

FIRST NATIONS TAXPAYER RELATIONS POLICY, 2018

PART I PREAMBLE

WHEREAS:

- A. The *First Nations Fiscal Management Act* recognizes First Nation jurisdiction to, among other things, raise revenue through property taxation and other local revenue laws;
- B. Subsection 83(1) of the *Indian Act* recognizes First Nation jurisdiction to raise revenue through property taxation;
- C. The First Nations Tax Commission has a mandate that includes reconciling the interests of taxpayers with the responsibilities of chiefs and councils to govern the affairs of First Nations; and
- D. The Commission supports taxpayer relations approaches that
 - promote and protect First Nation tax jurisdiction by ensuring that responsibility for taxpayer relations rests with First Nation governments;
 - balance interests by providing opportunities for taxpayers to be consulted on First Nation taxation decisions that significantly and directly affect them;
 - expand revenue jurisdiction by building First Nation capacity and taxpayer confidence in First Nation property taxation systems;
 - encourage economic development by promoting a stable environment for investors and increasing the economic value of interests on reserve land for the benefit of taxpayers and First Nations; and
 - promote efficiencies by having effective and efficient mechanisms for taxpayer communication and input into First Nation taxation systems.

PART II PURPOSE

This Policy establishes a framework for identifying and implementing approaches to provide for the coordination of interests between First Nation governments and their taxpayers and support for ongoing and effective communication. This Policy will assist First Nation governments in supporting processes for taxpayer engagement and the coordination of taxpayer interests on their lands.

This Policy is intended to operate within the FMA and *Indian Act* legislative frameworks and to supplement applicable regulations and Commission standards, policies and procedures.

PART III AUTHORITY

This Policy is established pursuant to subsection 1.3 of the Memorandum of Understanding between the Commission and the Minister of Indian Affairs and Northern Development, and paragraph 29(b) of the FMA under which the Commission is mandated to ensure that property taxation systems reconcile the interests of taxpayers with the responsibilities of chiefs and councils to govern the affairs of First Nations.

**PART IV
APPLICATION**

This Policy applies to matters concerning taxpayer relations within the context of taxation systems under the FMA and under section 83 of the *Indian Act*. This Policy does not apply to First Nation taxpayer representation to council laws enacted under paragraph 5(1)(c) of the FMA.

This Policy will assist the Commission in reviewing and supporting First Nation processes for taxpayer engagement and the coordination of taxpayer interests on reserve land.

**PART V
CITATION**

This Policy may be cited as the *First Nations Taxpayer Relations Policy, 2018*.

**PART VI
DEFINITIONS**

“by-law” means a by-law enacted under paragraph 83(1)(a) of the *Indian Act*;

“Commission” means the First Nations Tax Commission established under the *First Nations Fiscal Management Act*, S.C. 2005, c. 9;

“Council” has the meaning given to that term in the FMA;

“First Nation” means a band as defined in subsection 2(1) of the *Indian Act*;

“FMA” means the *First Nations Fiscal Management Act*, S.C. 2005, c. 9 and the regulations enacted under that Act;

“law” means a law made under subsection 5(1) of the FMA;

“taxable property” means property that is subject to tax under a law or by-law;

“taxation revenues” includes revenues from taxation under section 83 of the *Indian Act* and local revenues under the FMA; and

“taxpayer” means a person liable for taxes under a by-law or law.

Except as otherwise provided in this Policy, words and expressions used in this Policy have the same meaning as in the *Indian Act* and the FMA.

**PART VII
POLICY**

1. Taxpayer Engagement Principles Supported by the Commission

- 1.1 The Commission encourages and supports First Nation engagement with their taxpayers that
- (a) builds and maintains trust and a sense of community among First Nations and their taxpayers;
 - (b) recognizes First Nation autonomy and jurisdiction and respects local conditions, customs and traditions;
 - (c) provides accurate, timely and understandable information to taxpayers;
 - (d) provides opportunities for taxpayers to provide meaningful input on decisions that affect them;
 - (e) establishes procedures that are transparent and efficient;
 - (g) operates in a fair and unbiased manner;
 - (h) creates provisions for amendments and improvements as circumstances change; and

(i) contains measures of accountability and responsibility.

1.2 The Commission encourages First Nations to implement taxpayer engagement processes through a First Nation by-law, law or policy, in order to establish approaches that are transparent, stable and long-lasting.

2. Notice of Annual Tax Rates and Budget

2.1 First Nations should establish procedures to provide taxpayers with an opportunity to review and provide input on the proposed annual property taxation budget and the proposed annual tax rates before they are approved by Council.

2.2 A procedure established under subsection 2.1 should provide for

- (a) a notice to taxpayers that includes the proposed annual property taxation budget and the proposed annual tax rates and which invites comments from taxpayers; and
- (b) an opportunity for taxpayers to provide comments to the Council either at a meeting or open house, or in writing.

3. Access to Documents

3.1 First Nations should establish procedures to ensure that the following documents are available to taxpayers in a timely manner:

- (a) service agreements funded from taxation revenues;
- (b) audits of the property tax account; and
- (c) Council resolutions, by-laws and laws related to property taxation.

3.2 The documents referenced in subsection 3.1 should be made available

- (a) electronically, either on request or by posting on the First Nation's website; and
- (b) as paper copies at the administration office of the First Nation during regular business hours, at no cost or for a nominal fee.

4. Ongoing Communications with Taxpayers

4.1 A First Nation should establish methods for ongoing and regular communications with taxpayers in order to

- (a) keep taxpayers informed of the First Nation's proposals and activities related to property taxation matters; and
- (b) provide a means by which taxpayers may provide input to the First Nation on taxation matters.

4.2 The method and frequency of communication should be commensurate with and appropriate to the size of the First Nation, the number and types of taxpayers and the complexity of the issues.

4.3 The methods referred to in subsection 4.1 may include

- (a) a process to
 - (i) provide information through a newsletter or an information circular published by the First Nation that is provided to taxpayers, and
 - (ii) enable taxpayers and any taxpayer associations to provide written input to the First Nation; or
- (b) a meeting or open house at which First Nation representatives provide information on property taxation matters, and taxpayers and any taxpayer associations have an opportunity to provide input to the First Nation.

4.4 Communications with taxpayers and taxpayer associations should be undertaken using methods that are timely and effective and may include

- (a) electronic communication;
- (b) postings on the First Nation's website or on the *First Nations Gazette* website;
- (c) written communications by mail or delivery to each taxable property;
- (d) traditional forms of media communication such as newspapers, radio and television; and
- (e) postings at the administration offices of the First Nation.

5. Taxpayer Organization

5.1 A taxpayer organization can provide an effective mechanism to facilitate communications between a First Nation and its taxpayers, in order to ensure taxpayers' needs, concerns and preferences are heard and brought to the attention of the Council.

5.2 Formal taxpayer representation structures may be created by a First Nation, by taxpayers, or by the First Nation and taxpayers working together.

5.3 Taxpayer representation structures created by a First Nation may be created by law, by-law or policy.

5.4 Taxpayer representation structures created by a First Nation should adhere to the principles set out in section 1 of this Policy.

5.5 Where the First Nation intends to create a taxpayer representation structure, the First Nation should provide taxpayers with opportunities for input into the creation of the structure.

5.6 The factors that should be considered in establishing taxpayer representation structures include

- (a) the frequency and types of taxpayer issues and concerns raised;
- (b) the size of the tax base;
- (c) the number of taxpayers or the number of taxpayers within each property class;
- (d) the costs and benefits of the formal structure; and
- (e) the interest and wishes of the taxpayers.

6. Taxpayer Advisory Body

6.1 A First Nation may establish a taxpayer advisory body to identify issues and concerns of importance to taxpayers and to provide a taxpayer perspective to the Council.

6.2 The structure, composition, operating procedures and degree of formality of the advisory body will vary according to the particular circumstances of each First Nation but should include provisions respecting

- (a) the selection of representatives of the advisory body, whether through appointment or election, to ensure a fair and balanced advisory body representing the various taxpayer interests; and,
- (b) the receipt and consideration by the First Nation Council of information and advice received through the advisory body.

7. Taxpayer Associations

7.1 Taxpayers may independently organize and form formal or informal taxpayer associations.

7.2 Where taxpayers form a taxpayer association, the First Nation should

- (a) work with the taxpayer association to ensure coordination, communication and cooperation between the taxpayer association and the First Nation; and

(b) promote coordination among taxpayer associations where taxpayers form more than one taxpayer association.

8. Resolving Taxpayer Concerns

8.1 The First Nation should establish processes for the local resolution of taxpayer concerns respecting a taxation matter.

8.2 The procedures referred to in subsection 8.1 should include

- (a) provisions for resolving concerns with representatives of the First Nation; and
- (b) where a concern is not resolved with representatives of the First Nation, provisions for resolving the concern through other processes that may include
 - (i) a facilitation process using the Commission's services or another qualified facilitator, or
 - (ii) a mediation process.

PART VIII EFFECTIVE DATE

This Policy is established and in effect as of September 18, 2018.

PART IX ENQUIRIES

All enquiries respecting this Policy should be directed to:

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