



PROPERTY TAXATION ON RESERVE YES OR NO?

The Okanagan Indian Band has been looking at the issue of property taxation for over 30 years and the last time was in 2008. Since 2008, many things have changed. For example, as of today over ½ of all Indian Act Bands in B.C. collect property tax on reserve. In fact, five of the seven Indian bands of the Okanagan Nation (Lower Similkameen, Osoyoos, Penticton, Westbank, and the Upper Nicola Indian Band) collect property tax. Each Band employs its own tax assessor, most of which are Band members. It is hoped that the following information paints a clear and accurate picture of the issues.

What taxes are we talking about?

Council is seeking your guidance on introducing property taxes.

Why does property taxation keep coming up?

Each year OKIB receives federal funding that is used to pay the cost of providing some essential services to Band members. Federal funding is never enough; therefore, OKIB must constantly search for additional money, which it is never sure of obtaining. Property taxes would provide a guaranteed annual revenue source that would enable OKIB to provide more than the minimal services that it currently can afford to provide.

Is anybody paying property taxes on OKIB reserves right now?

Yes, provincial property taxes are paid by some non-band members and businesses on OKIB reserves.

Does OKIB get all or part of the provincial property tax revenue that is being paid now?

No. Where the reserve is located within a municipal boundary, property taxes are collected and used by the municipality to provide services to municipal residents.

Where the reserve is within the boundaries of a regional district, property taxes are collected by the provincial government and then given to each Regional District so they can provide services to Regional District's residents.

How much provincial property tax was collected from OKIB Reserves last year?

According to BC Assessment, the total taxes collected from IR#1, #6 and #7 was \$3,374,132.00 HOWEVER, because improvements (houses, mobile homes, etc.) of many Buckshee leases on OKIB reserve lands have not been assessed by BC Assessment no property tax has been paid.

BC Assessment estimates that there are approximately 1500 or more Buckshee leases on OKIB reserve lands that are not paying property tax. If they did pay, the additional revenue is estimated to be \$3 million.

If OKIB enacts property tax legislation and also made all Buckshee lease holders pay, the estimated total annual property tax revenue that OKIB could collect each year would be \$6.5 million.

Can Indian Act Bands collect property taxes?

Yes. An Indian Band can choose to enact a property tax law under authority granted by the First Nations Fiscal Management Act or a By-law under s.83 of the Indian Act.

Will OKIB's property tax legislation require Band members to pay?

No.

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Can this Council prohibit a future Council from making Band members pay property taxes?

No. However Council can add language in OKIB's tax legislation clearly stating that:

- the legislation does not apply to Band members; and
- any change that would enable taxing Band members would require a referendum with over half the Band membership participating and, for example, at least 75% of those who voted in favour of taxing Band members.

This language makes it clear that Band members will not pay property tax unless a majority of OKIB Band members vote in favour of making Band members pay property tax.

What could OKIB use property tax money for?

Both the Indian Act and the First Nations Fiscal Management Act limit where property tax revenues can be spent. Thus, OKIB's property tax legislation could permit spending on, for example such things as schools, fire and police protection, snow removal, garbage removal and infrastructure (e.g. sidewalks, sewers, water and roads).

Will property taxpayers have access to facilities or services that were paid for with property tax dollars?

Yes. However, receiving property tax revenues means that OKIB would be free to use federal funding on facilities and services for Band members. If that happens, then taxpayers could not say that they can use those facilities or services because 'their property taxes paid for it'.

If OKIB collects property tax revenue, will Canada reduce its funding?

No. Tax Administrators from the Osoyoos Indian Band, Penticton Indian Band, and other Syilx nation Indian Act Bands confirm that their Bands still receive funding from Canada as they always have despite having enacted property tax legislation.

Would OKIB's property taxation legislation affect Syilx Nation sovereignty?

This complex and important issue will be discussed by lawyers Bruce McIvor (First Peoples Law) and Robert Janes (JFK Law) during the July 14th community engagement session.

Would property taxpayers have the right to vote in Band elections?

No. The Indian Act is clear: ONLY Band members have the right to vote in Band elections.

Will there be further discussions before Council makes a decision?

Yes. There will be a series of community discussions, starting with a meeting at the Head of the Lake Hall at 6 pm on June 29th after that, meetings will be held on: July 14th, August 3rd, September 7th and September 28th. Finally, a non-binding vote conducted by One Feather will be held in October, the date to be announced.

In the meantime, for more detailed information check out the OKIB website at okib.ca or, if you have any questions, concerns, or comments about property taxation, please contact me by phone or email. See below.

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