's annual local revenue budget in priority to other expenditures, and are included in the First Nation's annual expenditure law approved by the FNTC. ■

Digital Photo Contest Winner: Deanna Honeyman - Tzeachten First Nation

The First Nations Tax Commission wrapped up its photo contest in May and congratulates Deanna Honeyman from Tzeachten First Nation as the winner of the iPad Mini in the random prize draw.

The contest was created to support First Nations sharing their stories about growing their local economies through implementing property jurisdiction. Photos submitted highlight community success and growth as a result of exercising property tax.

FNTC's next photo contest is in December, so please keep taking photos to submit for your chance to win!



Upcoming Events

FNTC 7th Annual General Meeting

September 17, 2014

The FNTC will be holding its 5th Annual General Meeting on September 17, 2014 at 2:00 pm at the Chief Louis Centre, Tk'emlups te Secwepemc, BC.

The FNTC 2013/2014 Annual Report and Audit is available at www.fntc.ca.

FNTAA 21st Annual National Forum

September 23 - 25, 2014

The First Nations Tax Administrators Association will be holding its Annual National Forum at the Songhees Wellness Centre in Victoria, BC.

CPTA 48th Annual National Workshop

September 28 - October 1, 2014

The Canadian Property Tax Association will be holding its Annual National Workshop at the Fairmont in Winnipeg, MB.



First Nations Gazette

www.fng.ca

First Nations Notice for
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