

MAA-NULTH FIRST NATIONS SIDE AGREEMENT SUMMARY

KA:'YU:'K'T'H'/CHE:K'TLES7ET'H' FIRST NATION: REAL PROPERTY TAX CO-ORDINATION AGREEMENT

Purpose

The Real Property Tax Co-ordination Agreement (“RPTA”) is an agreement in which BC delegates to Ka:'yu:'k't'h'/Che:k'tles7et'h' the authority to levy real property taxes on Maa-nulth First Nation Citizens (“Maa-nulth Citizens”) and persons other than Maa-nulth First Nation Citizens (“Non-Maa-nulth Citizens”) who use or reside on Ka:'yu:'k't'h'/Che:k'tles7et'h' Lands (“Lands”).

How the Agreement Works

- *Parties:* The Parties to the RPTA are Ka:'yu:'k't'h'/Che:k'tles7et'h' and British Columbia.
- *Term:* The RPTA begins on the Effective Date for an indefinite period and may be terminated by mutual agreement at any time or on December 31 of any year with notice from either party.
- *Taxation Authority:* Ka:'yu:'k't'h'/Che:k'tles7et'h' will establish the Ka:'yu:'k't'h'/Che:k'tles7et'h' Taxation Authority (KCTA) to exercise the taxation authority delegated to Ka:'yu:'k't'h'/Che:k'tles7et'h' in the RPTA. The KCTA must provide Non-Maa-nulth Citizens with the ability to participate in discussions and vote on taxation decisions of the KCTA that directly affect them.
- *Taxation Laws:* Ka:'yu:'k't'h'/Che:k'tles7et'h' must enact taxation laws to implement the taxation authority delegated to Ka:'yu:'k't'h'/Che:k'tles7et'h' in the RPTA. Such laws will include:
 - Provision for the BC Assessment Authority to assess lands for property tax purposes under the terms of the *Assessment Act* and the *Assessment Authority Act*;
 - The establishment of rates for each property class;
 - Provision for statutory and permissive exemptions from taxation as described in the *Community Charter*.
- *School Tax Exemption:* Ka:'yu:'k't'h'/Che:k'tles7et'h' Lands are not subject to school taxes under the *School Act* or the *Taxation (Rural Area) Tax* provided that Ka:'yu:'k't'h'/Che:k'tles7et'h' complies with specified provisions of the RPTA.
- *Taxation of Non-Maa-nulth Citizens:* Beginning on the Effective Date and for a period of 12 years Ka:'yu:'k't'h'/Che:k'tles7et'h' may levy property taxes on Non-Maa-nulth Citizens without taxing Maa-nulth Citizens. After the end of the

12 year period, Ka:'yu:'k't'h'/Che:k'tles7et'h''s real property tax laws must apply equally and in a non-discriminatory manner to Maa-nulth Citizens and Non-Maa-nulth Citizens.

What Happens Next?

- Ka:'yu:'k't'h'/Che:k'tles7et'h' will establish the Ka:'yu:'k't'h'/Che:k'tles7et'h' Taxation Authority; and
- Ka:'yu:'k't'h'/Che:k'tles7et'h' will enact real property taxation laws and regulations.