



**Penticton Indian Band
Property Taxation Department**
839 Westhills Drive
Penticton BC V2A 0E8

Telephone: 250-493-0048 Fax: 250-493-2882
Ext. 232 Email: taxadministrator@pib.ca

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Att: District 1 Taxpayers

RE: Property Taxation Budget & Tax Rates

It's important to know that Penticton Indian Band property tax can levy and collect property taxes in the same manner as local governments throughout Canada.

Property taxation provides First Nation communities like the Penticton Indian Band, an independent, stable and flexible source of revenue, which can be reinvested to improve services, address priorities and deficiencies in economic infrastructure. Improved community infrastructure and the establishment of dependable services, also to attract commercial and residential development.

Property taxation is a fundamental pillar of financing government and future economic growth. The Penticton Indian Band property taxation department is continuing to establish the regulatory framework to assist with community planning.

Currently PIB does not have the capacity to fund the same service agreements that the City of Penticton has. Harmonizing taxes with the City of Penticton, mirror the referencing jurisdiction's tax rates lays the foundation for improved services, infrastructure and future development. The cost of building necessary infrastructure and providing enhanced services to residents and businesses will increase with development. This also supports integrating PIB lands with the local economy.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Carlene George', written over a horizontal line.

Carlene George
Tax Administrator



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Pentiction Indian Band is taxation under the First Nations Fiscal Management Act (FMA). The FMA is a First Nation-led legislation that affirms First Nation jurisdiction for any array of fiscal powers. These include the following:

- Property Taxation on First Nation lands, including
 - Assessment of property, the requisition of information to assess a property and the inspection of a property;
 - Setting tax rates to be applied to the assessed value of property;
 - Collection of taxes for the provision of services to property;
 - Taxation of business activities;
 - Imposing development cost charges
- Authorizing the expenditures of local revenues;
- Providing the enforcement of laws in respect of outstanding taxes or charges; and
- Delegation of law-making power.

[The above information provided by: <https://fntc.ca/en/fma-toolkit/>]

**** Taxation under the FMA must comply with all statutory requirements, any regulations made under the FMA and any standards established by the First Nations Tax Commission, FNTC. ****

The Pentiction Indian Band property taxation department has the following service agreements, for a detailed budget please view *The Pentiction Indian Band Expenditure Law, 2019*:

- **BC Assessment:** professional assessors assess land and improvements based on market value assessment methods. The ability to appeal the assessments are available, those instructions are on the back of your assessment notice.
- **RDOS Service Agreement:** 911 Emergency call systems, General Government, Emergency Planning, Mosquito Control, Regional Area Planning, Solid Waste Management, Okanagan Water Basin. **Hospital District:** Hospital facility construction and funding for various equipment and capital improvement projects as defined by the Ministry of Health
- **Library Services:** If you would like a library card you must provide proof of residence.
- **City of Pentiction Sewer Agreement:** The sewer agreement amount that the taxation budget currently pays for is specifically for the *design and construction of Pentiction Indian Band connection lines*, this is part of community infrastructure.
- **PIB Waste Management:** helps maintain the community building garbage bin removal



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Q&A

What is FMA Taxation?

- First Nations Fiscal Management Act
- PIB has the taxing authority to levy and collect property taxes in the same manner as other local governments throughout Canada.
- Under FMA PIB has a property taxation law and an assessment law, both of these laws are in place so that PIB can levy and collect property taxes

What is an Assessment Law?

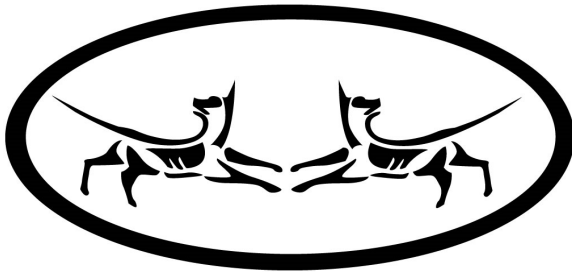
- Provides the appointment of an assessor, we have an agreement with BC Assessment to assess all taxable interests on PIB reserve IR # 1, 2, 3
- Creates a timeline for conducting assessment
- Sets out rules for determining assessed values of properties
- Establishes property classes for assessment purposes, example, class 1 is residential
- Provides an independent assessment review board to consider and determine assessment appeals

What is a Property Tax Law?

- Establishes how taxes are levied and what property interests are taxable
- Sets out duties of the tax administrator
- Establishes the timelines and requirements for creating the tax roll and sending out tax notices
- Sets out any exemptions from taxation
- Provides the obligation of penalties and interest on unpaid taxes
- Outlines the enforcement and collection mechanisms available to PIB

What is an Expenditure Law?

- PIB is required to make an expenditure law each year, PIB cannot spend tax revenue without abiding by this law and getting this law approved by the First Nations Tax Commission.
- This law provides PIB with the authority to expend the revenues collected in property tax
- This law sets out how PIB intends to spend the tax revenue it will collect by adding a detailed budget indicating all revenues and expenditures for each year
- Under the FMA the expenditure of tax revenue can only be made in accordance with an expenditure law
- Expenditure MUST comply with all requirements set out in the FMAL regulations and the First Nations Tax Commission standards
- The core of the budget making process is for the tax administrator, CFO and Chief and Council to decide how local revenue should be spent. Local revenues must be spent on local services for public purposes. The challenge that First Nation governments face is to determine the appropriate service levels to provide, weighed against the cost of providing those services.
- If the cost of providing the same level of local services increases, and there are no additional local revenue sources, the First Nation must increase the amount of property tax collected to provide the same level of local services.



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What is a Rates Law?

- PIB is required to make a rates law each year setting out the tax rate to be applied to the assessed value of each class
- Sets the minimum tax that will apply in that year
- Mirror the referencing jurisdiction (City of Penticton tax rates for District 1)
Example: Skaha Hills is District 1.
- Rates law must comply with all requirements set out in the FMA and First Nation Tax Commission standards

What is the difference between District 1 and District 2?

- District 1: tax rates mirror the referencing jurisdiction
- District 2: 2019 is the first year tax rate increase in accordance with the five (5) year tax rate increase transition plan. Goal is to have them par with our District 1 taxpayers so that everyone shares the same tax rates.
- **It's encouraged that PIB taxpayers read *STANDARDS FOR FIRST NATION ANNUAL TAX RATES LAW*, check our website to find the direct link to the standards to learn how tax rates are set for multiple districts.**

“reference jurisdiction” means a taxing authority, located adjacent to the First Nation, that is identified for the purpose of comparing a First Nation’s tax rates.

PART II

PURPOSE

These Standards set out the requirements that must be met for First Nation tax rates laws enacted under subparagraph 5(1)(a)(ii) and subsection 10(1) of the Act. These Standards are used by the Commission in its review and approval of the First Nation’ tax rates laws, pursuant to section 31 of the Act. The requirements established in these Standards are in addition to those requirements set out in the Act.

The Commission recognizes that each First Nation’s property taxation system operates within the broader context of its fiscal relationships with other governments. These Standards are intended to support a more comprehensive First Nation fiscal framework within Canada.

[http://pib.ca/wp-content/uploads/2019/07/rates_law_stds_web.pdf]

Where can I find more information about First Nations Fiscal Management Act FMA property taxation?

- First Nations Tax Commission – www.fntc.ca
- First Nations Gazette – www.fng.ca , browse Penticton Indian Band laws, budgets, rates, etc.
- Tulo Indigenous Economics – www.tulo.ca
- Penticton Indian Band property taxation webpage – www.pib.ca – for quick links to documents

Thank you!