

# GIFN Property Tax FAQs for Leaseholders

May 22, 2018

## Q1. Why is GIFN implementing property tax?

A1. GIFN is implementing property tax jurisdiction

- To increase the proportion of the cost that leaseholders pay for the government services that they receive – services to leaseholders have been subsidized by the First Nation;
- To fund local services and infrastructure to supported continued service quality and enhancements;
- Because property tax is a major revenue source for local governments across Canada – only place without property tax is on reserves, but 174 First Nations across Canada already collect property tax or are developing property tax systems; and
- Because First Nation property tax jurisdiction supports the development of sectoral self-government. The Supreme Court of Canada in Matsqui (1995): the Kamloops Amendment is “intended to facilitate the development of Aboriginal self-government by allowing bands to exercise the inherently governmental power of taxation on their reserves.”

## Q2. What is the authority for GIFN to enact property tax laws?

A2. GIFN is enacting property tax laws under the *First Nations Fiscal Management Act*, which was enacted by the federal government in 2005. The laws will be reviewed by the First Nations Tax Commission to ensure that they comply with the Regulations and Standards.

## Q3. Will there be a consultation period? Where can leaseholders get copies of the proposed laws?

A3. There was a 45 day notice and representation period April 3 to May 17, 2018, including an Open House Information Session April 21<sup>st</sup> at The Link, Sutton. For copies of the proposed laws or for further information contact Tax Administrator Stephanie BigCanoe at [stephanie.bigcanoe@georginaisland.com](mailto:stephanie.bigcanoe@georginaisland.com) at the Band Office.



**Chippewas of Georgina Island Property Tax Administration**  
(705)437-1337 ext. 2225 [Stephanie.bigcanoe@georginaisland.com](mailto:Stephanie.bigcanoe@georginaisland.com).

**Q4. Will there be separate tax districts for Georgina Island and for Snake and Fox Island?**

A4. The proposed GIFN property tax system will create two tax districts: The Snake and Fox Islands Tax District; and The Georgina Island Tax District. Having two tax districts means that different rates can be set to reflect the different levels of local services between the two tax districts. Tax rates in the Snake and Fox Islands Tax District are anticipated to be approximately 70% of the tax rates in the Georgina Island Tax District.

**Q5. Will there be a transition period? How much will the property taxes be?**

A5. There will be a 4 year transition period to allow taxpayers time to adjust to assessment-based property tax.

GIFN has chosen the Town of Georgina as its reference jurisdiction. Tax rates in the Georgina Island Tax District are anticipated to be set at 50% in 2019, 50% in 2020, 75% in 2021, and 100% in 2022, of the property tax rates in the Town of Georgina.

**Georgina Island Example:** \$200,000 assessed value

2018: \$750 service fee  
2019: \$1174 property taxes  
2020: \$1174 property taxes  
2021: \$1796 property taxes  
2022: \$2442 property taxes

**Snake and Fox Example:** \$140,000 assessed value

2018: \$750 service fee  
2019: \$750 property taxes (minimum tax)  
2020: \$750 property taxes (minimum tax)  
2021: \$890 property taxes  
2022: \$1193 property taxes

**Q6. Will GIFN continue to charge leaseholders the \$750 per year service fee?**

A6. No, assessment-based property taxes will replace the \$750 annual service fee as of January 1<sup>st</sup>, 2019.

**Q7. How will property tax rates be set after the transition period? Will property tax rates continue to increase?**

A7. After a notice period, Council will enact annual rates and expenditure laws each May to set tax rates and authorize local service expenditures for that year. Annual Rates and Expenditure laws will be reviewed by the FNTC to ensure they meet the standards. FNTC Standards require that property tax revenues be expended only on local services. After the transition period, the average tax bill for each property class must not increase by more than the national rate of inflation from the previous year or the average tax bill increase for each property class in the reference jurisdiction, unless Council provides written justification of special projects, incremental growth, increases in local



inflation above the national average, taxpayer support, or a fundamental change to the assessment methods for that property class.

**Q8. What local services will property taxes pay for?**

A8. For 2019, the services funded by property taxes will include

Georgina Island Tax District: tax administration and MPAC assessments; firefighting, animal control, and 911; road maintenance; garbage collection, recycling collection, landfill operations, and environmental protection.

Snake and Fox Islands Tax District: tax administration and MPAC assessments; 911 dispatch; trail access and maintenance of landings; environment services, including garbage collection, and recycling collection.

**Q9. How will properties be assessed?**

A9. GIFN will contract with the Municipal Property Assessment Corporation (MPAC) of Ontario to be the assessor for GIFN. MPAC will use provincial assessment practices and the proposed GIFN assessment law.

Assessments will include property inspections during summer 2018. There will be opportunity to meet with the assessor and discuss individual assessments after the assessments are complete.

There is a process in the assessment law to request a reconsideration from the assessor. Assessments can also be appealed to GIFN’s assessment review board.

**Q10. When will property taxes be due? Will there be electronic payments?**

A10. There will be an Interim April 1 tax payment, based on 50% of the previous year’s property taxes, and a Final August 1 tax payment, equal to the remainder of the property taxes based on the current year’s property tax rates.

Payments can be made through certified cheques, pre-authorized debit plan, or online banking.

There will be a 10% penalty for late payments and 1.5% per month interest on unpaid taxes owing, to a maximum of 15% per year.

