

LABRADOR INUIT FRAMEWORK TAXATION AGREEMENT

THIS AGREEMENT made the 5th day of May, 2006,

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF NEWFOUNDLAND AND
LABRADOR, as represented by the Minister Responsible for Aboriginal
Affairs**

("Province")

- AND:

**NUNATSIAVUT GOVERNMENT, as represented by the President of the
Nunatsiavut Government**

("Nunatsiavut Government")

WHEREAS:

- A. The Labrador Inuit Land Claims Agreement provides that when the Labrador Inuit Constitution has established Inuit Community Governments and the Inuit Community Councils have first been elected, the municipalities of Nain, Hopedale, Postville, Makkovik and Rigolet shall cease to be municipalities under the *Municipalities Act, 1999* and shall each become an Inuit Community Government under Inuit Law and the Labrador Inuit Land Claims Agreement;
- B. Section 20.2.2 of the Labrador Inuit Land Claims Agreement enables Inuit Community Governments to make laws in relation to the Direct taxation of Inuit in Inuit Communities on the same basis as a municipality under Provincial Legislation;
- C. Section 20.3.2 of the Labrador Inuit Land Claims Agreement provides that on the Effective Date, the Province and the Nunatsiavut Government shall enter into an agreement on the extent to which the tax powers of an Inuit Community Government may be extended to apply to Persons other than Inuit. The Parties intend that this Labrador Inuit Framework Taxation Agreement serve as the agreement referred to in section 20.3.2 of the Labrador Inuit Land Claims Agreement; and

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- D. The powers of taxation of an Inuit Community Government that may extend to Persons other than Inuit should be the same powers as the powers of taxation that a council as defined in the *Municipalities Act, 1999* has over persons that are resident in, that own property in or conduct commercial activities in a municipality.

NOW THEREFORE in consideration of the mutual covenants set out below, the Province and the Nunatsiavut Government agree as follows:

1.0 INTERPRETATION

- 1.1 Words and expressions not defined in this Agreement but defined in the Labrador Inuit Land Claims Agreement have the meaning ascribed to them in the Labrador Inuit Land Claims Agreement.
- 1.2 In this Agreement, where consistent with the context, the singular number includes the plural and the plural number includes the singular.
- 1.3 A reference to any legislation shall be construed as including any regulations promulgated thereunder, any amendments thereto, and any successor or replacement legislation.
- 1.4 Headings are for convenience of reference only and form no part of this Agreement.
- 1.5 Words that begin with a capital letter or phrases in which each word begins with a capital letter have the meaning specified in this Agreement.
- 1.6 In this Agreement:

“Agreement” means this Labrador Inuit Framework Taxation Agreement and includes amendments made to the Labrador Inuit Framework Taxation Agreement;

“Labrador Inuit Land Claims Agreement” means the land claims agreement entered into between the Inuit of Labrador as represented by the Labrador Inuit Association, Her Majesty the Queen in right of Newfoundland and Labrador and Her Majesty the Queen in right of Canada on January 22, 2005 and includes amendments made to that agreement;

“Labrador Inuit Land Claims Agreement Act” means the *Labrador Inuit Land Claims Agreement Act*, SNL2004 Chapter L-3.1; and

“Parties” means the parties to this Agreement.

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2.0 GENERAL

- 2.1 This Agreement will come into effect upon its execution by the Province and the Nunatsiavut Government.
- 2.2 This Agreement may be amended at any time by the agreement of the Province and the Nunatsiavut Government. An amendment, to be effective, must be in writing and agreed to by both Parties to this Agreement.
- 2.3 This Agreement shall be interpreted in accordance with the Laws of the Province.
- 2.4 The Province and the Nunatsiavut Government shall use best efforts:
- (a) to give effect to this Agreement;
 - (b) to implement its provisions; and
 - (c) to resolve any disputes arising from, or concerns associated with, its operation through informal means.
- 2.5 This Agreement shall not form part of the Labrador Inuit Land Claims Agreement.
- 2.6 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*.
- 2.7 In the event of a conflict or an inconsistency between this Agreement and the Labrador Inuit Land Claims Agreement, the Labrador Inuit Land Claims Agreement will prevail to the extent of the conflict or inconsistency.
- 2.8 This Agreement does not alter or otherwise affect the constitutional distribution of legislative and executive power.
- 2.9 Nothing in this Agreement is intended to or shall be construed so as to derogate from the lawful authority of the Province, a Minister or any other regulatory body established by Provincial Legislation and all actions and decisions authorized by Provincial Law remain within the jurisdiction and are the responsibility of the Province.

3.0 DIRECT TAXATION OF PERSONS OTHER THAN INUIT

- 3.1 Notwithstanding subsection 3(4) of the *Municipalities Act, 1999*, when an Inuit Community Council has first been elected the Inuit Community Government shall have the powers of a council to impose taxes and other charges under the *Municipalities Act, 1999*, the *Taxation of Utilities and Cable Television Companies Act*, and the *Assessment Act* upon Persons other than Inuit. For greater certainty, these powers shall include matters related to the application of the tax, classes of taxable interest, tax rates, assessment procedures, appeals, exemptions and collection procedures.

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3.2 The Nunatsiavut Government shall not exercise the same tax powers at the same time as Inuit Community Governments relative to the tax powers contemplated in this Agreement.

3.3 The powers of taxation contemplated in this Agreement shall comply with the *Charter of Rights and Freedoms*. The power to impose, collect and enforce a tax from a Non-Beneficiary shall not be exercised by an Inuit Community Government so as to single out a Non-Beneficiary or an interest held by a Non-Beneficiary for adverse differential treatment and the operation of a tax shall not impose a disproportionate burden upon a Non-Beneficiary or an interest held by a Non-Beneficiary unless such treatment or burden can be justified according to Law.

4.0 IMPLEMENTATION

4.1 The Province will amend the *Labrador Inuit Land Claims Agreement Act* as necessary, in order to give effect, and where applicable, give the force of law to the provisions of this Agreement.

4.2 Neither the Province nor the Nunatsiavut Government or its respective employees and agents shall incur any liability in respect of any suit, action, claim, demand, proceeding, damage, cost, loss or entitlement that arises from the operation of this Agreement.

5.0 LEGAL

5.1 This Agreement is legally binding on the Province and the Nunatsiavut Government and their respective heirs and assigns.

5.2 This Agreement is the entire agreement and there is no representation, warranty, collateral agreement or condition affecting this Agreement unless otherwise expressly provided herein.

6.0 SEVERABILITY

6.1 If any part of this Agreement is declared or held invalid for any reason, the invalidity of that part will not affect the validity of the remainder which will continue in full force and effect and be construed as if this Agreement had been executed without the invalid portion.

7.0 ENUREMENT

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

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8.0 ASSIGNMENT

8.1 Unless otherwise agreed by the Parties, this Agreement may not be assigned, either in whole or in part, by any Party.

9.0 NOTICES

9.1 Unless otherwise agreed, a notice, document, request, approval, authorization, consent or other communication (each a "communication") required or permitted to be given or made under this Agreement must be in writing and may be given or made in one or more of the following ways:

- (a) delivered personally or by courier;
- (b) transmitted by facsimile transmission; or
- (c) mailed by prepaid registered post in Canada.

9.2 A communication will be considered to have been given or made, 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 facsimile transmission and if the sender receives confirmation of the transmission, at the start of business on the next business day after the business day on which it was transmitted; or
- (c) if mailed by prepaid registered post in Canada, when the postal receipt is acknowledged by the addressee.

9.3 A communication must be delivered, transmitted to the facsimile number or mailed to the address of the intended recipient set out below:

For: Newfoundland and Labrador
Attention: Minister Responsible for Aboriginal Affairs
P.O. Box 8700
Confederation Building
St. John's, Newfoundland and Labrador
A1B 4J6
Fax Number: 709-729-4900

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For: Nunatsiavut Government
Attention: The President
Nunatsiavut Government
17 Sandbanks Road
P.O. Box 70
Nain, Newfoundland and Labrador
A0P 1L0
Fax Number: 709-922-2931

- 9.4 A Party may change its designate, address, or facsimile number by giving a notice of the change to the other Party in the manner set out above in 9.1.

