

Treaty Land Entitlement

Saskatchewan Association of Rural Municipalities



The Government of Saskatchewan is working with Canada and First Nations to resolve outstanding Treaty land obligations. Rural municipalities (RMs) are concerned about shortfalls in the Rural Municipal Tax Loss Compensation Trust Fund (TLE Trust Fund), which originally covered 99 RMs.

When land within an RM is transferred to reserve status, it is no longer subject to property taxation. TLE agreements were designed to compensate for this tax loss, with the federal and provincial governments sharing the cost on a 70/30 basis.

On May 25, 2000, Saskatchewan and SARM established the Rural Municipal Specific Claims Agreement (RMSCA). This agreement appointed SARM as trustee of the Rural Municipal Specific Claims Tax Loss Compensation Trust Fund (the "Fund").

SARM's responsibilities include:

ADMINISTRATION: Managing the Fund for RMs losing tax revenue from land designated as reserves.

INVESTMENT: Investing the Fund in authorized assets.

RECORD KEEPING: Maintaining records for Fund administration.

PAYMENTS: Distributing payments to RMs. The Fund initially received \$2.8 million from Saskatchewan, as well as tax loss compensation from Bands.

The Voice of Rural Saskatchewan

Challenges

The TLE Trust Fund agreement, established nearly 25 years ago, has not been reviewed or adjusted to reflect changing conditions. It failed to account for inflation, infrastructure upgrades, ongoing road maintenance, and rising construction costs. Current compensation is based on dated tax assessments, leading to inadequate payments. Low investment returns have worsened the situation, with payouts exceeding annual interest.

THE FUND IS DEPLETING, LEAVING SOME RMS WITH NO AVAILABLE FUNDS, AND MANY OTHERS ARE AT RISK OF THE SAME IN THE COMING YEARS.

While First Nations in Saskatchewan deserve quality services and access to reserve lands, RMS need sufficient compensation to provide these services at today's costs. The financial impacts should not rest solely on RMS alone, as treaty land obligations are a responsibility shared by both federal and provincial governments.

Advocacy Asks



The federal government can assist RMS by:

CONDUCTING A REVIEW: Evaluate the TLE Trust Fund for long-term support of infrastructure, sustainability and adequacy.

ADDRESSING RISING COSTS: Ensure TLE Trust Fund payments cover increasing road maintenance and infrastructure expenses and develop a new tax calculation that more adequately reflects repayments for RMS.

INCREASING FUNDING: Provide additional funding to the TLE program.

DEVELOPING INNOVATIVE MODELS: Create new and consistent funding models involving First Nations, RMS, and corporations for road and infrastructure maintenance.

**Thank you
for your time!**

SARM looks forward to working with the federal government on projects and initiatives positively impacting Saskatchewan's rural municipalities.

