

The Natural Area Protection Tax Exemption Program

The logo consists of the letters 'NAPTEP' in a white, bold, sans-serif font, centered within a dark teal rectangular box with a white dotted border. The background of the entire page is a scenic photograph of a rocky coastline with a forested shoreline and a calm body of water under a clear blue sky.

NAPTEP

PROTECT YOUR LAND AND SAVE MONEY

An incentive program to reduce taxes for Islands Trust Area landowners

A Special Part of the World

The Canadian Gulf Islands are renowned and cherished for their stunning physical beauty, gentle climate, and rural charm. These characteristics have led to a steadily increasing demand for land on these islands resulting in higher property values and taxes. More development also means more pressure on sensitive island ecosystems that are frequently home to rare and endangered species.

Some people who bought land on the islands to be close to nature and to enjoy the serenity of island life are now faced with the difficult decision of logging or developing their properties to pay for their high property taxes. Living in paradise has become expensive.

The **Natural Area Protection Tax Exemption Program (NAPTEP)** provides a property tax incentive to protect the natural features of the islands.

Background

In response to development and population growth pressures facing the region, the British Columbia government created the Islands Trust in 1974 to make land use decisions that preserve and protect the Gulf Islands. In 1990, the Province also created the Islands Trust Fund to act as a conservation land trust. **NAPTEP** is a joint initiative between the Islands Trust and the Islands Trust Fund.

Eligible Lands and Features

To qualify for **NAPTEP** a landowner must be willing to permanently protect, through a **NAPTEP** conservation covenant, one or more of the eligible features on their property. Eligible features include:

- Areas relatively undisturbed by human activity that are good examples of important ecosystems such as forests over 80 years old, woodlands, water features, sparsely vegetated natural areas, coastal bluffs, etc.
- Areas relatively undisturbed by human activity that are key habitat for rare native plant species or plant communities.
- Areas that are critical habitat for native animal species in relation to breeding, rearing, feeding or staging.
- Special geological features.

There are no minimum or maximum lot size requirements. However, the program may not be beneficial for small properties with a low assessed value. Each situation is unique based on a landowner's personal tax circumstances.

MORRISON MARSH NATURE RESERVE
▼ DENMAN ISLAND.
PHOTO BY PATTI WILLIS

SAVE MONEY BY PROTECTING LAND

The Natural Area Protection Tax Exemption Program (NAPTEP) is available to Islands Trust Area landowners in participating regional districts (see back page for list of eligible Local Trust Areas). It provides landowners who permanently protect natural features of their land with the opportunity to receive a 65% exemption in property taxes on the protected portion of their land.





▲ SKUNK CABBAGE, OR SWAMP LANTERN, LIGHT UP ECOLOGICALLY IMPORTANT WETLANDS ON THE GULF ISLANDS. PHOTO BY JONATHAN GRANT

Protecting Land Forever

Landowners who enter into a **NAPTEP** covenant continue to own their land. The standard **NAPTEP** covenant simply prevents current and future owners of the land from doing anything to the covenant area that may harm its special values. This includes:

- removal of native plants
- use of herbicides and pesticides
- alteration of natural watercourses or water bodies
- grazing of animals
- modification of the soil or geological features.

A **NAPTEP** covenant, once registered, is listed on the land's title forever. Violating the covenant can result in heavy penalties including, but not limited to, payment of all exempted taxes plus interest and a charge for each infraction.

The Application Process

There are two phases to a **NAPTEP** application:

Phase One will determine whether or not a landowner is eligible for **NAPTEP**.

Phase Two requires registration of a **NAPTEP** covenant on the land's title and results in the issuing of a Natural Area Exemption Certificate.

Upfront Costs

Phase One

APPLICATION FEE

\$275 payable to the Islands Trust.

Phase Two

APPLICATION FEE

\$175 payable to the Islands Trust.

The following additional costs will vary depending on the size of the covenant area to be protected and the complexity of the covenant and survey.

- Legal advice for developing and amending your covenant
- Tax and financial advice for reviewing your situation to ensure the program is right for you
- A survey of the proposed covenant area(s)
- A report about the current state of the covenant area and its ecosystems, prepared by an approved Environmental Professional
- Covenant registration costs
- A voluntary endowment to cover future monitoring costs would be eligible for a charitable receipt

As a landowner you will play an important role in protecting fragile Gulf Island ecosystems forever.

Covenant Monitoring

As required by **NAPTEP**, an Islands Trust Fund representative will visit the covenant area annually to ensure it is being managed in accordance with the covenant. The landowner has input over when the monitoring visit will take place and can meet with the monitor to discuss the property and its special features. There is no cost to the landowner for this annual visit. The Islands Trust Fund will mail a follow-up letter soon after the visit.

Benefits

As a landowner participating in **NAPTEP**, you will not only be getting a tax exemption, you will also be creating a legacy for your community and the plants and animals that live there. And, you will play an important role in protecting fragile Gulf Island ecosystems forever.

With a Natural Area Exemption Certificate landowners will see a 65% reduction in property taxes on the protected portion of their land. Landowners donating a conservation covenant through **NAPTEP** may also be eligible for income and capital gains tax benefits under Environment Canada's Ecological Gifts Program.

Applicants will need to determine if the reduction in property tax outweighs the costs of participating in the program. Before deciding to apply to **NAPTEP**, you should obtain legal, tax and financial advice to be sure you understand how a Natural Area Exemption Certificate affects you and your land.

Timeframe

It will take at least six months from the time applicants submit their Phase I application until their Natural Area Exemption Certificate is issued. Applicants who wish to have their Natural Area Exemption Certificate issued for the following year's tax roll must submit their

Phase I application by April 1 and must have their covenants registered by October 15.

Partner Agencies Working Together

The Islands Trust Fund will assist applicants interested in applying for the Natural Area Exemption Certificate. You may also want to invite another organization such as a local or regional conservancy to co-hold the **NAPTEP** covenant. Conservation covenants are typically held by two organizations.

The Islands Trust is responsible for issuing the Natural Area Exemption Certificate which will officially grant a property tax exemption on the portion of the land governed by **NAPTEP**. This exemption will automatically be applied to future property tax statements.

The governing Regional District and Local Trust Committee will have the opportunity to comment on applications to the **NAPTEP** program.

For More Information

For more information please contact the Islands Trust Fund at (250) 405-5186 or visit the Islands Trust Fund website at www.islandstrustfund.bc.ca. **NAPTEP** is currently available in:

Denman Island Local Trust Area
Executive Islands Local Trust Area
Gabriola Island Local Trust Area
Galiano Island Local Trust Area
Gambier Island Local Trust Area
Hornby Island Local Trust Area
Mayne Island Local Trust Area
North Pender Island Local Trust Area
South Pender Island Local Trust Area
Salt Spring Island Local Trust Area
Saturna Island Local Trust Area
Thetis Island Local Trust Area

200-1627 Fort Street, Victoria BC Canada V8R 1H8

Telephone (250) 405-5186 Fax (250) 405-5155

Toll free through Enquiry BC, in Vancouver (604) 660-2421
Elsewhere in BC, 1-800-663-7867

Internet: www.islandstrust.bc.ca

E-mail: itfmail@islandstrust.bc.ca



Islands Trust Fund



Islands Trust