



FORT NELSON FIRST NATION

THE PROPOSED FORT NELSON FIRST NATION PROPERTY ASSESSMENT LAW AND PROPERTY TAXATION LAW, 2020

QUESTIONS AND ANSWERS

1. What is being proposed?

The Fort Nelson First Nation (“FNFN”) proposes to enact the *Fort Nelson First Nation Property Assessment Law, 2020* (“**Property Assessment Law**”) and the *Fort Nelson First Nation Property Taxation Law, 2020* (“**Property Taxation Law**”) (collectively, the “**Proposed Laws**”). The Proposed Laws will replace the existing *Fort Nelson Indian Band Property Taxation Bylaw* (“**Tax Bylaw**”) and the *Fort Nelson Indian Band Property Assessment Bylaw* (“**Assessment Bylaw**”), both approved May 30, 1994 (collectively, the “**Bylaws**”).

2. What authority does FNFN have to enact the Proposed Laws?

FNFN is authorized under the *First Nations Fiscal Management Act* (“**FMA**”) to enact the Proposed Laws to continue taxing real property on reserve land under the framework of the FMA.

3. Why replace the existing Bylaws?

FNFN is currently taxing real property on reserve land under the Bylaws which were enacted under section 83 of the *Indian Act*. Enacting the Proposed Laws under the FMA will allow FNFN to move closer to achieving self-governance because taxation on reserve land will no longer be subject to Ministerial oversight under the *Indian Act*. In addition, the FMA allows First Nations to be more economically independent by:

- Providing an independent, stable and flexible source of revenue which can be reinvested in the community to improve services and infrastructure;
- Improving financial management; and
- Better managing current and future economic activity.

4. What is property tax?

It is a tax on real property—meaning the land and structures on the land, including buildings, houses, towers, right of ways and pipelines. The real property is assessed to determine its value, and a tax rate is set annually to the value of the real property. The tax collected on real property is called “revenue” which is used to pay for the cost of local services such as water and sewer, hydro, garbage collection and road and lighting improvements. It is not a tax on consumption like GST or provincial sales tax.

5. What is the Property Assessment Law?

The Property Assessment Law applies to real property on reserve and outlines the rules for conducting assessments, including but not limited to the following:

- the assessment criteria;
- the individual responsible for conducting assessments;
- the process for requesting and conducting reassessments;
- the deadlines for conducting assessments, issuing property assessments, and tax reassessments;
- the establishment of the assessment review board; and
- the process for appealing property assessments.

The Property Assessment Law is a more modern and up to date version of the Assessment Bylaw.

6. What is the Property Taxation Law?

The Property Taxation Law creates the framework for the administration of taxation on reserve, including but not limited to the following:

- the duties of the tax administrator;
- how taxes are charged;
- what persons and entities are exempt from paying tax;
- the preparation of tax notices;
- the imposition of penalties and interest for a failure to pay taxes; and
- measures to enforce and collect taxes (i.e. seizure of real and personal property).

The Property Taxation Law is a more modern and up to date version of the Tax Bylaw.

7. Will FNFN members be taxed under the Proposed Laws?

No, FNFN members are exempt from paying taxes under section 7 of the proposed Property Taxation Law. In addition, non-members living with FNFN members in the same house on reserve land who fall within the definition of “related individual” (i.e. a member’s spouse, child, grandchild, grandparent, etc—see section 2 for the full definition) will also be exempt from paying taxes. FNFN member tax exemptions have been expanded under the proposed Property Taxation Law as only FNFN members with property held under a certificate of possession are exempt from taxation under the existing Taxation Bylaw.

Please review section 7 of the proposed Property Taxation Law for the complete list of individuals and entities exempt from paying taxes.

8. Do the Proposed Laws impact my right not to pay GST or provincial sales tax under the Indian Act?

No, the Proposed Laws only address taxation of real property on reserve land. You may still be exempt from paying GST and/or provincial sales tax on reserve land.