

Negotiators' Final Draft – Without Prejudice

REAL PROPERTY TAX AGREEMENT

This is the Negotiators' Final Draft for Ratification Purposes. The Parties agree that although this draft of the K'ómoks Real Property Tax Agreement is substantively complete, it remains subject to legal and technical review that may result in changes prior to signing.

**K'ómoks
British Columbia**

THIS REAL PROPERTY TAX AGREEMENT

BETWEEN:

**HIS MAJESTY THE KING IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA, as represented
by the Minister of Finance**

("British Columbia")

AND

K'ÓMOKS, as represented by K'ómoks Government

("K'ómoks")

(collectively the "Parties")

WHEREAS:

- A. The Parties and Canada have entered into the K'ómoks Treaty;
- B. The Taxation Chapter of the K'ómoks Treaty provides that the K'ómoks Government may make laws in respect of direct taxation of K'ómoks Members within the K'ómoks Lands in order to raise revenue for K'ómoks Government purposes;
- C. The Taxation Chapter of the K'ómoks Treaty provides that:
 - (a) the Parties may enter into agreements in relation to the imposition of tax on persons other than K'ómoks Members within K'ómoks Lands; and
 - (b) K'ómoks Government may make laws in respect of the implementation of such an agreement; and
- D. The Parties wish to enter into this Real Property Tax Agreement;

NOW THEREFORE in consideration of the premises and the covenants and agreements set out below, the Parties agree as follows:

1.0 DEFINITIONS

1.1 In this Agreement:

"Agreement" means this Real Property Tax Agreement;

“BC Hydro” means the British Columbia Hydro and Power Authority continued under the *Hydro and Power Authority Act*, R.S.B.C. 1996 c 212;

“Eligible Grant Amount” has the same meaning as in the *Treaty First Nation Property Taxation Enabling Act*;

“Local Authority” has the same meaning as in the *Treaty First Nation Property Taxation Enabling Act*;

“Provincial Assessment Enactments” means the *Assessment Act*, R.S.B.C. 1996, c. 20 and regulations under it, the *Manufactured Homes Tax Act*, R.S.B.C 1996 c 281 and regulations under it, *Tourist Accommodation (Assessment Relief) Act*, R.S.B.C. 1996 c. 454 and regulations under it;

“Requisition” means an amount, calculated by a local or provincial authority on the basis of assessed property values for K'ómoks Lands and provided to K'ómoks, in accordance with provincial legislation;

“School Tax Amount” has the same meaning as in the *Treaty First Nation Property Taxation Enabling Act*;

“Special Fees” means a fee imposed under a law of K'ómoks, for work done or services provided to real property within K'ómoks Lands, if that law specifies that the fee may be collected in the same manner as property taxes and if unpaid, may be recovered in the same manner as property taxes;

“K'ómoks Member” means a K'ómoks Member determined by K'ómoks Law;

“K'ómoks Home Owner Grant” means a grant from K'ómoks to residents of K'ómoks Lands, in place of a grant under the *Home Owner Grant Act*, R.S.B.C 1996 c 194, resulting in a reduction in indebtedness for current year property taxes imposed under the K'ómoks Real Property Taxation Law;

“K'ómoks Lands” has the same meaning as in the K'ómoks Treaty;

“K'ómoks Real Property Taxation Law” means a law providing for real property taxation of interests within K'ómoks Lands pursuant to the K'ómoks Government's authority under the K'ómoks Treaty and Part 2 of the *Treaty First Nation Property Taxation Enabling Act*; and

“Treaty First Nation Property Taxation Enabling Act” means the *Treaty First Nation Property Taxation Enabling Act* S.B.C. 2007 c 38.

2.0 TAXATION

2.1 K'ómoks may make laws in respect of direct real property taxation of interests of non-K'ómoks Members within K'ómoks Lands for K'ómoks purposes in accordance with this Agreement and Part 2 of the *Treaty First Nation Property Taxation Enabling Act*.

2.2 K'ómoks agrees to provide for, by law, the following:

- (a) the basis on which the tax will be imposed;
- (b) the rate or amount of the tax;
- (c) the collection of the tax;
- (d) a tax roll and a process to update and correct the tax roll;
- (e) preparation and delivery of notices to each person named in the tax roll and, on request of a holder of a registered charge, to the holder of the charge;
- (f) the grounds on which complaints may be made and establish procedures for hearing and determining those complaints;
- (g) procedures for refunding overpayment of property tax;
- (h) a requirement that, on request by any person, the administrator of the tax must give to the person a certificate containing the following information:
 - (i) the amount of unpaid taxes imposed in relation to specified property;
 - (ii) any applicable penalties and interest;
 - (iii) the name of the person who owes the unpaid taxes; and
 - (iv) if the specified property has been sold or forfeited, the time, if any remaining, for redemption and the amount required to redeem it;
- (i) a requirement that, on demand and without charge, the administrator of the tax must give the registered owner of real property and any other person named in the tax roll in relation to the real property whichever of the following is applicable to the property:
 - (i) a written statement showing the amount of all unpaid property taxes;
 - (ii) a certificate that all property taxes, interest and penalties imposed in relation to the real property identified in the certificate have been fully paid; and

- (j) if the law provides for the imposition of interest in relation to property taxes paid after the due date established by the law, provide the interest rate and the manner of calculating interest.

2.3 Nothing in this Agreement obligates K'ómoks to levy a property tax.

2.4 Nothing in this Agreement precludes a K'ómoks Real Property Taxation Law providing for a differential treatment on the basis of Membership in K'ómoks.

2.5 Nothing in this Agreement makes land, improvements or both, vested in or held by the Province, an agent of the Province, a Local Authority or a combination of such entities, liable to taxation by K'ómoks.

2.6 The limitations in paragraphs 46(b)i and 47(b)ii of the Administration of Justice Chapter of the K'ómoks Treaty do not apply to a penalty imposed under a K'ómoks Real Property Taxation Law.

3.0 ASSESSMENT

3.1 A K'ómoks Real Property Taxation Law may:

- (a) provide for the adoption of Provincial Assessment Enactments, in their entirety, as amended from time to time, for the purposes of valuation and classification of interests in real property within K'ómoks Lands; or
- (b) provide a complete system for the purpose of valuing of interests in real property in K'ómoks Lands.

3.2 Unless otherwise agreed to by British Columbia Assessment Authority, a K'ómoks Real Property Taxation Law must be in force on or before October 31 if K'ómoks intends that British Columbia Assessment Authority is to prepare an assessment roll for K'ómoks for taxation for K'ómoks purposes in the next calendar year.

3.3 If the K'ómoks Government provides,

- (a) by law, on or before October 31, exemptions of:
 - (i) interests in lands and improvements of K'ómoks Members, and
 - (ii) interests that would be permitted to be exempt under Division 7 of Part 7 of the *Community Charter* from property taxation if the Division applied;
- (b) by law, on or before October 31, designated supportive housing property for inclusion in class 3 supportive housing class; or
- (c) on or before September 30, notification to the Assessor that a property has ceased

to meet the criteria of K'ómoks managed forest land;

the application of these classifications, valuations or exemptions will be considered in the preparation of the provincial assessment roll.

4.0 REQUISITION PAYMENT

4.1 K'ómoks agrees to pay applicable Requisitions.

5.0 GRANTS IN LIEU OF TAXES

5.1 In accordance with section 34.1 of the *Hydro Power and Authority Act*, BC Hydro may pay an annual grant in lieu of taxes to the K'ómoks with respect to K'ómoks Lands within which BC Hydro generates, transmits or sells electric power.

5.2 A grant referred to in section 5.1 will be for the sum of:

- (a) the taxes under the *School Act* (British Columbia) that BC Hydro would have paid to British Columbia in respect of the interest of BC Hydro in lands and improvements within K'ómoks Lands if BC Hydro were taxable in respect of those lands and improvements under that Act; and
- (b) an amount calculated in accordance with section 5(2)(b) of Order in Council 449/2024 (British Columbia), or any successor to such Order in Council, that pertains to grants to Treaty First Nations and replaces section 5(2)(b).

6.0 K'ÓMOKS HOME OWNER GRANT

6.1 No person is entitled to a grant under the *Home Owner Grant Act* in respect of a property subject to taxation under the K'ómoks Real Property Taxation Laws.

6.2 If K'ómoks provides a K'ómoks Home Owner Grant, on or before February 28th of the year following the taxation year, K'ómoks may claim from British Columbia a grant for the amount, if any, the Eligible Grant Amount exceeds the School Tax Amount by providing British Columbia with a notice of the grant claimed and basis for its calculation.

6.3 British Columbia will verify in accordance with provincial legislation, policies and practices, and may audit at its own expense, the grant claimed and K'ómoks will, within 60 days of a request from British Columbia, provide access to or copies of information reasonably required by British Columbia for the purposes of verification or audit.

7.0 DELEGATION

7.1 Subject to the written consent of the delegate, K'ómoks may by law delegate K'ómoks' authority under this Agreement, including the authority to make laws, to another person.

8.0 RECOVERY

8.1 If the K'ómoks Real Property Taxation Law authorizes a tax sale, by public auction, of the fee simple or leasehold interest in real property, the K'ómoks Real Property Taxation Law will provide:

- (a) for the giving of advance notice of the tax sale to all of the following:
 - (i) each person named in the tax roll in relation to the interest in real property subject to the tax sale;
 - (ii) each person who holds a registered lien or charge on land subject to the tax sale; and
 - (iii) each person who is a registered owner of the interest in real property subject to the tax sale;
- (b) a right of redemption on payment of an amount owing by or on behalf of the person whose property is to be sold or forfeited; and
- (c) in the case of a sale, payment by K'ómoks to the person who was the registered owner of the property at the time of the sale, of the proceeds of the sale less all of the following:
 - (i) the total amount of costs in relation to the sale;
 - (ii) property taxes, penalties and interest;
 - (iv) amounts that are owing to creditors with priority over the registered owner; and
 - (v) amounts of unpaid Special Fees.

8.2 If the K'ómoks Real Property Taxation Law authorizes a discontinuance of a utility or other service to specific real property or a specific person within K'ómoks Lands because of unpaid property taxes or fees in relation to a service, or because of non-compliance with the rules established by a K'ómoks Law or contract respecting the use of the service, the K'ómoks Real Property Taxation Law will:

- (a) provide for giving reasonable notice before the service is discontinued; and
- (b) in relation to a discontinuation for non-compliance with rules or contract, include provision for the persons affected by the discontinuation to have an opportunity to make representations to K'ómoks.

9.0 NON-MEMBER ENGAGEMENT

9.1 K'ómoks Real Property Taxation Law will provide individuals other than K'ómoks Members who are at least 18 years of age and who are:

- (a) liable to taxation under the K'ómoks Real Property Taxation Law; or
- (b) ordinarily resident on K'ómoks Lands;

an opportunity to make representations to K'ómoks in respect of tax rates, exemptions and local services provided by K'ómoks.

10.0 REGISTRATION AND DELIVERY OF LAW

10.1 The Parties acknowledge that the K'ómoks Real Property Taxation Laws of K'ómoks are K'ómoks Laws under the K'ómoks Treaty such that they are subject to the registration and other processes generally applicable to K'ómoks Laws.

11.0 PROVINCIAL ANNUAL TAX RATES NOTICE

11.1 Further to a request from K'ómoks, until K'ómoks advises otherwise, the Minister of Finance will make best efforts, as a courtesy and in addition to any statutory obligation, to notify K'ómoks promptly of the rates set:

- (a) under section 119(3) of the *School Act*, R.S.B.C. 1996 c. 412 for School District No. 71 (Comox Valley) and School District No. 72 (Campbell River) on or before the date British Columbia is required under section 119(6) of the *School Act* to send a notice of rates to the collector in each municipality;
- (b) under section 20 of the *Taxation (Rural Area) Act*, R.S.B.C. 1996 c. 448 for the region of the Province within which the K'ómoks Lands are located on or before the date referred to in paragraph (a) of this section; and
- (c) under section 66.4 of the *Police Act*, R.S.B.C. 1996 c. 367 for a contribution area within which the K'ómoks Lands are located, on or before the date British Columbia is required under the *Police Act* to send notice of the rate to the collector in a municipality.

12.0 AMENDMENT AND REVIEW

12.1 Any amendment to this Agreement must be in writing and executed by both Parties.

12.2 Either Party may at any time request the other Party to review this Agreement and to consider amendments to the Agreement and the other Party will not unreasonably withhold consent to the review.

12.3 Nothing in 12.2 requires either Party to agree to amend this Agreement.

13.0 NO IMPLIED WAIVER

13.1 No term or condition of this Agreement, or performance by a Party of a covenant under this Agreement, will be deemed to have been waived unless the waiver is in writing and signed by the Party giving the waiver.

13.2 No written waiver of a term or condition of this Agreement, of performance by a Party of a covenant under this Agreement, or of default by a Party of a covenant under this Agreement, will be deemed to be a waiver of any other covenant, term or condition, or of any subsequent default.

14.0 NOT A TREATY OR LAND CLAIMS AGREEMENT

14.1 This Agreement is not a treaty or a land claims agreement, and does not recognize or affirm aboriginal or treaty rights within the meaning of sections 25 and 35 of the *Constitution Act, 1982*.

15.0 FURTHER ASSURANCES

15.1 The Parties will execute any other documents and do any other things that may be necessary to carry out the intent of this Agreement.

16.0 INTERPRETATION

16.1 In this Agreement:

- (a) headings are for convenience only, do not form part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement;
- (b) a reference to a statute includes every amendment to it, every regulation made under it, and any law enacted in substitution for it or in replacement of it; and
- (c) unless it is otherwise clear from the context, the use of the singular includes the plural, and the use of the plural includes the singular.

17.0 GENERAL

17.1 This Agreement will be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia.

17.2 This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors.

- 17.3 This Agreement may not be assigned, either in whole or in part, by any Party.
- 17.4 In 17.5 to 17.9, "Communication" includes a notice, document, request, approval, authorization, confirmation or consent.
- 17.5 A Communication must be in writing and be:
- (a) delivered personally or by courier;
 - (b) transmitted by fax or email; or
 - (c) mailed by any method for which confirmation of delivery is provided.
- 17.6 A Communication is considered to have been given, made, or delivered and received:
- (a) if delivered personally or by courier, at the start of business on the next business day after the business day on which it was received by the addressee or a responsible representative of the addressee;
 - (b) if sent by fax or email and the sender receives confirmation of the transmission, at the start of business on the business day next following the day on which it was transmitted; or
 - (c) if mailed by any method for which confirmation of delivery is provided, when receipt is acknowledged by the addressee.
- 17.7 In addition to 17.5 and 17.6, the Parties may agree to give, make, or deliver a Communication by means other than those provided in 17.6.
- 17.8 The Parties will provide to each other addresses for delivery of Communications under this Agreement and will deliver a Communication to the address provided by each Party.
- 17.9 If no other address for delivery of a particular Communication has been provided by a Party, a Communication will be delivered, mailed to the address, or transmitted to the email or fax number, of the intended recipient as set out below:

For: British Columbia

Attention: Minister of Finance
Parliament Buildings
Victoria, British Columbia
V8V 1X4
Fax: (250) 387-5594
Email: fin.minister@gov.bc.ca

For: K'ómoks

Attention: Chief
#3330 Comox Road
Courtenay, British Columbia
V9N 3P8
Fax: 250 339-7053
Email:

17.10 Notwithstanding 12.1, a party may change its address, email or facsimile number by giving a notice of the change to the other Parties in the manner set out above in subsection 17.5.

18.0 DISPUTE RESOLUTION

18.1 The Parties desire and expect that most disagreements will be resolved by informal discussion without the necessity of invoking a dispute resolution mechanism and will act in good faith in attempting to reach a resolution.

18.2 In the event of a dispute between the Parties arising under this Agreement not being resolved by informal discussion, they will use the procedures set out in 18.3 to 18.7 before pursuing any other remedy.

18.3 Within 30 days of a Party receiving notice from the other that it is invoking this dispute resolution process, they will meet and attempt to settle the dispute.

18.4 If, within 60 days after the first meeting referred to in 18.3, the Parties fail to resolve the dispute, they will submit the dispute to mediation and equally bear the cost of mediation.

18.5 The Parties will jointly select a mediator but if, after 30 days, they are unable to agree on the choice of a mediator, they will submit the matter of choosing a mediator to a judge of the Supreme Court of British Columbia, who will be asked to choose a mediator.

18.6 The Parties will participate in the mediation process for a period of 60 days.

18.7 The Parties may agree to time periods other than those set out in 18.3 to 18.6.

18.8 The Parties may agree to use any of the provisions of the Dispute Resolution Chapter of the K'ómoks Treaty.

19.0 TERMINATION

19.1 The Parties may, by agreement in writing, agree to terminate this Agreement effective on the date agreed to by the Parties.

19.2 K'ómoks may, at any time and for any reason, terminate this Agreement by giving British Columbia written notice of the termination of this Agreement, in which case this Agreement will be terminated on a date agreed to by the Parties or, if there is no such agreement, on December 31 of the year following the calendar year in which the notice of termination is given and received.

19.3 The termination of this Agreement will not affect the rights, obligations or liabilities that British Columbia, K'ómoks, K'ómoks Members or other persons each had before the termination of this Agreement.

20.0 TAX REVENUES AS SECURITY FOR BORROWING

20.1 For greater certainty, nothing in this Agreement limits the right and authority of the K'ómoks to use revenues raised under a K'ómoks Real Property Taxation Law as security for incurring liability by borrowing from any person for any purpose.

21.0 EXECUTION IN COUNTERPARTS

21.1 This Agreement may be signed in one or more counterparts. A signed counterpart may be delivered to another Party by facsimile transmission or be scanned and emailed, and a facsimile or scanned and emailed signature so transmitted will be accepted the same as an original signature. Signed counterparts held by a Party, taken together, will constitute one and the same instrument.

[Remainder of page intentionally left blank]

22.0 COMING INTO EFFECT

22.1 This Agreement comes into effect on the date of execution by the last Party to execute.

THE PARTIES HAVE EXECUTED THIS AGREEMENT.

HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Finance, signed this _____ day of _____, 20__.

Per duly authorized signatory

Printed Name

K'ÓMOKS, as represented by the K'ómoks Government, signed this ___ day of _____, 20__.

Per duly authorized signatory

Printed Name