

# CLEARING THE PATH

INDIAN TAXATION ADVISORY BOARD

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## FSMA Implementation Continues: First Regulations to be Passed in Fall 2006

The Indian Taxation Advisory Board (ITAB) has been preparing for its transition to become the First Nations Tax Commission (FNTC), as one of the institutions established by the passage of the *First Nations Fiscal and Statistical Management Act* (FSMA).

For the FNTC to become operational, two steps are required: the making of the FSMA Regulations and the appointment of Commissioners. Both the appointment of the Commissioners and the passage of the first set of FSMA regulations are expected later this fall.

ITAB members and staff are continuing to prepare for all phases of the transition. Materials to address Commissioner orientation requirements are being developed, as are a wide array of communication and other products for taxing First Nations.

Work is also progressing with respect to a number of other FNTC operational requirements. These include reviewing and updating all existing security measures; ensuring compliance with the *Official Languages Act*; and, the review of all information management requirements and the development of related policy.

Finally, a draft corporate plan has been developed for the Commission. Once operational, the FNTC corporate plan will outline the organization's objectives and the strategy employed to achieve them as well as a statement of the Commission's performance against objectives.



Members of the Chemawawin Cree Nation attended a Financial Administration Management Bylaw Certificate Program in Easterville, Manitoba, in June 2006. The course, presented by ITAB, was taught by Mr. Gerry Hutchison. Thirteen certificates were earned by the attendees. Mr. Hutchison is seen above with the course participants and the thank you gift they presented to him.

The first package of FSMA regulations began a 30-day pre-publication in Part 1 of the *Canada Gazette* on July 1, 2006. ITAB is working with the Department of Indian Affairs and Northern Development, Department of Justice, and the other institutions to complete them.

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## Chairman's Message

Western Canada has emerged as a leading political and economic region in the country and First Nations are participating in economic opportunities including the establishment of new property tax jurisdictions. This year, Alberta is the host province for the First Nations Tax Administrators Association annual general meeting in September. First Nation property taxation in Alberta dates back to 1973 and our featured interview for this edition is with Chief Sanford Big Plume of the Tsuu T'ina Nation. There are currently 18 Alberta First Nation tax authorities with others expressing interest as economic development increases the demand for infrastructure and services.



A growing number of First Nation tax authorities are resolving to become participating governments within the FSMA. ITAB is awaiting two very important steps: the approval of the FSMA regulations and appointment of FNTC Commissioners, both of which we expect to be finalized soon.

First Nation work in property taxation is setting other milestones as First Nations and local governments renegotiate service agreements that will foster enhanced regional economic development opportunities. I would like to congratulate the leadership and all those who contributed to the successful completion of a new service agreement between the City of Chilliwack and the participating member First Nations of the Sto:Lo Nation.

In closing, I would like to report on another change within ITAB. Our Deputy Chairman, Strater Crowfoot, has been appointed as a Member of the National Energy Board of Canada. Mr. Crowfoot has been the ITAB member working in Western Canada since the Board's inception and, for a time, served as Chairman. He also made a significant contribution as the Chair of the Rates Committee and was instrumental in helping First Nations establish property tax jurisdiction in Alberta and Saskatchewan. I would like to extend my gratitude to Strater for his contribution over these many years and we all wish him well in his exciting future.

I look forward to comments and questions regarding the development of First Nation property taxation and our work.

Sincerely,

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

C.T. (Manny) Jules  
Chairman

## FSMA Regulations and FNTC

*Continued from p.1...*

The regulations in this first package cover: debt reserve fund replenishment; the short-term pooled investment fund; statistical data disclosure; and an appointment to the FNTC. The consultation period concluded and comments received were incorporated into the final regulations. This first set is expected to receive Governor-in-Council approval in the early fall.

Work on the second package of regulations continues. This package includes six regulations affecting the operations of the FNTC and the Financial Management Board, as well as the property tax regimes established by the Act. Specifically: FNTC review procedures; First

Nations assessment appeal; First Nations assessment inspection; First Nations taxation enforcement; First Nations rates and expenditure laws and timing; and local revenue management implementation.

A final package will include two regulations. The first will add names of First Nations to the FSMA Schedule for those opting to operate property tax systems under the Act. The second will make certain amendments to the *Property Assessment and Taxation (Railway Right-of-Way) Regulations* to accommodate First Nations who will be affected.

The 30-day prepublication consultation period for the second and final regulations packages is expected to commence soon with approval by the end of the year.

## Tsuu T'ina Nation

### Interview with Chief Sanford Big Plume



With each issue of *Clearing the Path*, ITAB is profiling a different taxing First Nation from across Canada. In this edition, the third of the series, ITAB recently interviewed Chief Sanford Big Plume of the Tsuu T'ina Nation in Alberta.

#### **Q. Can you tell me a little bit about your First Nation?**

**A.** The Tsuu T'ina Nation encompasses about 70,000 acres. Located to the west of Calgary, we benefit from a combination of beautiful fertile land and proximity to Calgary. This helps drive our economic development initiatives.

The location of the Tsuu T'ina Nation is no accident. At the time of the signing of Treaty 7, the Tsuu T'ina people were unhappy with the land ceded to us by treaty. So, Chief Bullhead created an expeditionary party to survey other nearby lands.

When they reported back on the quality of land near Fort Calgary, Chief Bullhead renegotiated and won treaty rights to what is now our current reserve.

#### **Q. When did you enact a property taxation bylaw?**

**A.** Tsuu T'ina enacted its property taxation bylaw in 1973. There was a need to create a means of regular and predictable funding of programs.

#### **Q. What type of taxable property is located on your reserve?**

**A.** Principally, utility rights of way and easements. In addition, we charge the tax to businesses that would normally pay it if located and operating on an off-reserve jurisdiction.

#### **Q. How has having property tax jurisdiction benefited Tsuu T'ina?**

**A.** Initially the benefits were small, but still helpful to fund much needed local programs. However, it was soon realized the greatest benefit of taxation funds would be their reinvestment in business projects.

As we undertake the development of Canada's largest First Nations business park, we are effectively leveraging taxation moneys to fund the planning and execution of that business plan.

#### **Q. What would you like to see the tax revenue used for? Are there development plans in the works?**

**A.** Currently, development includes a casino and entertainment facility, construction of a southwest ring road extension for the City of Calgary, and a mixed use business park on 940 acres bordering Calgary.

#### **Q. Describe your relationship with your taxpayers.**

**A.** To date the relationship has been very cordial. That is due largely to the predictability of our taxation protocol – we have pegged our rates to Calgary's mill rate.

#### **Q. Clearly Tsuu T'ina is an important player in the regional economy. Can you describe your relationship with the City of Calgary?**

**A.** Our location, bordering Calgary on much of its west side, means that the Tsuu T'ina Nation should play an integral role in the overall planning of the Calgary region. While our relationships with Calgarians have traditionally been strong and positive, we have faced challenges being seen as regional partners by the City.

Nonetheless, we are endeavoring to work constructively with all stakeholders as we develop businesses that are as beneficial to Calgary, as they are to Tsuu T'ina.

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## Interview with Chief Big Plume

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### **Q. How is your relationship with other levels of government, particularly the provincial government?**

**A.** To date, our relationship with the Alberta provincial government has been a model of successful government to government relations.

Two years ago, we signed an agreement-in-principle with the province for the construction of a provincial road extension through Tsuu T'ina. Despite the enormous scope and complexity of that project, negotiations have been frequent, business-like and fruitful. That characterizes most of our dealings with the province, and has encouraged us to seek further partnerships at the provincial level.

### **Q. Has Tsuu T'ina considered taking advantage of the *First Nations Fiscal and Statistical Management Act*?**

**A.** Like all First Nations, we require consultation with our members, as well as evidence that it fits within our Nation's business plans. We are currently reviewing this option.

### **Q. Your First Nation was one of the key proponents of the *First Nations Commercial and Industrial Development Act (FNCIDA)*. What benefits do you see coming from this legislation?**

**A.** FNCIDA allows us to offer, on a project by project basis, the relative ease and predictability of the provincial regulatory regime. This provides clarity and transparency to our business partners – something that is critical to making Tsuu T'ina an attractive business environment.

### **Q. What is the greatest challenge you face moving forward with economic development?**

**A.** The greatest obstacle we continue to face is the federal *Indian Act*. This federal legislation has created a longstanding culture of bureaucracy and complexity making business difficult and unpredictable. Often, that complexity and unpredictability leads to paralysis in business dealings.

We work hard within the system to ensure that our business ventures succeed notwithstanding the Act. But we look forward to the day when doing business in a First Nation is as straightforward as in any other Canadian jurisdiction.



The Chief Joseph Big Plume Building, seen above, houses a variety of organizations, including Tsuu T'ina administration, Indian Oil and Gas Canada, and offices for the Department of Indian Affairs and Northern Development, among others. The building is 85,000 square feet and home to approximately 250 employees.

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