IN BRIEF: FIRSTS FOR FIRST NATIONS – THE INDIAN TAXATION ADVISORY BOARD

The *First Nations Fiscal and Statistical Management Act (FSMA)* became law in 2005. This legislation was a significant milestone as it established four First Nation-led institutions, including the first-ever First Nation-based crown corporation. The FSMA was explicitly designed to enable economic development activity *by First Nations, for First Nations*, and it marks the first time a First Nation institution in Canada has had a legislative base. The legislation was championed by First Nations, and its origins can be traced to the establishment of the Indian Taxation Advisory Board.

In 1988, the former Chief of the Kamloops Indian Band in British Columbia, C.T. (Manny) Jules, led the "Kamloops Amendment" (Bill C-115) to the *Indian Act*. This amendment gave First Nation governments new powers to tax the interests within reserves, establishing their jurisdiction, creating economic development opportunities, and providing a basic tool for self-government. The Indian Taxation Advisory Board (ITAB) – the original First Nation institution dedicated to this strategy – was created in 1989 to facilitate the approval of First Nation property tax by-laws enacted pursuant to s.83 of the *Indian Act*.

ITAB built a remarkable list of accomplishments over the next eighteen years, in addition to its role in developing and championing passage of the *FSMA*. In 1997, Indian and Northern Affairs Canada (INAC) and ITAB formed a research partnership that produced a dozen papers exploring how to create a positive First Nation investment climate, as well as how to create a new First Nation fiscal relationship; this research informed drafting instructions for the *FSMA*, many ITAB policies, and continues to inform policies of the First Nations Tax Commission (FNTC), which succeeded ITAB following adoption of the FSMA. In 1998, this research helped ITAB become the first First Nation organization in Canada to submit a formal pre-budget submission to the parliamentary Standing Committee on Finance. The FNTC continues to build on its research partnership with INAC.

By 2007, 115 First Nations had collected over $55 million per year in property taxes. ITAB recommended over 1200 First Nation by-laws for ministerial approval – all of which were approved by eleven different Ministers of Indian Affairs. Over 150 First Nation tax administrators received training in budget-based tax rate setting, assessments, assessment appeals and property tax administration.

Another notable contribution of ITAB is its creation of the Tulo Centre of Indigenous Economics, Thompson Rivers University, which enables knowledge transfer through university accredited certificates and diplomas in First Nation Economics and Public Administration. In the years to come, the FNTC and Thompson Rivers University plan to expand their portfolio of accredited certificate programs.

Throughout their history, ITAB and the FNTC have been committed to addressing the legal and administrative gaps that contribute to market failure on First Nation lands. Through legislation such as the FSMA and the continuing development of institutions such as the FNTC, there is a very real potential for First Nations to expand their revenues, create land title certainty and access competitive and economic infrastructure financing. These developments are only illustrative of the many initiatives ongoing, at this very moment, to secure a better future for First Nations and Aboriginal peoples in Canada.

For additional information, contact Bob Kingsbury (Senior Strategic Research Manager, Strategic Research and Analysis Directorate, Indian and Northern Affairs Canada).