

NEWS RELEASE



For Immediate Release

Inuit Organizations Challenge the Government of Nunavut's Move to Transfer Mining Companies' Property Tax Liabilities to Inuit

(August 11, 2022 – Iqaluit, Nunavut) Nunavut Tunngavik Inc. (NTI) and the Regional Inuit Associations (collectively with NTI, the "Inuit Organizations") filed a lawsuit on August 10, 2022 challenging the Government of Nunavut's move to transfer mining companies' property tax liabilities to Inuit. On May 27, 2022, the Government of Nunavut brought into force Bill 55 – *An Act to Amend the Property Assessment and Taxation Act* (PATA), which was passed and received Assent in September 2021 over Inuit Organizations' objection.

Bill 55, among other things, transfers property tax liabilities on a mining company's assets from the company to Inuit, if the assets are located on Inuit Owned Lands (IOLs) where Inuit hold the mineral title and regardless of whether Inuit Organizations have received any revenues from the company. Inuit Organizations could end up owing millions of dollars in tax liabilities if a mining company fails to pay or goes bankrupt.

Because mining companies own and control the mining assets and improvements, it is the universal practice across Canada for government to collect property taxes directly from mining companies.

"Transferring mining companies' property tax liabilities to Inuit is simply unconscionable and regressive, violates the *Nunavut Agreement*. It is a big backward step on the road to reconciliation. Bill 55 also fails to recognize the public nature of Inuit Organizations and IOLs – no other public organizations in Nunavut have been required to shoulder property tax liabilities of private mining companies," says President Aluki Kotierk of NTI.

In the past two years, Inuit Organizations have consistently opposed some of the proposed provisions of Bill 55. At the Annual General Meeting held in November 2021, the NTI Membership passed a resolution condemning Bill 55 in the strongest terms. The NTI Membership also directed NTI and RIAs to develop mitigation measures to offset the additional risks arising from Bill 55 and to safeguard the interests of Inuit. Inuit Organizations will be implementing the following measures, among other things:

NTI News Releases are posted to our web site: <http://www.tunngavik.com>

Twitter @NTunngavik and Facebook Page: Nunavut Tunngavik Inc.

- Additional monetary security to be paid by mining companies;
- Additional consent requirements by Inuit Organizations for any infrastructure or improvements to be built on IOLs where Inuit hold the mineral title; and
- Additional requirement that to the greatest extent possible, mining improvements, facilities and infrastructure not to be built on IOLs where Inuit hold the mineral title.

The Government of Nunavut has decided to bring the Bill into force, despite being made aware of the many legal and practical issues related to those parts the Bill to which Inuit Organizations object, and the increase in costs for mining companies to do business in Nunavut. Inuit Organizations have no choice but to challenge the legislation in court.

“This is a poorly thought-out piece of legislation,” says Vice-President James Eetoolook. “We strongly urge the Government of Nunavut to reconsider this matter, and to amend the legislation accordingly.”

-30-

For further information:

Shawn Watchorn
Assistant Director of Communications
Nunavut Tunngavik Incorporated
Tel: (867) 975-4900/Toll-free: 1-888-646-0006
SWatchorn@tunngavik.com
www.tunngavik.com