



FIRST NATIONS TAX COMMISSION
COMMISSION DE LA FISCALITÉ DES PREMIÈRES NATIONS

January 6, 2026

Proposed Amendments to the Standards for First Nation Annual Tax Rates Laws, 2017

Standards established by the First Nations Tax Commission (FNTC) reflect best practices in property taxation and are designed to support First Nation economic growth, First Nation jurisdiction, harmonization and the interests of stakeholders in the First Nation property tax system.

Under the *First Nations Fiscal Management Act* (the “Act”), the FNTC reviews and approves laws. Section 35(1)(a) of the Act gives the FNTC the authority to establish standards, not inconsistent with the regulations, respecting the form and content of local revenue laws. The standards established by the FNTC are additional requirements and, together with the Act and its associated regulations, form the regulatory framework governing First Nation taxation under the Act.

As a matter of policy, the FNTC seeks public input prior to introducing or significantly amending its standards. This input is critical in developing standards that are acceptable and effective for participating First Nations and taxpayers.

The *Standards for First Nation Annual Tax Rates Laws, 2017* establish requirements for laws made under subparagraph 5(1)(a)(ii) of the Act. These Standards are used by the FNTC in its review and approval of annual tax rates laws, pursuant to section 31 of the Act, and are in addition to those requirements set out in the Act.

The proposed changes would amend subsections 7.2 and 7.3 to:

- Add new categories of physical changes to properties that are excluded from the calculation of the average tax bill.
- The FNTC uses an average tax bill calculation to determine the impact of rate changes on taxpayers year over year. In order for the average tax bill calculation to be useful, subsections 7.2 and 7.3 ensure that the year over year comparison includes only properties that have not experienced physical changes that impact assessed value. For example, a property with new construction would experience a significant increase in the assessed value year over year and therefore would be excluded from the average tax bill calculation.

- Currently, the Standards set out a list of changes to assessed value that are to be excluded, including new construction and the addition of lands to the property. The proposed changes add the following new exclusions:
 - substantial damage to, or destruction of, improvements,
 - the removal of land from the property, and
 - loss of access to the property.
- These changes will ensure that losses related to natural disasters and significant weather events will be accounted for when determining the average tax bill changes.

The proposed changes would amend section 11 to:

- Add a third justification for an increase in tax rates in order to transition to reference jurisdiction rate-setting.
- A First Nation wishing to transition from budget based rate setting to reference jurisdiction rate setting must develop a transition plan that includes a justification for an increase in tax rates through reference jurisdiction rate-setting.
- Under the current Standards, the justification must be either the provision of a higher level of local services or the building or replacement of local service infrastructure.
- The proposed change would add a new justification, being that the First Nation has entered into a service agreement with the reference jurisdiction that applies the reference jurisdiction tax rates. Under these service agreements, the First Nation pays the reference jurisdiction for the services based on the taxes the local government would collect from each property if the reference jurisdiction tax rates were applied.
- This justification will enable First Nations to move to reference jurisdiction tax rates in order to ensure that sufficient tax revenues are collected to pay the costs of the services under the service agreement.

The FNTC is seeking public input in respect of the proposed Standards. Electronic versions of the proposed Standards (changes are highlighted in red) are available at www.fntc.ca or by clicking the link below:

[Proposed Standards for First Nation Annual Tax Rates Laws, 2017](#)

Please direct your comments on or before February 9, 2026 to:

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