

# CLEARING THE PATH

FIRST NATIONS TAX COMMISSION

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## Thirty-three First Nations Move to FSMA

Thirty-three First Nations are now participating in the *First Nations Fiscal and Statistical Management Act* (FSMA), following the passing of the FSMA schedule under regulations made in December 2007.

Mr. C.T. (Manny) Jules, Chief Commissioner of the First Nations Tax Commission (FNTC), recognized the decision by these First Nations to participate in the FSMA as an historic milestone in the development of First Nation economies.

“These communities have made clear their desire to move beyond the *Indian Act* and create greater certainty for their taxpayers while using their property tax system to build the infrastructure necessary to attract investment, create jobs and fully participate in the economy.”

The 33 First Nations that passed Band Council Resolutions (BCRs) to participate in the FSMA

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The Songhees First Nation has tabled their first proposed laws under the *First Nations Fiscal and Statistical Management Act*: Songhees First Nation Property Taxation Law, 2008; and Songhees First Nation Property Assessment Law, 2008.

**Pictured above are:** Back row - Christina Clarke, Kathryn Deo, and Renee Albany. Council - Norman George, Chief Robert Sam, Gary Albany and Frank George Sr.

attended information sessions hosted by the FNTC in the fall of 2007. Twenty-five of the 33 First Nations were previously collecting property taxes under s.83 of the *Indian Act*.

For these First Nations, the enhanced property taxation regime under the FSMA means stronger enforcement powers, mechanisms to improve taxpayer relations, and access to the full range of fiscal benefits offered through the legislation.

The FSMA came into force on April 1, 2006 and created three other institutions, along with the FNTC. The First Nations Financial Management Board, Finance Authority, and Statistical Institute were established to provide First Nations with greater opportunities to better economic development on their lands.

## Message from the Chief Commissioner



Welcome to the first edition of the Clearing the Path for 2008.

I wish to congratulate the 33 First Nations who, on December 6, 2007, became the first to be eligible to exercise property taxation outside of the *Indian Act*. This milestone for First Nation governments is an historic event in our path to self determination. These First Nations are clearly on the leading edge of change by seeking legislation that will give them greater access to new revenues, stronger and clearer laws, better taxpayer relations, and improved accountability. They collectively represent a new type of First Nation leadership that recognizes that First Nation governments need to innovate.

The First Nations Tax Commission is dedicated to assisting all First Nations in accessing the full range of fiscal tools. The Commission is committed to enabling First Nations to build the infrastructure needed to attract private investment to their lands. Most importantly, we are working with others who are dedicated to fostering new ideas and success.

In 2008, the FNTC will assist First Nations in the transition to the FSMA. Sample laws, standards, and policies to complement regulations have been developed – all of which can be found at [www.fntc.ca](http://www.fntc.ca). Educational support is available through the Tulo Centre of Indigenous Economics. Tulo and the Thompson Rivers University offered its first accredited course in January 2008.

In the past few months I have had the opportunity to meet with many First Nation leaders, and discuss the need to impress upon policy makers the importance of infrastructure and land title certainty for our economies and tax systems.

As we move into the new tax year and the busy season begins, I wish everyone all the best in the year ahead.

A handwritten signature in cursive script that reads "Manny".

C.T. (Manny) Jules  
Chief Commissioner

### Tulo Centre of Indigenous Economics offers *Introduction to First Nation Taxation* in March 2008

The First Nations Tax Commission (FNTC), the Tulo Centre of Indigenous Economics and Thompson Rivers University (TRU) have created a working relationship to develop a certificate program in First Nation tax administration.

The *Certificate in First Nation Public Administration – Taxation* is a certificate that is intended for students interested in becoming or continuing to be a First Nation tax administrator. The certificate provides students with an understanding of how to develop, implement and manage the legal and administrative aspects of a First Nation local revenue system. A theme in all of the courses will be managing a tax system that facilitates investment.



On September 5, 2007, Chief Commissioner Jules and Roger Barnsley, President of TRU, signed the Memorandum of Understanding between FNTC and TRU.

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## Report on National Meeting for FSMA First Nations

On October 23 and 24, 2007, the First Nations Tax Commission (FNTC) hosted a national meeting for First Nations that passed Band Council Resolutions to join the *First Nations Fiscal and Statistical Management Act* (FSMA).

The purpose of the meeting was to discuss FSMA taxation. Some of the First Nations had already been exercising their property tax jurisdiction under section 83 of the *Indian Act* and were there to learn about how to transition to the FSMA. Others would like to enter the property taxation field without having to use the *Indian Act*.

Chief Commissioner, C.T. (Manny) Jules, opened the national meeting and spoke about the FSMA being on the “leading edge of change”. First Nation leaders representing the other three FSMA institutions and Assistant Deputy Minister, Caroline Davis, from the Department of Indian Affairs and Northern Development also spoke to the importance of the FSMA.

Later, representatives from various taxing First Nations spoke of the benefits of property taxation on their land, past difficulties, plans for future development, and how the FSMA can help.



Chief Commissioner Jules and his father (above right), Clarence Jules Sr., were among three other First Nation leaders honoured by the Squamish Nation on October 22, 2007. They were celebrated for their leadership in helping to better economic development on First Nation lands.

Day two began with a more detailed presentation about the FSMA Laws Registry and establishing taxation under the FSMA. The ensuing breakout sessions focused on transition from s.83 to the FSMA or entering property taxation. Participants asked questions specific to their circumstances.

Presentations were also made on supporting First Nation borrowing and on membership to the First Nations Finance Authority.

There were 125 attendees in total, with 34 First Nations represented.

Many tax administrators, chiefs, and councillors were there to learn and engaged in discussions they needed to help them with their transition.

## FNTC Supports FSMA Participants in Transition

The FNTC has been working with the 33 FSMA First Nations in providing advisory services and resources for their seamless transition to the new regime.

These First Nations are all at varying stages of their law development. In addition to developing their Property Assessment and Taxation Laws, each First Nation is preparing to submit their 2008 Tax Rates and Expenditures Laws to the FNTC for the Commission’s review and approval.

Most of the 33 participants have a keen interest in the debenture financing system and are eager to get a sense of their borrowing capacity. The FNTC has been developing policy options in shaping standards concerning borrowing criteria and borrowing laws. The progress of research and policy development on this front were shared at the national meeting in October 2007.

The Commission has also approved standards and FSMA sample property assessment, taxation, expenditures, and rates laws after a period of public consultation. They are posted on the [www.fntc.ca](http://www.fntc.ca) website, with explanatory notes, for reference. More information on transition can be obtained by contacting Ms. Tracey Simon at [tsimon@fntc.ca](mailto:tsimon@fntc.ca) or 1-250-828-9895.

## Building Sustainable Indigenous Economies

The First Nations Tax Commission has become involved in international discussions to share experiences with Indigenous and other governments around the world.

Chief Commissioner Jules and Commissioner Céline Auclair have involved Indigenous and other government representatives in discussions regarding the challenges that exist and how an institutional framework can help alleviate some of these challenges.

In September 2007, meetings with experts at the World Bank and the International Monetary Fund (IMF), working in the field of fiscal federalism and land title systems, took place. Two initiatives involving an institution-based approach to accommodating Indigenous governments within a federation were discussed: the enhancement of taxation powers of First Nations in order to provide a fundamental tool for self-government; and the development of a land title system to provide more certainty and, therefore, a more secure investment climate on reserve lands.

The experts were intrigued by the institutional framework taking form in Canada to support First Nations in their integration into the market-based economy. The visit marked the first time they had heard of such initiatives and they were fascinated by the willingness of the federal government to engage in a sustainable model for Aboriginal self-governance.

The meetings concluded with a keen interest from all parties to continue to share information on the work as it progresses.

## Tulo Course

*Continued from p.2...*

The first course offered in this certificate program is *An Introduction to First Nation Taxation*. This course will focus on the economic and fiscal rationale of the *First Nations Fiscal and Statistical Management Act* (FSMA) and its workings. It will introduce the FNTC and the other FSMA

institutions — First Nations Finance Authority, Statistics Institute, and Financial Management Board.

This course will be offered on campus at the Thompson Rivers University in Kamloops, B.C. in March 2008. FNTC will be providing bursaries to assist with tuition and travel costs for eligible students. Information about registration and details of the class will be forwarded to tax administrators in February. For more information, please contact Sarah Jules at [sjules@fntc.ca](mailto:sjules@fntc.ca) or 1-250-828-9857.

*"...Your Commission presents an opportunity to measure that which has been accomplished against that which remains undone... your mission is to assist in achieving true independence. I believe that."*

*"I trust you and the mission of your Commission. I do so because I know intellectually that it is correct. But, I also do so because of my sincere faith and uncompromised trust in your Chief Commissioner. My friends; let us all with genuine sincerity enthusiastically celebrate your view of the possible for First Nation communities."*

Justice Harry LaForme, Ontario Court of Appeal  
- Excerpts from his address to the FNTC at a meeting on December 12, 2007.



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