A Conservation Tax Incentive Program for BC
The Land Trust Alliance of BC and partners are promoting the establishment of a province-wide “Conservation Tax Incentive Program” (CTIP). This would be established through amendment of provincial legislation and would allow local governments to offer property tax reduction on land under conservation covenants which give permanent protection to ecologically important, privately owned, natural areas.

We invite local governments, landowners, land trusts and others to join us in expressing support for this fully-voluntary, low-cost approach to protection of our valuable environment.
Working Together to Protect Natural Areas

Conservation covenants provide an important tool for protection of natural areas, but incentives are needed to offset start-up costs.

Naturally functioning ecosystems play a central role in our economy by providing essential services such as clean water, fertile soil, carbon storage and an attractive place to live and work.

There’s a critical need to stop the loss and degradation of sensitive, rare natural areas, to protect and restore biodiversity, and to safeguard ecosystem values. Much of these areas are in private ownership, making acquisition and protection expensive. There is therefore a particular need to enhance conservation of privately-owned natural areas through voluntary actions.
A province-wide conservation tax incentive program would have a positive impact on the rate of natural area protection through conservation covenants.

The Natural Area Protection Tax Exemption Program (NAPTEP), in the Gulf Islands area, is a model for a Conservation Tax Incentive Program. NAPTEP applies only to qualifying natural areas which are also classed as residential (Class 1) land and only to the portion of a property which is covered by a covenant. The program offers a 65% reduction in the land tax on such areas.

The program is fully voluntary and allows regional and local governments to opt-in.

NAPTEP has functioned successfully for 10 years and has the endorsement of all local governments where it applies.
CTIP would not reduce tax revenue nor require provincial reimbursement to local governments.

NAPTEP creates a small tax shift from those who participate to those who don’t - similar to agricultural and heritage tax exemption.

A 2005 study by the Island Trust Fund examined the expected tax shift if a small portion of total residential properties in the Island Trust parts of the Capital Regional District and Sunshine Coast Regional District participated. If 5% of residential properties (about 167 properties) in these areas participated, the tax shift to all other properties in the province would be about $0.07 per property per year. The tax shift to properties in the IT areas in the RDs would be about $2.25 per property per year.

Since the total enrolment in NAPTEP across all of the IT area has been 23 properties over a 10 year period (well below the level of 5% of all eligible properties) the tax shift impact has been extremely small.
The Union of BC Municipalities and BC Min of Environment have expressed support for a CTIP modeled on NAPTEP.

The Comox Valley Regional District presented a resolution to the 2015 UBCM convention calling for provincial enabling legislation to allow local governments to implement a CTIP modeled on NAPTEP. This UBCM resolution was unanimously approved.

The BC government has adopted a strategy called “Protecting Vulnerable Species: Five-Plan for Species at Risk in British Columbia”. This strategy recommends the adoption of “new ways (including incentives and possible project funding) to promote voluntary protection of species at risk.” Adoption of a CTIP is considered a priority for implementation of this plan.

Further endorsements by local governments, landowners and interested organizations are needed!
The Land Trust Alliance of BC invites indications of support from local governments, organizations and individuals. Help us build momentum for a voluntary tax incentive program for natural area protection in BC.

- Check out our background and summary documents
- Contact us for more information
- Request assistance in presenting this initiative to your organization
- Send us a letter, or other indication of your organization’s support for a conservation tax incentive program
Contact the Land Trust Alliance of BC for more information

- LTABC, 201 – 569 Johnson Street, Victoria, BC, V8W1M2
- 250 590 1921
- www.ltabc.ca
- paul@ltabc.ca or alf.birch@gmail.com
Proposal for a Voluntary Conservation Tax Incentive Program (CTIP): Summary

August 2016

In response to rising development pressure on valuable natural areas in B.C.’s gulf islands, the Natural Areas Protection Tax Exemption Program (NAPTEP) was initiated in the early 2000’s through amendments to the Islands Trust Act. Since then it has been implemented with the consent of the Capital, Sunshine Coast, Nanaimo, Cowichan Valley, Comox and Powell River regional districts in their island areas as well as the Municipality of Bowen Island.

NAPTEP is a fully voluntary program which offers 65% tax exemption for land which is protected by a conservation covenant under the Islands Trust Fund. Qualifying land must have special features such as undisturbed natural areas with important ecosystems. Landowners applying for NAPTEP are responsible for payment of covenant initiation costs which may range from $2,500 to $12,000. Covenant holders, such as land trusts, are responsible for ongoing monitoring costs.

Since its inception the NAPTEP program has enrolled a total of 23 properties (about 2 - 3 properties per year) with a total land area of about 75 ha. The modest level of NAPTEP enrolment reflects the fact that NAPTEP provides only a moderate financial incentive to landowners who are considering a conservation covenant. NAPTEP is, however, likely to be a positive factor for landowners who would otherwise be undecided about the overall benefits and costs of long-term conservation of their land.

There is no provincial cost for compensation to local governments for NAPTEP tax exemption. Furthermore there is no loss of provincial or local government tax revenue as a result of the program. Instead there is a small tax shift from NAPTEP properties to all other properties in the tax pooling area (which varies by type of tax). The impact on non-NAPTEP properties is very small, estimated to be in the range of a few cents up to a couple of dollars per property per year, much less than normal year-to-year variation in property taxes due to other factors.

The B.C. Government’s “Protecting Vulnerable Species: Five-Year Plan for Species at Risk in British Columbia” recommends the adoption of “new ways (including incentives and possible project funding) to promote voluntary protection of species at risk.” In response, discussions are underway among some provincial ministries regarding the development of a conservation tax incentive program.

Nova Scotia and Ontario both offer 100% property tax reduction for land conservation, with full or partial provincial compensation for local governments for reduced property taxes.
These programs are reported to be popular and seen by the provincial governments as a cost effective means of achieving natural area protection. U.S. legislation allows donors of conservation easements to deduct a portion of the value of the easement from their income tax.

In 2011 the UBCM passed a resolution from the Sunshine Coast Regional District requesting the province to enable local governments to implement conservation tax incentive programs. A similar resolution was presented to the 2015 UBCM convention by the Comox Valley Regional District and was also passed unanimously.

**Recommendation**

BC should adopt a province-wide “Conservation Tax Incentive Program” (CTIP) based on the successful NAPTEP. The proposed CTIP would be fully voluntary for local governments, land owners and land trusts. Based on the model of Nova Scotia and Ontario and considering the low tax shift impacts of NAPTEP and the need to create active participation in the program, the CTIP should offer a 100% tax exemption for land under a conservation covenant.

**Request**

LTABC invites local governments, landowners, land trusts and others to join in expressing support in principle for a provincial CTIP. Letters of support will be collected and presented to the Minister in 2017.
May 18, 2016

Ministry of Community, Sport and Cultural Development
PO Box 9848 Stn Prov Govt
Victoria, BC
V8W 9T3

Attention: Minister Peter Fassbender

Dear Min. Fassbender:

Re: Provincial Conservation Tax Incentive Program

At the Council meeting held May 17, 2016, Town of View Royal Council discussed their support for the Provincial Conservation Tax Incentive Program as proposed by the Land Trust Alliance of BC (see attached letter dated May 9, 2016).

Council recognizes the importance of ecological protection on private lands as part of its goals and objectives and understands that the fully voluntary Natural Areas Protection Tax Exemption Program has already operated successfully for ten years in the Gulf Island area. Council believes a similar province-wide Conservation Tax Incentive Program would complement the Town's local environmental policies and programs.

The Town of View Royal is requesting that the Provincial Government make the necessary legislative amendments to enable local governments to use the Provincial Conservation Tax Incentive Program.

If you have any further questions, please do not hesitate to contact this office.

Yours truly,

Elena Bolster
Deputy Municipal Clerk