



# Natural Areas Protection Tax Exemption Program (NAPTEP)



## FREQUENTLY ASKED QUESTIONS

### QUESTIONS ABOUT NAPTEP

#### What does the program do?

NAPTEP provides island landowners with the opportunity to receive a 65% property tax exemption on the portion of their property protected through a NAPTEP covenant.

NAPTEP covenants held by the Trust Fund Board will protect eligible natural and geological features on Gulf Islands in the Capital Regional District, The Comox Valley Regional District, the Cowichan Valley Regional District, the Regional District of Nanaimo, the Powell River Regional District, and the Sunshine Coast Regional District. Through this program landowners will use conservation covenants to protect areas that give the islands their charm and biological richness.

#### Who can apply to the program?

Landowners in the Denman, Gabriola, Galiano, Gambier, Hornby, Lasqueti, Mayne, North Pender, South Pender, Saturna, Salt Spring and Thetis Local Trust Areas whose land has one or more of the eligible features can apply to the program.

NAPTEP is being implemented in stages. Over the next year, the Islands Trust will work with the other regional districts in the Islands Trust Area to expand the program.

#### How do I know if my property is eligible?

Eligible properties must contain one of the following Natural Area Values and Amenities:\*

- Relatively undisturbed natural area that is a good example of an important ecosystem
- Important natural areas that provide key habitat for rare native plant species or plant communities or provide critical habitat for native animal species
- Naturally occurring geologic features such as fossil-bearing rock formations, sandstone with interesting erosional features, waterfalls, mineral springs, caves, rare glacial features, and shoreline features such as tombolos, spits and hooks

#### After entering the program can I change my mind? What about the next owner?

This is a permanent decision. If you or future landowners do not follow the terms of the conservation covenant, the tax exemption certificate can be withdrawn and any previously exempted taxes will need to be repaid with interest. If a tax exemption certificate is withdrawn, the NAPTEP covenant will continue to apply.

#### When do I apply?

Anytime. However, to receive a Natural Areas Exemption Certificate in time to see a savings in the following year, you must submit your application by April 1<sup>st</sup>.

---

\* More detailed information about the eligible features listed above is available from the Islands Trust Natural Area Protection Tax Exemption Regulation ([www.qp.gov.bc.ca/statreg/reg/1/41\\_2002.htm](http://www.qp.gov.bc.ca/statreg/reg/1/41_2002.htm)) and the Sensitive Ecosystem Inventory ([www.env.gov.bc.ca/sei/](http://www.env.gov.bc.ca/sei/)).

## CONSERVATION COVENANT QUESTIONS

### What is a conservation covenant?

A conservation covenant is a written legal agreement between a landowner and a conservation organization that sets out specific restrictions or requirements that the landowner will uphold to ensure conservation of the land or part of the land forever. Conservation covenants are permanent and *run with the land*, meaning they also bind future property owners.

### Who holds a NAPTEP conservation covenant?

A NAPTEP covenant must be held with the Trust Fund Board. There may also be a co-covenant holder such as a local conservancy.

### Why would I place a conservation covenant on my land?

Every landowner has their own reason for considering a conservation covenant. These might include a desire to:

- make sure the special natural features on their property are protected forever
- restrict the kinds or level of development that can happen on the property in the future
- access the property and income tax benefits available to landowners who conserve lands using conservation covenants

### Will I still own my land after placing a covenant on it?

Yes, you will simply be restricting the way you and future owners of your land can use the land.

### Will a conservation covenant allow public access or use of my property?

A conservation covenant does not grant the public access or use of your property. However, if you want to grant access to the public, wording to this effect can be added to the NAPTEP covenant.

### Does a conservation covenant have to cover my whole property?

No, in fact most people will have covenants only on a portion of their land. Under NAPTEP, applicants must keep proposed development areas, houses and major buildings outside of the covenant area. Applicants should also try to keep their driveway, septic, well areas, and other improvements outside the covenant area.

### I want to build on my property in the future. Can I still put a covenant on my property?

Yes, but we advise that you think carefully about the required setbacks and location of future septic, well, driveway, and garden areas, etc. You are advised to consult with Islands Trust planning staff regarding future development requirements.

### Can there be buildings and roads on the area I want to protect?

Yes. However, because covenants are intended to protect natural, cultural and social values, the covenant area should be designed in a way that minimizes the number of buildings and roads in the area. If it is necessary to include an existing structure (driveway, dock, path, etc) the NAPTEP covenant specifies that you are allowed to maintain these features; however, you will not be able to expand them.

### Why are covenant documents so long?

A conservation covenant is a legal document that, if not upheld by the owner or future owners, may be enforced through the courts. The various sections and specific wording of the covenant are drafted to ensure that the intent and restrictions are clear and that it is adequately enforceable. An interpretation of the legal covenant language is available in the **NAPTEP Annotated Covenant**. A copy of this document can be found at [www.islandstrustfund.bc.ca/naptepcfm](http://www.islandstrustfund.bc.ca/naptepcfm), or you can request a copy from the Islands Trust Offices located in Victoria and on Gabriola and Salt Spring Islands.

## FINANCIAL QUESTIONS

### **What will it cost me to enter NAPTEP?**

In addition to the application fees for Phase 1 (\$275) and Phase 2 (\$175), there will be additional covenant costs that vary depending on size of property, accessibility of the property to the professionals undertaking assessments, and complexities of the needed assessments. There are several expenses that all landowners should be aware of. These include:

- a baseline report that outlines and maps what the covenant area is like at the time the covenant is put on title (e.g., natural features, rare plants and animals, human-made features, etc.);
- a survey or reference plan prepared by a qualified surveyor
- legal advice to ensure all of your legal interests are addressed
- tax advice to ensure all of your financial, tax, and estate planning interests are addressed
- covenant registration costs

Information on anticipated costs for NAPTEP can be found in the ***Applicant's Guide to Calculating NAPTEP Costs and Benefits*** at [www.islandstrustfund.bc.ca/naptep.cfm](http://www.islandstrustfund.bc.ca/naptep.cfm) .

### **If I enter the program how much money will I save?**

Landowners with a NAPTEP covenant receive an annual 65% property tax exemption on the portion of their land protected by the covenant. Your property tax exemption through NAPTEP will depend on the assessed value of your property and the percentage of your property that you protect. To assist you in determining if NAPTEP is financially beneficial for your situation, the ***Applicant's Guide to Calculating NAPTEP Costs and Benefits*** provides several scenarios comparing NAPTEP costs to property tax savings.

### **Will a NAPTEP covenant affect my property's value?**

BC Assessment will continue to assess your property as though the covenant does not apply, but will apply a tax exemption to the assessed amount. The market value of your property may or may not change depending on your personal circumstances. All applicants are advised to get legal and financial advice.

### **Will the NAPTEP tax exemption affect the other tax exemptions I receive on my property?**

To receive the tax exemption afforded by NAPTEP, BC Assessment reclassifies the land as Residential (Class 1). If you receive a tax exemption under a different classification (e.g. Class 7: Managed Forest Land, Class 9: Farm Land), you may lose that benefit by enrolling in the NAPTEP program.

### **Do I have to get legal and tax advice?**

If you are considering an application to the NAPTEP program, it is very important that you get independent legal and tax advice to ensure you are aware of all the implications for your personal financial situation.

## ADDITIONAL INFORMATION

### **What is the difference between Islands Trust and Islands Trust Fund?**

The Islands Trust is a unique federation of local island governments with a provincial mandate (from the *Islands Trust Act*) to “preserve and protect the trust area and its unique amenities and environment for the benefit of the residents of the trust area and of British Columbia generally.” Trust Council is composed of the local trustees and municipal trustees in the trust area and is the body that issues the Natural Areas Exemption Certificates.

The Islands Trust Fund is the conservation land trust of the Islands Trust, established in 1990 to preserve and protect unique ecological or cultural properties in the Islands Trust Area. The Trust Fund Board governs the Islands Trust Fund and is the body designated by Trust Council to hold NAPTEP covenants.

### **Where can I get more information?**

Application packages are available on the Islands Trust Fund website ([www.islandstrustfund.bc.ca](http://www.islandstrustfund.bc.ca)), from the Islands Trust Fund office in Victoria at 200–1627 Fort Street, Victoria, BC V8R 1H8, or in person from the Islands Trust offices on Gabriola Island (700 North Road) or Salt Spring Island (1–500 Lower Ganges Road).

For inquiries please call the Islands Trust Fund at (250) 405-5186 or toll-free via Enquiry BC at 1-800-663-7867 (604-660-2421 in Vancouver or 250-387-6121 in Victoria), or e-mail questions to [itfmail@islandstrust.bc.ca](mailto:itfmail@islandstrust.bc.ca).