

The Georgian Bay Land Trust offers you multiple ways to protect wilderness lands

Our land trust has been protecting wild places for 30 years through partnerships with landowners. If you are a coastal or inland landowner anywhere from Port Severn to Blind River (south of Sault St. Marie) and interested in conserving all or part of your land please contact us.

The table below summarizes ways you can conserve nature and the benefits that accrue.

<p style="text-align: center;"><i>Conservation Options</i></p> <p style="text-align: center;">YOUR LAND, WILD FOREVER</p> <p>1. Conservation Agreement You retain full ownership of your land. You agree to look after the nature on your property OR a portion of it forever, through covenants such as:</p> <ul style="list-style-type: none">• No wetland disturbance• No land severances• No new structures on conserved portion• No hunting• No logging <p>It remains your private property.</p> <p>2. Conservation Severance You sever off a portion of your land and place a Conservation Agreement on the severed lands. You remain the owner but the severed portion cannot be developed and must remain natural forever.</p> <p>It remains your private property.</p>	<p>3. Donating Your Land You can donate some or all of your land to the Georgian Bay Land Trust. Our qualified staff and stewards care for the habitats and wildlife on your donated land forever. It can be used to ensure privacy and quiet on the borders of your lands while eliminating taxes.</p> <p style="text-align: center;">YOUR LAND, WILD FOREVER</p> <p>Your trees, plants and animals: protected. We work with you as your partner in conservation and do the ecological submissions to make it a reality, including your tax receipt, which affects Income and Capital Gain taxes.</p> <p>ALL OPTIONS PROVIDE</p> <ul style="list-style-type: none">• Significant income tax reduction (over 1 to 11 year period)• Capital Gains Tax reduction or elimination when the land passes to your offspring• The land you love will be kept wild forever
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Background

A land trust is a charitable organization whose purpose is to hold and conserve land for public benefit. Through donation, purchase, or conservation agreement, land trusts protect and steward significant places for present and future generations of people and wildlife. Land trusts are almost always local in scope, made up of community members with deep knowledge and commitment to the area they represent.

Thirty years ago, concerns were growing among Georgian Bay residents that this extraordinary environment was at risk of permanent damage. Increasing road development and recreational property expansion, coupled with a lack of regional planning oversight, left little protection for the majority of Georgian Bay's natural areas outside of a few established parks. Communities needed a way to protect the lands they cared about.

The Georgian Bay Land Trust (GBLT) is the only organization currently working to conserve more land on eastern Georgian Bay. As of 2021, the Land Trust protects 64 properties, totalling 7,558 acres, stretching from Port Severn to the North Channel. Each of these places represents something unique in the ecology of Georgian Bay. They include old-growth forest and Provincially Significant Wetlands, wave-blasted islands and calm vernal pools.

Conservation Options - Detail

- Conservation Agreements and Retaining ownership
- Charitable Gift of undeveloped land to GBLT
- Combined options

All of the options below provide:

- Significant income tax reduction (over 1 to 11 year period)
- Capital Gains Tax reduction or elimination when the land passes to your offspring
- The land you love stays wild forever

Many landowners wish to protect nature on their properties before passing it on to the next generation. Others may see conservation as a way to resolve property or potential income tax challenges. Other motivations may include ensuring privacy from neighbours or sorting out the future use of a property currently shared by members of an expanding family.

Conservation of your property can occur by transferring ownership or retaining ownership of your property. There are different responsibilities and implications for each of the various options.

For all properties, there are certain steps that the GBLT must follow. By considering each of these steps, the GBLT ensures that its activities are following the standards and practices of the Canadian Land Trust Alliance. This also

ensures that the property fits the mission of the organization and that the GBLT is capable of adequately stewarding the property going forward.

We work with you to explore the options and determine what will provide both you and your property with the most sound conservation approach and provide the best financial benefit for your unique situation.

1. Keeping your Georgian Bay land

A Conservation Agreement preserves and protects the plants and animals and nature on your property. The land remains your own private property but you make a legally binding promise (agreement) to conserve natural aspects on your land.

(a) Conservation Agreement

With a Conservation Agreement you continue to own and use your land and can sell it or pass it on to your heirs, but there is a permanent legal agreement – like a covenant – with the Georgian Bay Land Trust that is registered to the title of the property.

The Conservation Agreement permanently “restricts” certain uses on all or part of the land to conserve natural features. Some of the usual restrictions would be no new lot creation, no building in the conserved portion, no logging, best forestry practices adhered to, no dumping etc.

(b) Conservation Severance followed by Conservation Agreement

This conservation approach allows you to sever off a portion of your property and then place a Conservation Agreement on the severed lands. The severed portion cannot ever be developed and will remain in its wild and natural state forever.

Stewardship under Conservation Agreements

The ongoing management of the conserved area continues to be your responsibility. But our learned staff will assist you in becoming a better steward of the nature on your property if that is your wish. With conservation agreements, the Georgian Bay Land Trust monitors the conserved area on an annual basis in accordance with our Stewardship Policy to ensure that the restrictions outlined in the conservation agreement are being upheld.

2. Transferring Ownership to the GBLT

There are a number of ways to transfer your land to the Georgian Bay Land Trust for in-perpetuity stewardship and protection from development.

We steward the properties we receive forever. Our trained staff and volunteer stewards monitor the flora and fauna. We do species inventories. We remove any invasive species if and when they occur. We do any habitat restoration work if that is required. Our promise to you the landowner is that we do this forever. We are bound to this obligation under certain federal and provincial statutes.

Fee Simple Donation

The easiest of these is a Fee Simple Donation. Title of a property or portions of a property are transferred from the landowner to the GBLT.

Conservation Severance followed by donation

This conservation approach allows you to sever off a portion of your property and then do a Fee Simple Donation of the severed portion.

Sale or Partnership Sale

In exceptional circumstances, the GBLT will purchase a property either at or below (Partnership Sale) the appraised Fair Market Value. This occurs very rarely, and only in instances where the land is of such environmental or other importance as to require immediate protection and where all other options have been exhausted.

Life Estate

A landowner can also reserve a 'life estate' as part of a donation or sale. This allows the landowner or a family member to continue to live on the property until their death or the death of the family member.



Protecting wilderness land offers significant financial benefits

A donation or conservation agreement of all or a portion of your property to an organization such as the Georgian Bay Land Trust (GBLT) will result in you enjoying significant financial benefits by way of:

- income tax credits
- the reduction or elimination of capital gains
- the elimination of property tax on donated land
- possible reduction of property tax on conservation agreements

On the following page is a brief summary of the various income and property tax benefits that you may receive by a giving a donation or conservation agreement or an interest in land to the GBLT. These are guidelines only and we recommend

that anyone considering a donation of land consult their own financial and legal advisors.

Fee Simple Donation

- A tax receipt is provided for the full Fair Market Value (FMV) of the property
- Capital Gain Tax relief and Income Tax Credits as previously noted, if the property is certified through the Ecological Gifts Program (we do this approach for all properties when the landowner wishes tax relief)
- Municipal property tax is the responsibility of GBLT and the property often sees lower tax through conservation zoning

Conservation Agreement

- A tax receipt is provided based on the difference between the FMV with and without the conservation agreement
- Capital Gain Tax relief and Income Tax Credits (for up to 11 years) as noted above, if the property is certified
- Municipal property tax remains the responsibility of the landowner but can often be reduced

Bargain Sale

- A tax receipt is provided based on the FMV of the property minus any advantage provided to the donor (e.g. cash)
- Capital Gain Tax relief and Income Tax relief based on the difference between the FMV and the advantage received, if the property is certified;
- Property tax is the responsibility of GBLT and is often exempt

Life Estate

- A tax receipt for income tax purposes is provided based on FMV of the property minus the value of the advantage provided to the landowner as a result of their continued use of the property
- Property tax is the responsibility of the landowner until the time of the transfer of title

Other Agreements (e.g. lease, stewardship agreement)

- Agreements rarely have any immediate financial benefits
- Property tax remains the responsibility of the landowner
- Regardless of what type of gift you make, the law requires that the gift must be voluntary and without a direct benefit back to you, the donor. If there is a benefit, the donation receipt is reduced by the value of the benefit.

Sale at Fair Value

- No tax receipt is provided and capital gains must be recognized by the landowner
- Property tax is the responsibility of GBLT and is often exempt

Income Tax Benefits

At its most basic, when land or a conservation agreement over your land is donated to the Georgian Bay Land Trust, an income tax receipt is issued. Like gifts of cash, gifts of land, more specifically gifts of or conservation agreements made on capital property and personal-use property, may give rise to non-refundable tax credits (individuals) or deductions (corporations).

Donation receipts for gifts or conservation agreements of land or interest in land, are issued at the fair market value (FMV) of the gift at the date it is made. The fair market value is determined by a qualified appraisal. There are a number of guidelines, determined by Canada Revenue Agency (CRA) with respect to appraisals.

Most of the Georgian Bay properties gifted to the GBLT have qualified as “ecologically sensitive” by Environment Canada (a designation that applies to most properties in our area). For land gifts and conservation agreements 100% of the gift value of the conservation agreement or land donation can be used to offset the donor’s net income in the year of donation. If the full amount of the value cannot be used in the year of the donation (sometimes true where the FMV may be substantial) it may be carried forward for ten years. If the donation is in the year of death, it may be carried back to the year before the death.

Tax on Capital Gains

When land is donated, it is treated for income tax purposes as if you received proceeds equal to its fair market value (FMV). This means that you must recognize the capital gain (one half of the increase in value above the original purchase cost) in income. In the past, this treatment discouraged donations. Now, however, if the property is given to a charity and has been certified by Environment Canada as an “ecological gift”, the capital gain is reduced to zero. Therefore, where the property is certified, no capital gain is recognized by the donor and the donation may offset up to 100% of the donor’s net income for the year.

Property Tax

Another potential financial windfall for the donor is property tax relief. When title to a property is transferred to the Georgian Bay Land Trust through a donation or purchase, the property becomes eligible under the Conservation Land Tax Incentive Program. The GBLT assumes the property tax responsibility, but is thankfully exempt.

When ownership is retained by the landowner through a conservation agreement or other type of agreement, the property tax responsibility remains with the landowner. If the granting of a conservation agreement reduces the property's assessed value, then an application for a reduction in property tax may be made.

Other Tax Considerations

When land or other property is given to a charity, there may be several other tax benefits. For example, there is no land transfer tax on a gift of land, which otherwise starts at 0.5 per cent of the land's value.

The tax consequences will vary if the land is considered inventory rather than capital property. If the item donated was created or acquired with the intention to make a profit, the item is considered inventory and donating inventory results in an inclusion in business income at the FMV. If, however, the property has been used for personal enjoyment or long-term business use, then it may qualify as capital property and subject to capital gains treatment.

Regardless of the type of donation, you should seek your own independent advice to ensure that you are making a decision that works best for you.

Obviously, any transfer of sale of property requires significant legal and financial advice, so this section is intended to give you a very brief overview and all landowners considering land conservation should contact their lawyer and accountant for independent advice.

