

First Nations Property Taxation & Assessment



FIRST NATION PROPERTY TAXATION

Presentation to:
Union of BC Municipalities
Vancouver, BC
September 19, 2024

OVERVIEW

- 1 First Nations Tax Commission (FNTC)
- 2 First Nation Property Taxation
- 3 First Nation Tax-Based Service Agreements
- 4 Emerging Issues
- 5 Resources



ACKNOWLEDGEMENT

We acknowledge that we are gathered today on the unceded traditional territories of the x̣ẉṃə̣θ̣ḳẉə̣ỵə̣m (Musqueam), Sḳwx̣ẉụ́7̣mesh (Squamish), and sə̣lilẉə̣tạł̣ (Tsleil-Waututh) Nations.



FNTC

ABOUT THE COMMISSION

- Supports 177 taxing First Nations using the *First Nations Fiscal Management Act* or section 83 of the *Indian Act*. This includes law and by-law review, policy development, education, and service agreement support.
- Established in 2005, consisting of ten members, led by Chief Commissioner C.T. (Manny) Jules.
- Located at Tk'emlúps te Secwépemc, (near Kamloops, BC).



FIRST NATION
PROPERTY
TAXATION

FIRST NATION PROPERTY TAX TIMELINE

1800s & EARLY 1900s
First Nation taxation includes labour taxes, poll taxes, and school taxes (Ontario and Quebec)

1988
Bill C-115, the "Kamloops Amendment," clarifies property tax power respecting leasehold and other interests in reserve land

2005
First Nations Fiscal Management Act

2023
Further amendments to the FMA to improve First Nation fiscal powers

1960s & 1970s

- FNs raise concerns over provincial and local government taxation on reserve lands
- Section 83 of Indian Act used for the first time by FNs in Ontario and Alberta to develop property taxation

1990

Bill 64, Indian Self-Government Enabling Act (BC)

2015

FMA amended to make the legislation more accessible to First Nations and reduce administrative burden



WHAT IS FIRST NATION PROPERTY TAXATION?

First Nations exercising their tax powers establish jurisdiction with authority derived from either the FMA or s.83 of the Indian Act.

- Very similar to property tax off-reserve
- Vast majority of interests on reserve are leaseholds
- First Nations enact annual laws/by-laws to implement and maintain taxation
- FMA laws are approved by FNTC
- S.83 by-laws are reviewed by FNTC and approved by Minister of Crown and Indigenous Relations



FMA FISCAL TOOLS

 Property Tax

 Service Taxes

 Business Activity Taxes

 Property Transfer Taxes

 Service and Facility Fees

 Development Cost Charges

FIRST NATIONS WITH TAX JURISDICTION

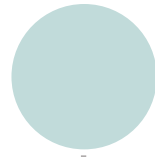


BRITISH COLUMBIA

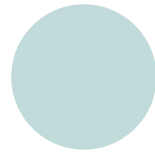
- 110 First Nations with tax jurisdiction through s.83 of the *Indian Act* and FMA
- First Nations collected over \$96M:
 - \$88M in Property tax
 - \$1M in PILTs
 - \$7M in PTT
 - \$300,000 in BAT
- Although the tax base is diversified, 90% of the taxpayers are residential
- First Nations in BC have demonstrated a greater use of expanded fiscal powers, more so than any other region



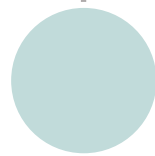
FIRST NATION & LOCAL GOVERNMENTS



First Nations are part of the regional economy



First Nations often set rates which reflect rates set by neighbouring jurisdictions



Comprehensive approach to First Nations economic growth includes strong tax-based service agreements with local governments



SERVICE AGREEMENT
FACILITATION

PROPERTY TAX & SERVICE AGREEMENTS

FNTC advocates a comprehensive approach to improve First Nation economies. This includes encouraging First Nations to access the full array of fiscal powers under the FMA and facilitating service agreement negotiations between First Nations and neighbouring jurisdictions.



Enhances the relationship between First Nation and local governments.



FNTC has facilitated over 20 tax-based service agreements.



Using best practices, a template for protocol and service agreement is available.



Pricing application identifies tax-based formulas for pricing of service delivery.



EMERGING ISSUES

FIRST NATIONS RESOURCE CHARGE

- First Nation-led proposal that would provide First Nations the option to implement a pre-specified charge regime based on land use and resources in their territory or ancestral lands. Would rely on governments ceding tax room to have neutral impact on industry.
- Charge system would be established in First Nation law. Distinct charges for each resource project type, which would be standardized throughout a province or possibly the country.

EXPANDED MANDATE

- In 2023, legislative amendments were introduced to expand Commission's mandate, including:
 - Clear statistical function - the ability to collect, analyze, and publish data for statistical purposes on matters within the Commission's mandate.
 - Research and advisory - research and advisory functions to Government of Canada regarding the future development and implementation of frameworks to support First Nations exercising local revenue jurisdiction.

FIRST NATIONS ASSESSMENT AUTHORITY (FNAA)

- Proposal to establish a national body to provide assessment services to First Nations.
- Would bring about consistency and improvements in:
 - Levels of property assessment services
 - First Nation access to assessment services
 - Property assessment costs for First Nations
- Could provide other services (e.g., appraisal services to support specific claims, Treaty Land Entitlements, section 35 expropriations, etc.).



FIRST NATION
RESOURCES



First Nations Gazette

Archive of
First Nation
laws and notices

Supporting
the legal voice
of First Nations

FREE &
ONLINE

FNG.ca



Tulo Centre OF INDIGENOUS ECONOMICS



- Delivered by Tulo Centre in partnership with Thompson Rivers University and First Nations Tax Commission
- Next cohort starts February 2025

tulo.ca



FNTC.ca

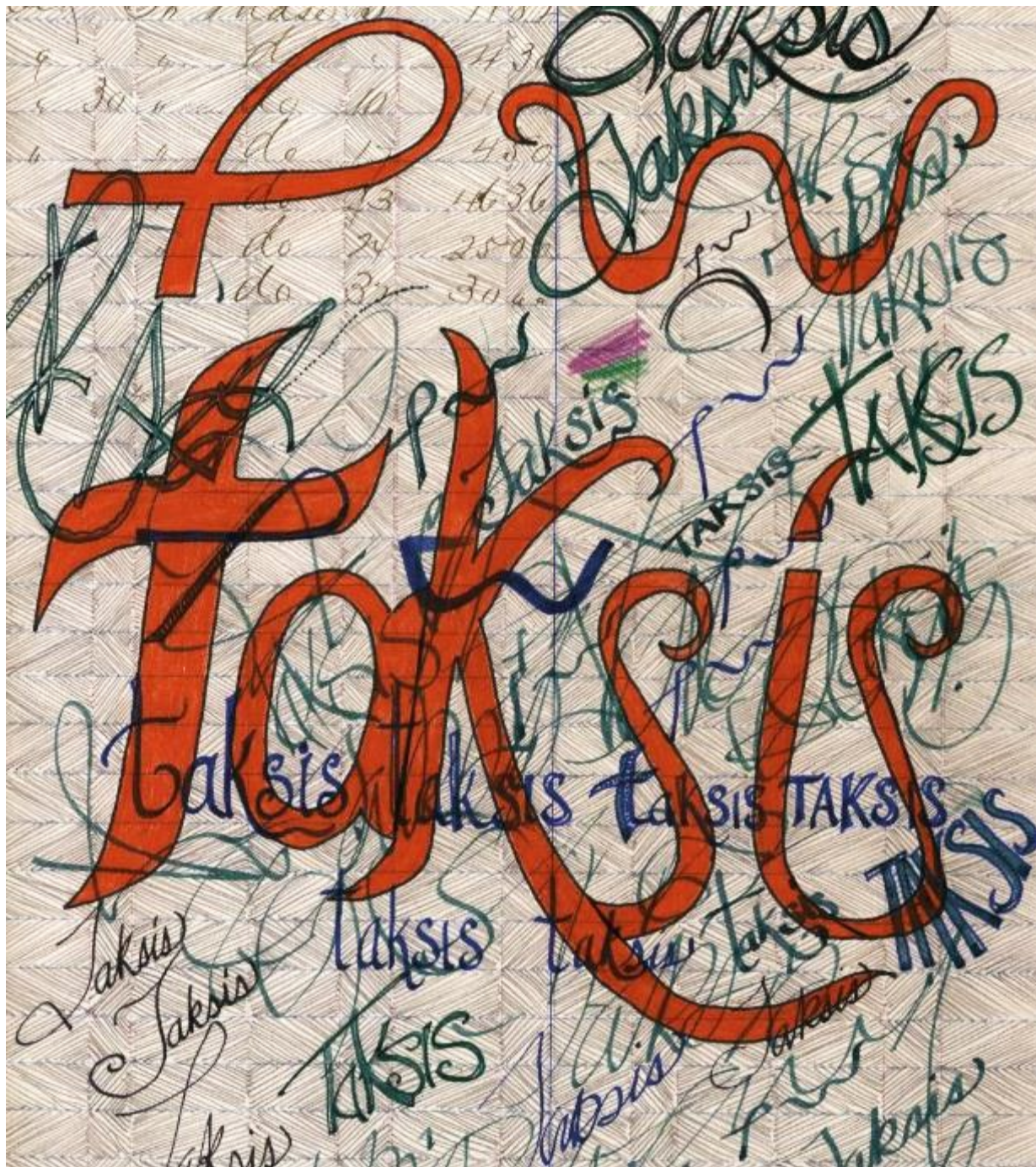
GUIDES & TOOLKITS

SUCCESS STORIES

NEWS & BULLETINS

WEBINARS

VIDEOS



“Taksis” is from the Chinook language, meaning “tax”



FNTC.ca

✉ jjames@fntc.ca



**RIDE
THE
WAVE**
UBCM 2024

UBCM
Sept 19, 2024



BC ASSESSMENT

Agenda

1. About BC Assessment
2. First Nation Customers
3. Interesting New Assessments
4. Questions



BC ASSESSMENT

Who we are What we do How we do it

Established in 1974 under the *Assessment Authority Act* in response to the need for a fair, independent organization that valued all property in the province

A provincial Crown corporation, independent of taxing authorities



Our product

The 2024 Assessment Roll

- Annual list of property values provides stable, predictable base for real property taxation in B.C.
- Represents over 2.184 million properties with total value of \$2.793 trillion
- Identifies ownership, value, classification and exemptions for each property
- Provides stable base for local governments and taxing authorities to raise approx \$8 billion annually in property taxes for schools and important local services

Role of BC Assessment in First Nations taxation

- BCA develops, promotes, & supports assessment knowledge, policies, & procedures which aid First Nations in developing & administering effective & efficient property taxation
- What legislative authority authorizes BCA to provide assessment services to First Nations?
 - *Indian Self Government Enabling Act*
 - *Assessment Authority Act*
 - *Assessment Act*



Services BCA provides to First Nations

- **Assessment rolls:**
Prepare rolls & notices in accordance with the First Nations assessment & taxation by-laws/laws & defends appeals
- **Exempt property reports:**
Valuations of exempt properties on reserves for purposes of services agreements with neighbouring Local Governments
- **Treaty negotiations/implementations:**
Consulting services & legal support



Five Frameworks – Indigenous Assessment



1. Province or Municipality taxes occupiers of Crown Land.



2. Sechelt Indian Self Government District taxes on Reserve.



3. First Nation taxes occupiers on Reserve through Section 83 Indian Act.

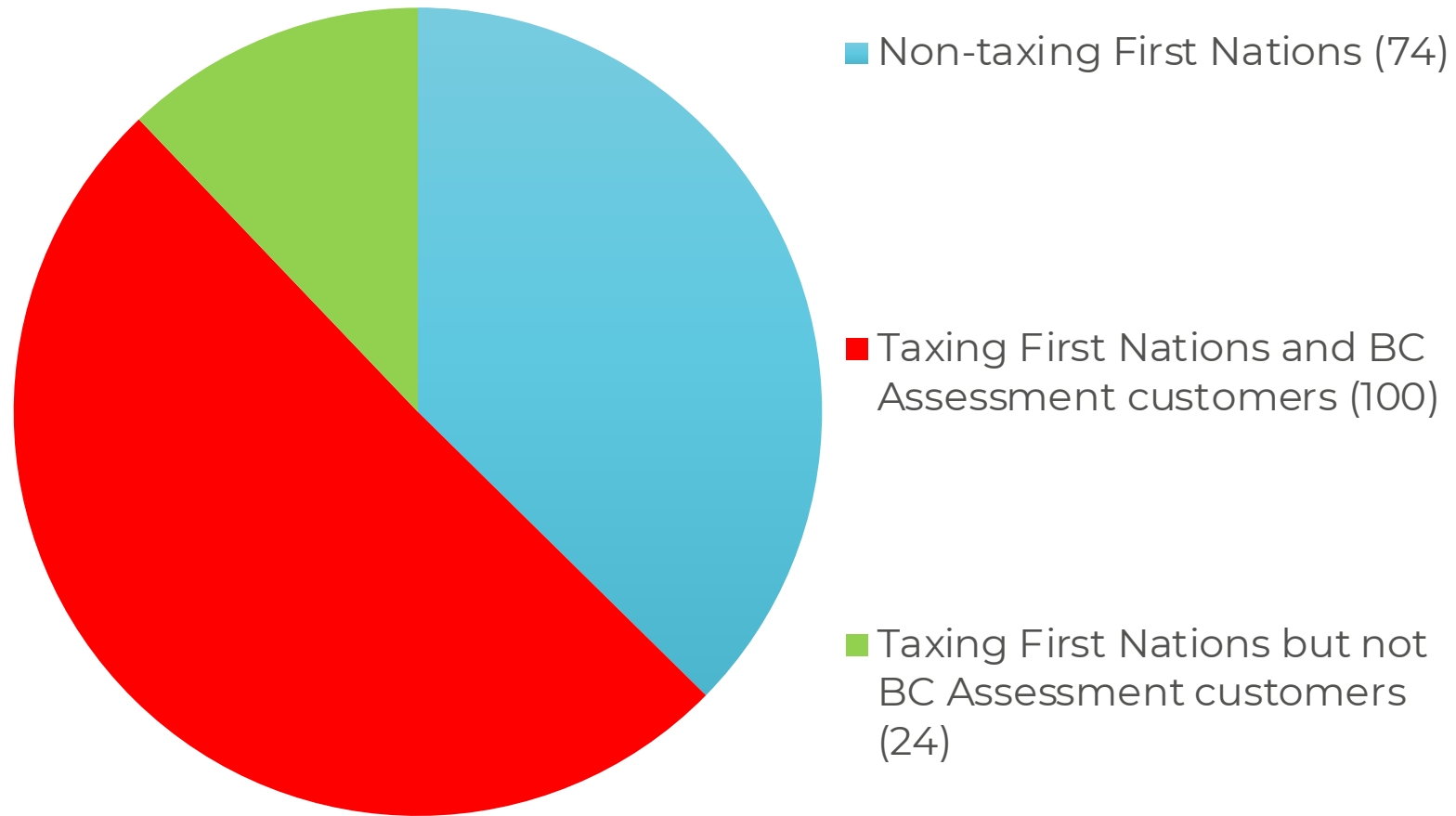


4. First Nation taxes occupiers on Reserve though Fiscal Management Act.

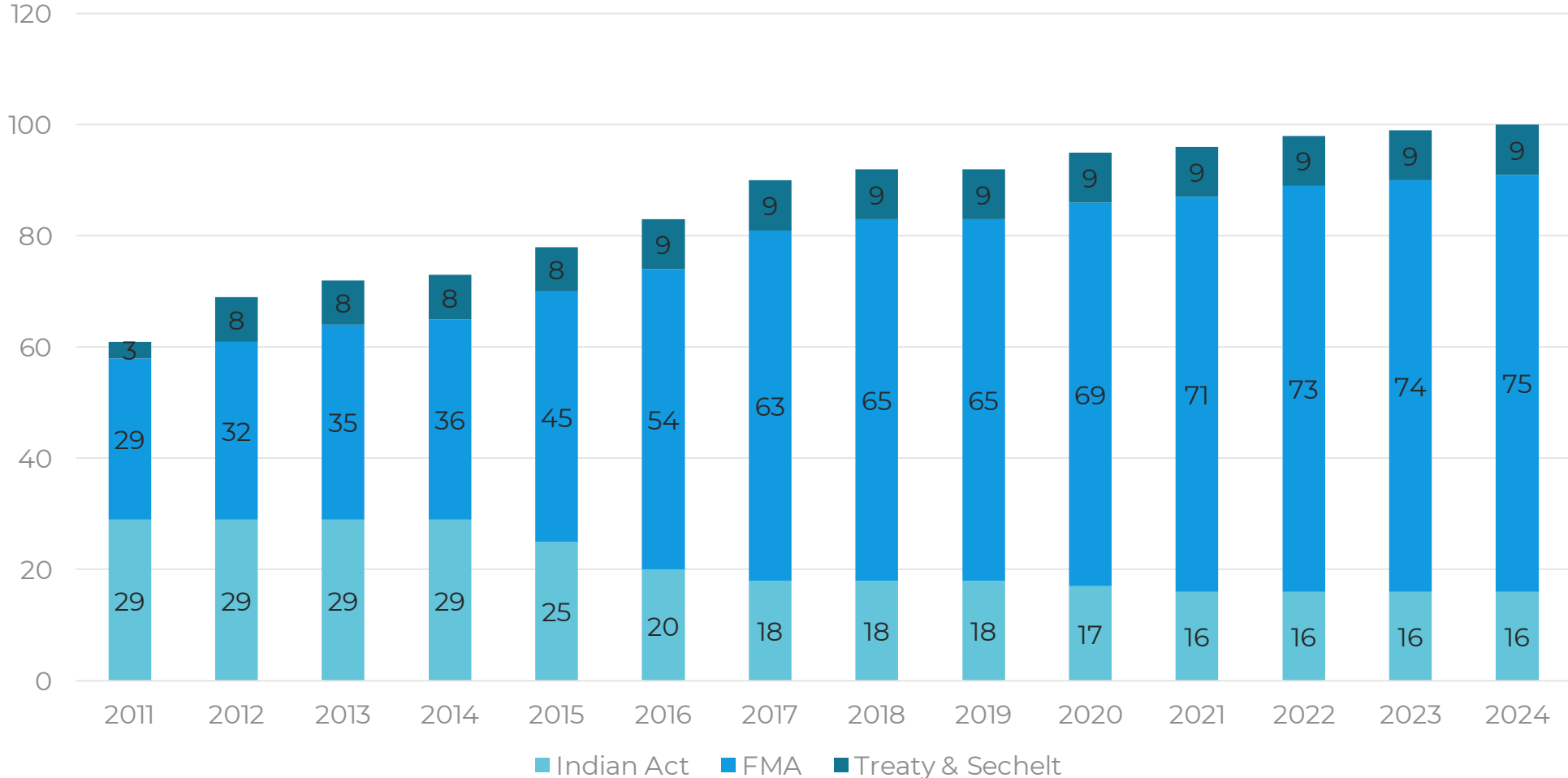


5. First Nation taxes Treaty Land (including Nisga'a Nation).

2024 Roll – BC First Nations by taxing status and customer status



First Nation Customers by type of law and roll year



How we value different properties



Residential



Commercial

- Market value as of July 1st
 - Residential
 - Commercial

Market value is the most probable price which a property should bring in a competitive market under all conditions requisite to a fair sale, the buyer & seller, each acting prudently, knowledgeably & assuming the price is not affected by undue stimulus.

Physical Condition Date is Oct 31st.

- Legislated (regulated values)

Sample Financial Management Act Assessment Laws (BC)

- **“assessed value”** means the market value of land or improvements, or both, comprising an interest in reserve lands as if the land or improvements, or both, were held in fee simple off the reserve, as determined under this Law;

Valuation Principles applied within all First Nation Frameworks

- Assessed in Occupier's Name
 - Owner of mobile home is added to the roll.
- Duration of Tenure is NOT considered
 - Leasehold interests are not assessed.
- Restrictions in Use are considered.
 - Higher intensive uses are assessed accordingly.
- Improvements assessed with associated land value.
 - Land equates to the area of paramount occupation.
- Assessed Value to equate to Fee Simple Interest.
 - Comparable sales evidence off reserve are the benchmark.



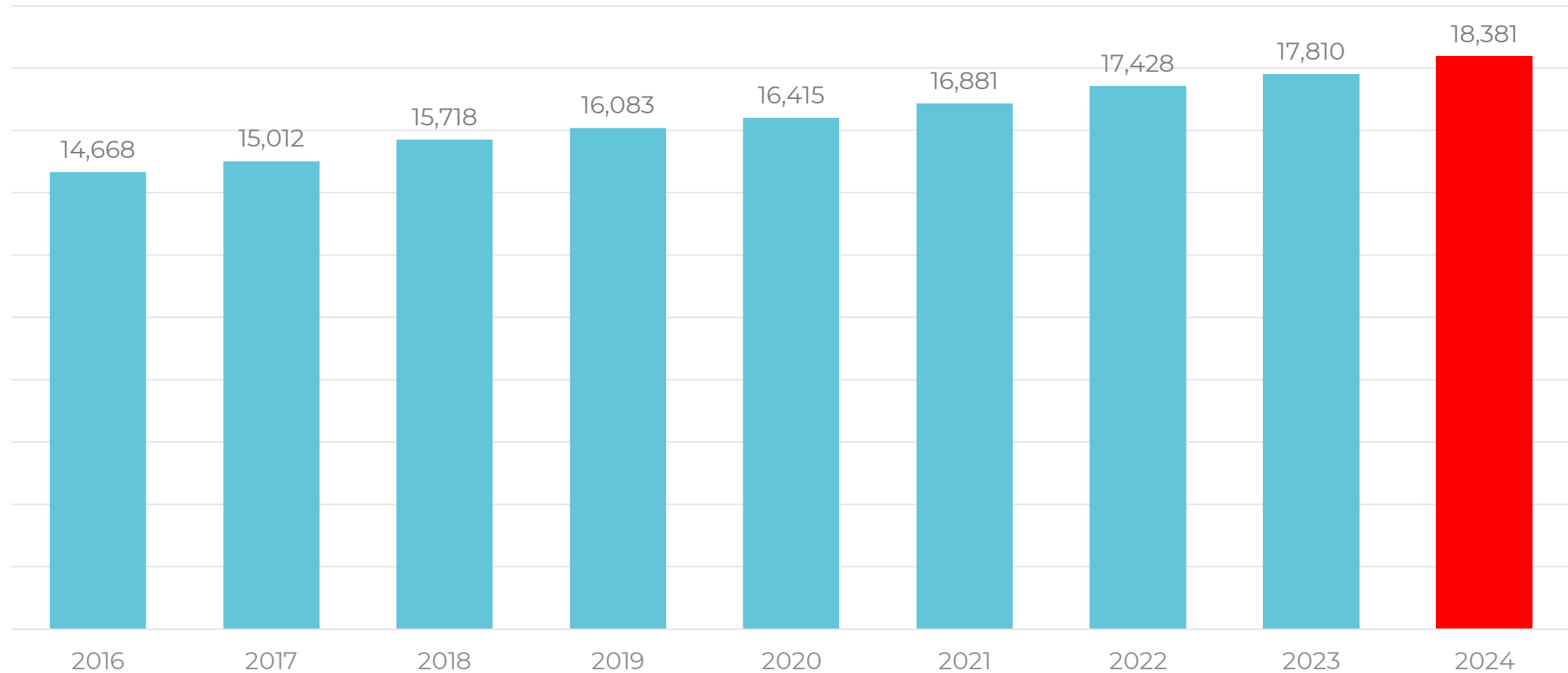
Fee Simple Interest?



- Mirrors Provincial Assessment Act
 - Occupiers of Crown or Exempt Land assessed in this fashion.
- Efficiency and Cost Effectiveness
 - Fee simple sales are registered and require less analysis.
- Assessment Equity and Uniformity.
 - Assessments on and off reserve are comparable.
- Tax Rate Comparability.
 - First Nation Tax Rates can be compared to non-reserve jurisdictions.

2024 Roll - Growth of Indigenous Nations' Assessment Rolls (Sec 83 and FMA Frameworks)

Number of Folios (taxable rolls)



2024 Roll - Growth of Indigenous Nations' Assessment Rolls (Sec 83 and FMA Frameworks)

Taxable Assessed Value (billions)



Putting it in Perspective....

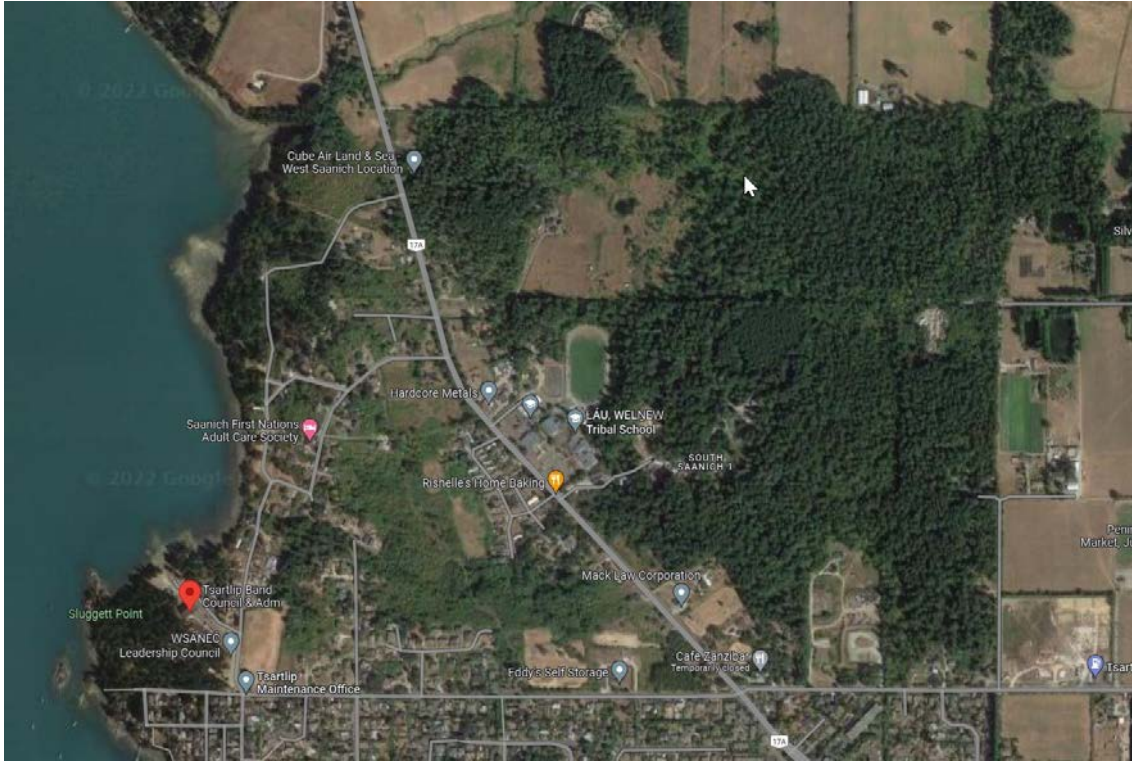
2024 Assessment Taxable values...(275 total juris)

1. Vancouver	\$466 billion	62. Nelson	\$3.334 billion
2. Surrey	\$267 billion	63. Tsawwassen FN	\$3.204 billion
...		64. Ladysmith	\$2.991 billion
39. Victoria	\$39 billion	...	
...		75. Squamish FN	\$2.220 billion
58. Revelstoke	\$3.756 billion	...	
59. Kitimat	\$3.646 billion	89. Tzeachten FN	\$1.612 billion
60. Bowen Island	\$3.644 billion	...	
61. Westbank FN	\$3.638 billion	92. Tk'emlups FN	\$1.5 billion

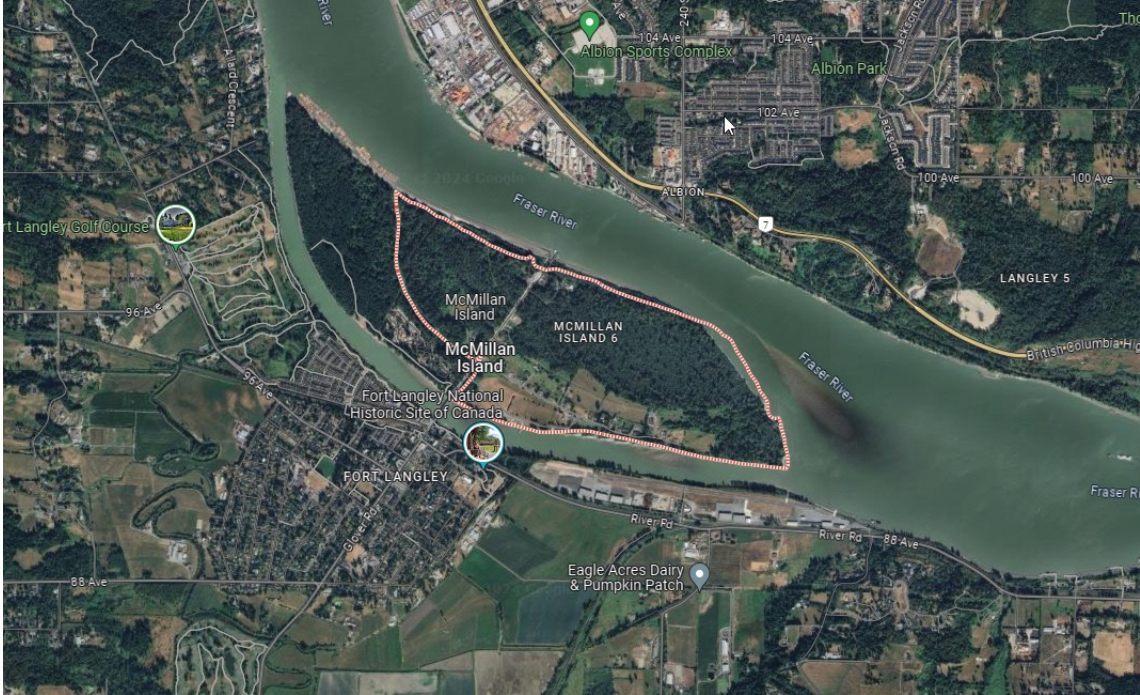
Exempt Assessment Roll

- Produced to
 - Provide an independent land and building stock report,
 - Assist in GIS Mapping,
 - Building Insurance purposes
 - Enter into Municipal Service Agreements
- Considerations
 - Based on First Nations Assessment Laws
 - Inventory collected in a non-evasive manner
 - Size, quality, condition, property services considered
 - Inexpensive – cost of production – no assessment notice and appeal provisions
 - Serve as an independent base to apply selected service rates (if available)





Completion of Tsartlip Nation Exempt Roll



Completion of Kwantlen Nation Exempt Roll

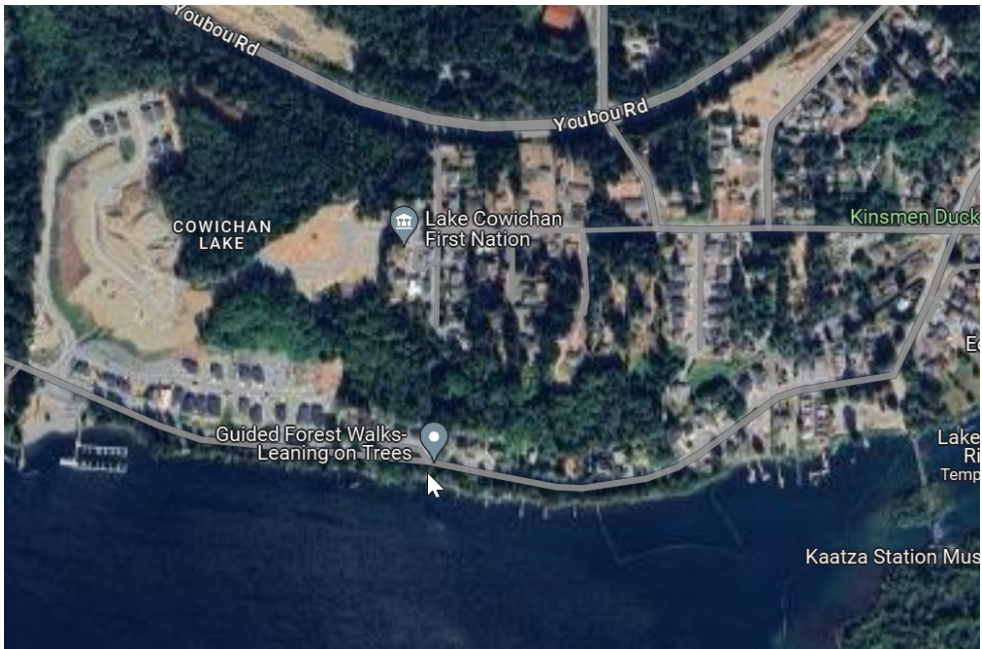


1338 Stelly Cross Rd
103 unit rental townhouses
Built 2017
2024 Assessment \$44 million



1036 Stelly Cross Rd
70 unit rental apartments
Built 2022 and 2023
2024 Assessment \$29 million

Interesting New Assessments on Tsartlip Nation



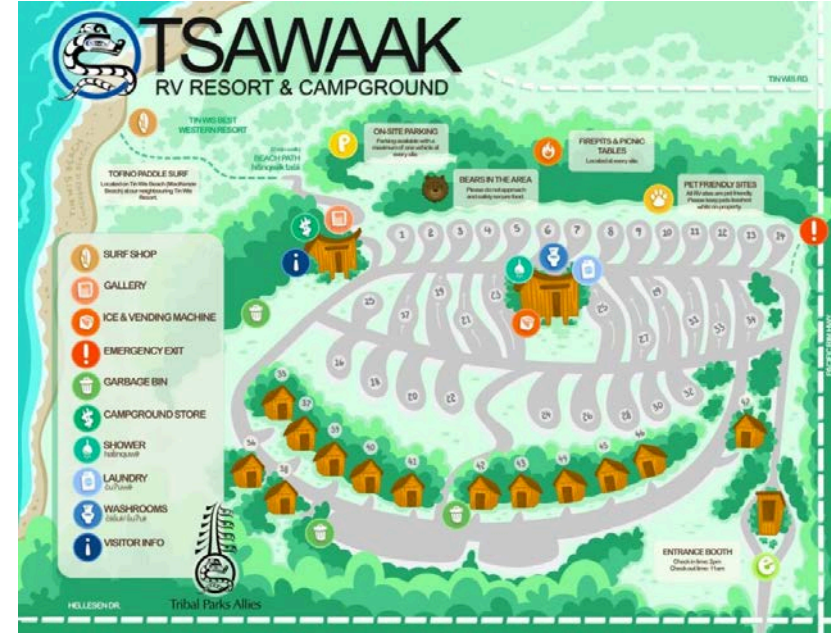
Ts'uubaa-asatx Nation
North Shore Estates
Currently Approx 60 building lots
Future phases and RV Park

Stzuminus Nation
Oyster Bay Commercial
Owl's Hollow Residential
Development

Ts'uubaa-asatx Nation and STz'uminus



Cowichan Tribe
300 Government Street
90 unit rental apartment
2024 Assessment \$24 million



Tla-O-qui-aht Nation
Tsawwak RV Resort
34 RV Sites and 13 Cabins
2024 Assessmentcoming

Cowichan Tribe and Tla-O-qui-aht Nation



RESIDENTIAL LOTS

2551 Highway 97, Williams Lake, British Columbia

FEATURING:

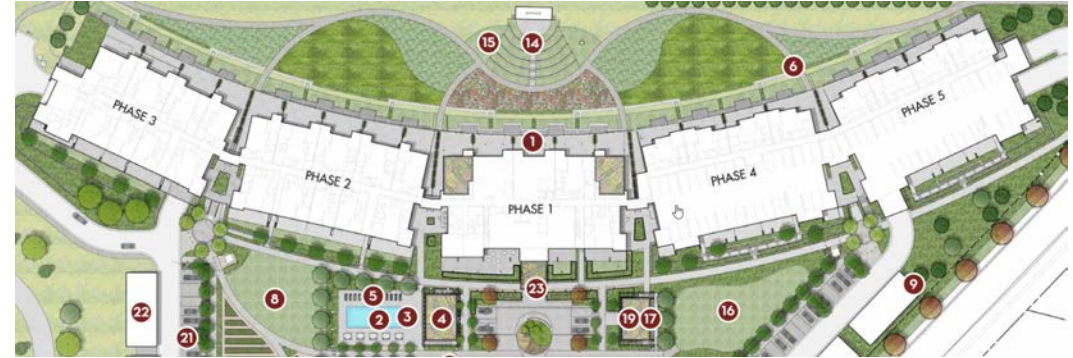
- Fully paved access
- Sidewalks and street lighting
- Treated Water
- Sewer Collection
- Okanagan-style sun exposure
- Spectacular lake and valley views

LOT PRICING

ARRANGE A VIEWING



ARIVA
PREMIUM ESTATE LIVING



Williams Lake First Nation
Coyote Rock Estates
28 leasehold lots; 125 year leases
Fully Serviced

Westbank First Nation
Ariva Premium Estates Condos
5 buildings (30-38 units each)
Waterfront Views

Williams Lake and Westbank Nations

Malahat Nation, production company announce plans for film studios

The 85-acre Mill Bay site could have as many as six sound stages up to 36,000 square feet each and several production workshops as well as a commercial complex with a hotel



[Darron Kloster](#)

Feb 10, 2024 5:17 AM

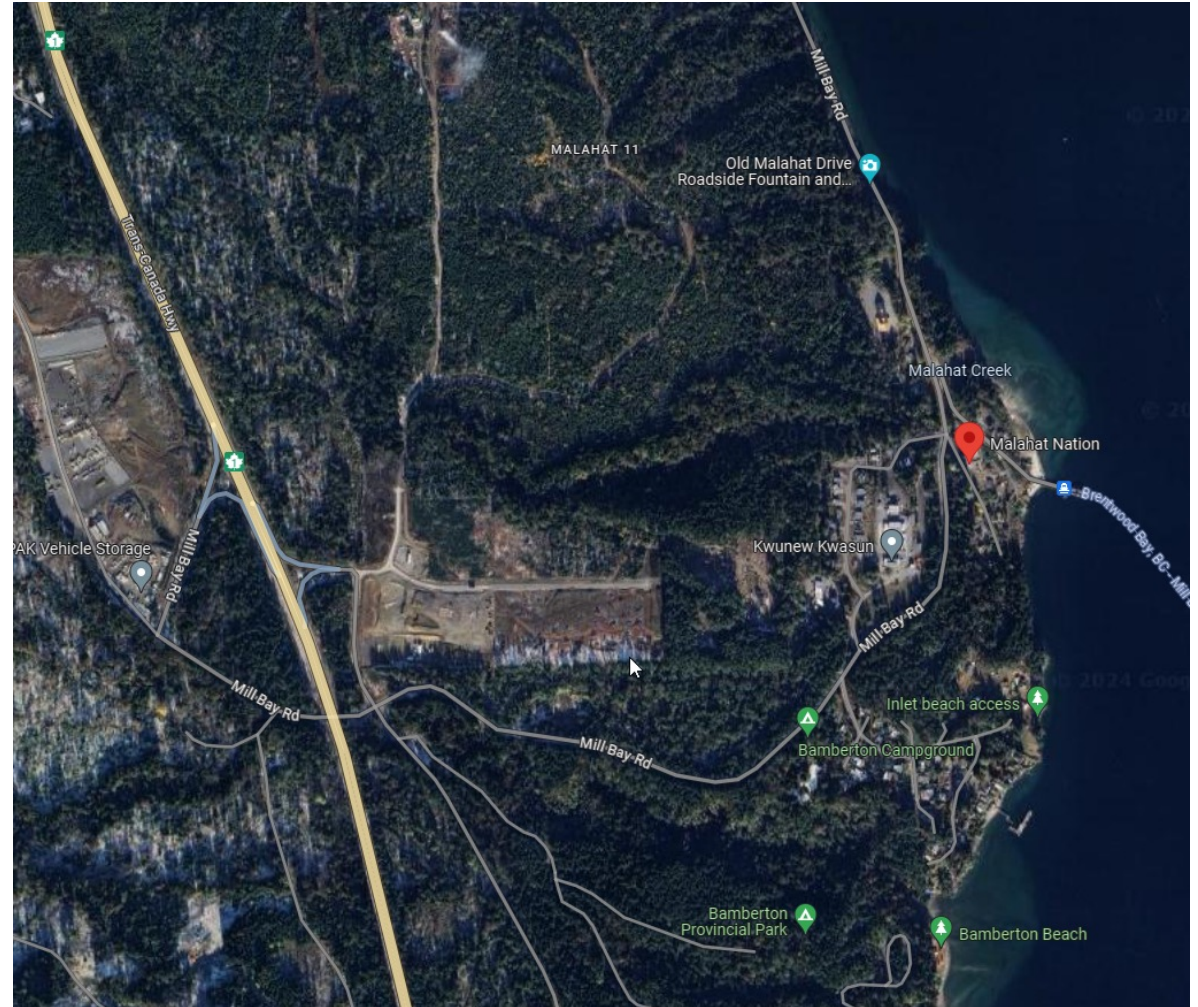


Malahat Nation partners to build Canada's biggest battery factory

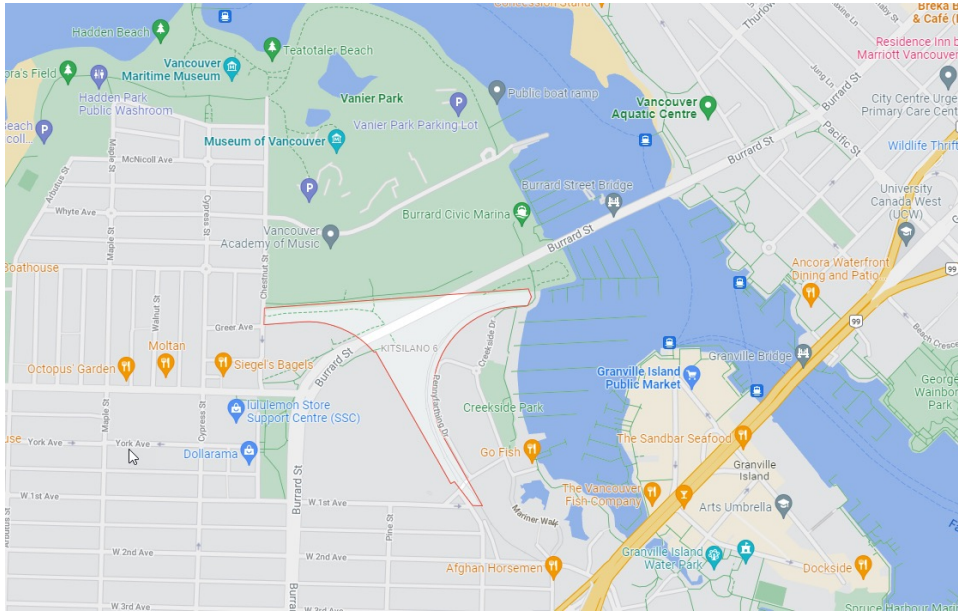
The Indigenous-led project breaks ground in less than 90 days and will create over 100 local jobs

[Chadd Cawson](#)

Feb 22, 2024 5:45 AM



Malahat Nation Future Opportunities



Senawk added to the Squamish Roll



The Spirit of the North Healthcare Foundation

In appreciation of our speakers today and with thanks for your contribution, UBCM has made a donation to The Spirit of the North Healthcare Foundation. The Foundation works collaboratively with its Donors, Healthcare Partners and has been instrumental in contributing over \$40 million towards essential equipment, enhancing facilities, and supporting the ongoing education of healthcare professionals and medical staff.