


## Making the Most of Provincial Tax Incentive Programs

Fiona McKay, Ministry of Natural Resources and Forestry  
Ontario Land Trust Alliance Gathering – October 24, 2014



Caitlin Ahear (MNR) / Rainbird


## Takeaways

**TIPs and Tools**

- ✓ What provincial tax incentive programs (TIPs) are available and how they might work for your organization.
- ✓ New online tools and how to use them.

**Conservation Land Tax Incentive Program**

- ✓ How to assess whether your property is a candidate for CLTIP's Community Conservation Lands (CCL).
- ✓ How to put together a successful CLTIP CCL application package.

2 

## Provincial Property Tax Incentive Programs

**Managed Forest Tax Incentive Program (MNRF)**

- Eligible portions of properties are assigned to the Managed Forest property class and taxed at 25% of the local residential tax rate.


**Farm Property Class Tax Rate Program (OMAFRA)**

- Farm properties satisfying the eligibility requirements are identified for the Farm Property Class and are taxed at 25% of the municipal residential tax rate

**Conservation Land Tax Incentive Program (MNRF)**

- Provides for 100% property tax relief on lands identified by MNRF as "Conservation Lands."


All programs enabled under MOF's *Assessment Act* and Ontario Regulation 282/98 (as amended) (MOF not MNR or OMAFRA)


3 

## Provincial Property Tax Incentive Programs

**Managed Forest Tax Incentive Program (MFTIP)**

- Managed Forest property class (usually a lowered assessment value, closer to farm values); taxed at 25% of the local residential tax rate.
- Landowners owning 4 hectares (9.88 acres) or more of forested land are eligible to participate providing:
  - a multi-year forest management plan is prepared, implemented and updated every 10 years
  - Plan is approved by a Managed Forest Plan Approver (MFPA)
  - A 5-Year Progress Report is submitted
  - Canadian citizen or permanent resident; Canadian corporation or partnership; Trust or conservation authority
  - Minimum # trees per ha/ac forest owned
- Objectives can be environmental protection or wildlife habitat; not just active forest management
- Of interest for larger properties that do not meet CLTIP criteria





4 

## Provincial Property Tax Incentive Programs

**Farm Property Class Tax Rate Program (FPCTRP)**

- Farm Property Class (current use not market value); taxed at 25% of local residential rate
- The farm residence and one acre of land surrounding it continue to be taxed as part of the residential property class.
- Residential property class landowners can take advantage of the farm tax rate by having a tenant farmer work their land
  - Tenant farmer must have valid Farm Business Registration Number with OMAFRA
  - Owner of land must apply for FPCTRP
- May be of interest for mixed class properties where a portion is being farmed (consequently not eligible for CLTIP or MFTIP)





5 

## Provincial Property Tax Incentive Programs

**Conservation Land Tax Incentive Program**

- 100% property tax relief on eligible land
- Minimum size of 0.5 acre (0.2 ha) eligible conservation land per property
- Annual application
- 5 Categories of eligibility defined in regulation:
  - 1) Provincially significant wetlands
  - 2) Provincially significant ANSI (Areas of Natural and Scientific Interest)
  - 3) "Escarpment natural" designated lands under the NEP
  - 4) Mapped habitat of regulated endangered species under the ESA
  - 5) Community Conservation Lands – for charitable conservation organizations and conservation authorities – permits broader suite of eligible lands
- MNR identifies properties with types 1-4 and solicits participation – new application sent to landowner each year
- Eligible organizations may submit CCL application to include additional lands (outside of 1-4)
  - Must be conservation authority or eligible conservation organization (as defined in regulation)
  - Must qualify under one of 11 sub-types defined in regulation
  - Applicant must clearly substantiate eligibility in application package



6 



TIPs & Online Tools

### TIPs & Online Tools

**Map it!**

- Online natural heritage mapping tool – LIO Make-A-Map

**Manage it!**

**Internally – New TIPs DBMS**

- CLTIP/ MFTIP databases have been consolidated into one DBMS
- Track property transactions, identify conflicts in participation
- Same DBMS used by SARSF and soon LSHRP

➡ **Means New Life to an Old Tool**

- CLTIP Participant Application Status Check – live data

➡ **Means New Life in a New Tool**

- Stewardship & MNRF TIPs Online Application Portal

### TIPs Online Tools – CLTIP Application Status Query

### TIPs & Online Tools

**Map it!**

- Online natural heritage mapping tool – LIO Make-A-Map

**Manage it!**

**Internally – New TIPs DBMS**

- CLTIP/ MFTIP databases have been consolidated into one DBMS
- Track property transactions, identify conflicts in participation
- Same DBMS used by SARSF and soon LSHRP

➡ **Means New Life to an Old Tool**

- CLTIP Participant Application Status Check – live data


➡ **Means New Life in a New Tool**

- Stewardship & MNRF TIPs Online Application Portal

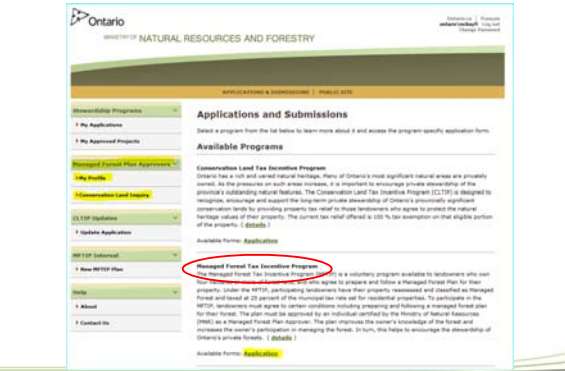
### TIPs Online Tools MFTIP and CLTIP CCL Applications

- **Introducing a Stewardship application portal**
  - Online portal for submitting program applications
    - SARSF – <https://www.ontario.ca/environment-and-energy/species-risk-stewardship-fund>
    - LSHRP – [ontario.ca/LSHRP](http://ontario.ca/LSHRP)
  - MFTIP – plan submission by MFPA's
    - CLTIP area check
  - CLTIP – CCL application submission
    - Enables tracking of submitted applications

## Online Tools – Stewardship Application Portal



- Available for 2016 tax year (applications submitted 2015)
- Training will be available 2015 – WebEx sessions TBD
- Must be a registered user to use the portal
- MFTIP & CLTIP accounts will be managed directly by the program(s)
  - Active MFPA's will be sent a user account by the program
  - CLTIP – user accounts by request – limited # accounts per agency




**Applications and Submissions**

Select a program from the list below to learn more about it and access the program-specific application form.

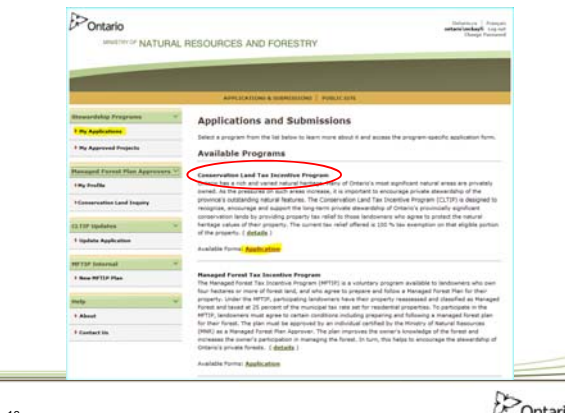
**Available Programs**

- Conservation Land Tax Incentive Program
- Managed Forest Tax Incentive Program
- Managed Forest Plan Approval Package
- MFTIP Internal
- New MFTIP Plan
- Other
- Contact Us



**MANAGED FOREST PLAN APPROVAL PACKAGE**

This package includes the application form, supporting documents, and a checklist of requirements for the approval process.



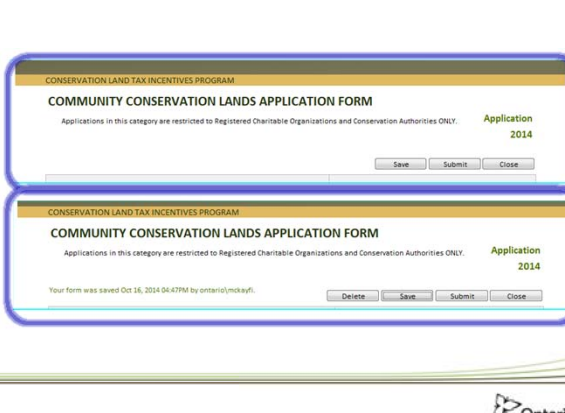
**Available Programs**

- Conservation Land Tax Incentive Program
- Managed Forest Tax Incentive Program
- Managed Forest Plan Approval Package
- MFTIP Internal
- New MFTIP Plan
- Other
- Contact Us



**COMMUNITY CONSERVATION LANDS APPLICATION FORM**

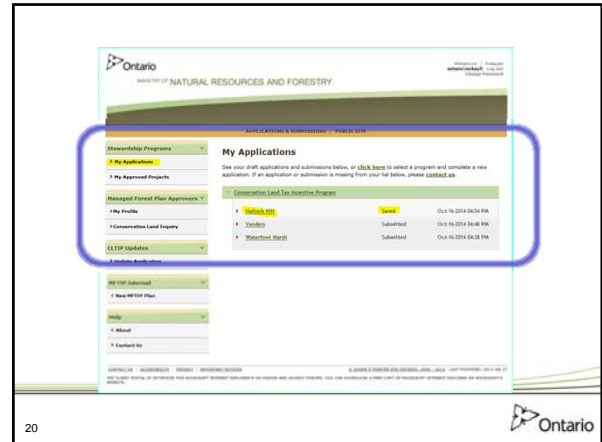
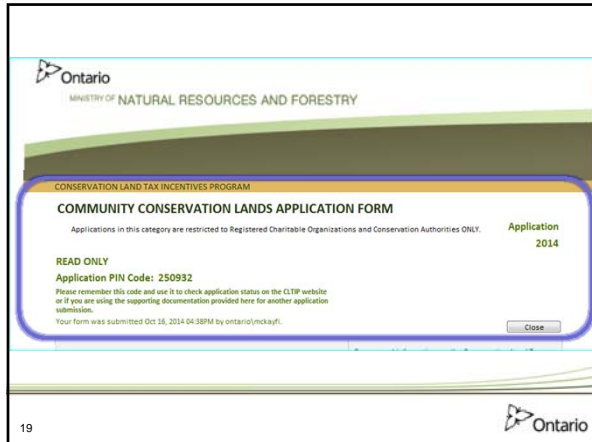
Applications in this category are restricted to Registered Charitable Organizations and Conservation Authorities ONLY.



**COMMUNITY CONSERVATION LANDS APPLICATION FORM**

Applications in this category are restricted to Registered Charitable Organizations and Conservation Authorities ONLY.

Your form was saved Oct 16, 2014 04:47PM by ontario\mckayf.



**CLTIP – Community Conservation Lands**

**Maximize your CCL application success**

- Understand the process
  - When is it CCL?
  - Deadlines and RFRs
- Understand the eligibility criteria
  - Ontario Regulation 282/98 under the *Assessment Act*
  - Understand Policy
- Understand the application requirements
  - Mandatory components
  - Supporting documentation – what is enough?

**CLTIP – Community Conservation Lands**

**CL versus CCL: “What’s the diff’?”**

- Application process for new properties is different
  - “Regular” categories (PSW, PS ANSI, NEP natural area, ES habitat)
    - o MNRF identifies qualifying features and eligible properties that intersect these features – Applications are mailed to eligible property owners
  - “CCL” – does not include lands qualified under “regular” category; subcriteria of subsection 25.(3) & (4)
    - o Property owner must submit to MNRF an application and supporting information package to substantiate the qualifications
- Difference in ownership requirements
- Difference in first tax year of eligibility

1. It is designated as an **escarpment protection area** in the Niagara Escarpment Plan under the *Niagara Escarpment Planning and Development Act*.
2. It is located **within a Featured Area and contributes to the natural heritage protection objectives established for the Featured Area** as set out in the “Ontario Living Legacy Land Use Strategy, July 1999”, published by the Queen’s Printer.
3. It is a natural heritage feature or area that meets the criteria of the **natural heritage provisions of the Provincial Policy Statement** as issued and re-issued under section 3 of the *Planning Act*.
4. It is identified by the Minister of Natural Resources as a **regionally significant area of natural and scientific interest** using the criteria set out in the Ministry of Natural Resources document entitled “A Framework for the Conservation of Ontario’s Biological Heritage”, dated May, 1980, or in the Ministry of Natural Resources document entitled “A Framework for the Conservation of Ontario’s Earth Science Features”, dated October, 1981.
5. It is **habitat of a species that is listed as a special concern species in Schedule 4 to Ontario Regulation 230/08 (Species at Risk in Ontario List) made under the Endangered Species Act 2007**.
6. It is identified as having **species occurrences or ecological communities with an S-Rank designation of S1-S3, as determined by the Natural Heritage Information Centre of the Ministry of Natural Resources**.
7. It is designated as a **natural core area, natural linkage area or countryside in the Oak Ridges Moraine Conservation Plan** under the *Oak Ridges Moraine Conservation Act, 2001*.
8. It is a natural heritage area identified within a **regional or watershed plan or strategy** developed by a conservation authority under the *Conservation Authorities Act* or by another public agency under another provincial or federal statute.
9. It is designated as an **environmentally sensitive area, environmentally significant area, environmental protection area, natural heritage system or another area with an equivalent designation within a municipal official plan or zoning by-law under the Planning Act**.
10. It is within, **abuts or abuts a road allowance that abuts a provincial park, national park, conservation reserve or provincial wildlife area and contributes significantly to the natural heritage objectives of the park, reserve or wildlife area.**
11. It is an area identified under the **Great Lakes Wetlands Conservation Action Plan** described in the “Great Lakes Wetlands Conservation Action Plan Highlights Report (2000-2003)”, published by Environment Canada, O. Reg. 389/04, s. 1, C. Reg. 389/06, s. 2.



## CLTIP – Community Conservation Lands

### CL versus CCL: “What’s the diff’?”

- Application process for new properties is different
  - “Regular” categories (PSW, PS ANSI, NEP natural area, ES habitat)
    - MNRF identifies qualifying features and eligible properties that intersect these features – Applications are mailed to eligible property owners
  - “CCL” – does not qualify under “regular” category but does qualify under subcriteria of subsection 25.(3)
    - Property owner must submit to MNRF an application and supporting information package to substantiate the qualifications
- Difference in ownership requirements**
- Difference in first tax year of eligibility**

**Subsection 148.1(1)** of the Income Tax Act says, “charitable organization” means an organization, whether or not incorporated,

(a) all the resources of which are devoted to charitable activities carried on by the organization itself,

(b) no part of the income of which is payable to, or is otherwise available for, the personal benefit of any proprietor, member, shareholder, trustee or settlor thereof,

(c) more than 50% of the directors, trustees, officers or like officials of which deal with each other and with each of the other directors, trustees, officers or officials at arm’s length, and

(d) where it has been designated as a private foundation or public foundation pursuant to subsection (6.3) of this section or subsection 110(6.1) or (8.2) of the [Income Tax Act](#), chapter 148 of the Revised Statutes of Canada, 1982, or has applied after February 15, 1984 for registration under paragraph 110(6)(c) of that Act or under the definition “registered charity” in subsection 248(1), not more than 50% of the capital of which has been contributed or otherwise paid into the organization by one person or members of a group of persons who do not deal with each other at arm’s length and, for the purpose of this paragraph, a reference to any person or to members of a group does not include a reference to Her Majesty in right of Canada or a province, a municipality, another registered charity that is not a private foundation, or any club, society or association described in paragraph 148(1)(i).

“private foundation” means a charitable foundation that is not a public foundation;

“public foundation” means a charitable foundation of which,

(a) where the foundation has been registered after February 15, 1984 or designated as a charitable organization or private foundation pursuant to subsection 148.1(6.3) or to subsection 110(6.1) or (8.2) of the [Income Tax Act](#), chapter 148 of the Revised Statutes of Canada, 1982,

(i) more than 50% of the directors, trustees, officers or like officials deal with each other and with each of the other directors, trustees, officers or officials at arm’s length, and

(ii) not more than 50% of the capital contributed or otherwise paid into the foundation has been so contributed or otherwise paid in by one person or members of a group of such persons who do not deal with each other at arm’s length, or

(b) in any other case,

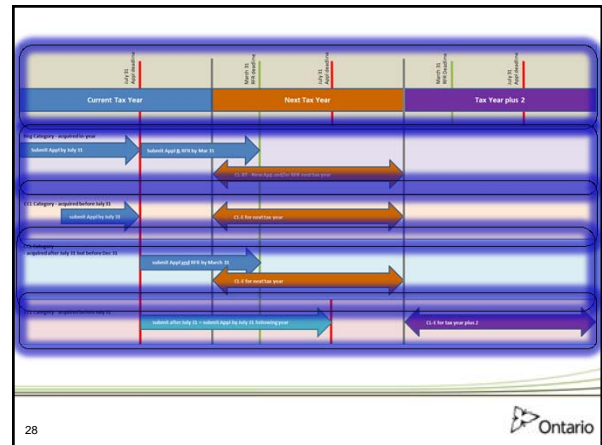
(i) more than 50% of the directors or trustees deal with each other and with each of the other directors or trustees at arm’s length, and

(ii) not more than 75% of the capital contributed or otherwise paid in to the foundation has been so contributed or otherwise paid in by one person or by a group of persons who do not deal with each other at arm’s length and for the purpose of subparagraph (ii), a reference to any person or to members of a group does not include a reference to Her Majesty in right of Canada or a province, a municipality, another registered charity that is not a private foundation, or any club, society or association described in paragraph 148(1)(i).

## CLTIP – Community Conservation Lands

### CL versus CCL: What’s the diff’?

- Application process for new properties is different
  - “Regular” categories (PSW, PS ANSI, NEP natural area, ES habitat)
    - MNRF identifies qualifying features and eligible properties that intersect these features – Applications are mailed to eligible property owners
  - “CCL” – does not qualify under “regular” category but does qualify under subcriteria of subsection 25.(3)
    - Property owner must submit to MNRF an application and supporting information package to substantiate the qualifications
- Difference in ownership requirements**
- Difference in first tax year of eligibility**



## CLTIP – Community Conservation Lands

### CLTIP Policy, 2010

- Properties must be compliant with the CLTIP Policy document
  - Ineligible Features, land uses and activities (non-exhaustive)
    - Roads, buildings, infrastructure
    - Landscaped/ groomed areas (including recreational areas)
    - Managed forested areas (tending/ harvesting)
    - Farmed or recently abandoned farmed lands
    - Lands in an **unrepresentative** condition
    - Lands **requiring** restoration, i.e. need restoration to move to a representative condition
- Inclusion under program must be defensible
  - Integrity and accountability – municipal tax dollars, meets program intent
  - Defensible court challenges

## CLTIP – Community Conservation Lands

### Chart 1: CCL Eligibility at a Glance

```

    graph TD
        Q1[Does the property, or a portion thereof, fall under one of the sub-criteria set out in Section 25.(3) of O.Reg. 382/09?] -- No --> NotEligible[Property is Not Eligible Under CLTIP]
        Q1 -- Yes --> Q2[Is the property, or portion thereof, that qualifies under Section 25.(3) being used or maintained in a manner consistent with CLTIP policy direction, as outlined in policy #?]
        Q2 -- No --> NotEligible
        Q2 -- Yes --> Q3[Can documentation be provided in support of the application for CCL designation?]
        Q3 -- No --> NotEligible
        Q3 -- Yes --> Eligible[The property appears to be a good candidate for the CLTIP CCL category, subject to MNR approval.]
    
```

Supporting documentation must be included. Applications cannot be included. The information on the application to create copies of the documentation, unless other arrangements with the CLTIP administrator have been made.

- Before putting together an application package, “assess the eligibility of your property”
- Use the [CLTIP Community Conservation Lands Guide](#) [ontario.ca/CLTIP](http://ontario.ca/CLTIP)



### CLTIP – CCL Application

**Useful Documents**

- Community Conservation Lands Guide
- CLTIP Policy, 2010

**Mandatory Components**

- Application for each assessment roll number (ARN)
- Property boundary map/ Property location map – ARN, legend, source
- Natural heritage description of property
  - ELC descriptions and mapping or equivalent
  - Vegetation species inventories and abundance for culturally modified lands (e.g., former farmland, old fields, plantation/ planted forests)
  - History of land use/ activities on property
  - Declaration of ineligible areas (buildings, structures, Infrastructure)
- Supporting documentation (plan, inventory, BDR, management plan, etc.)

32 **Record the ARN on EVERY piece of supporting documentation**

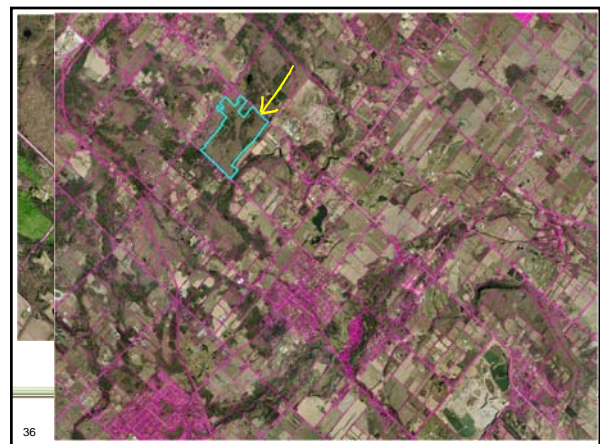
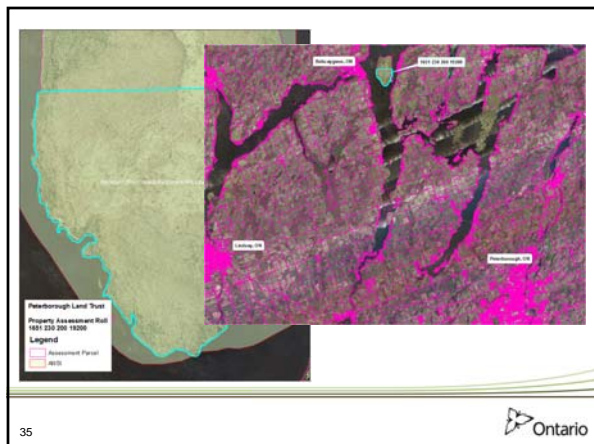
33

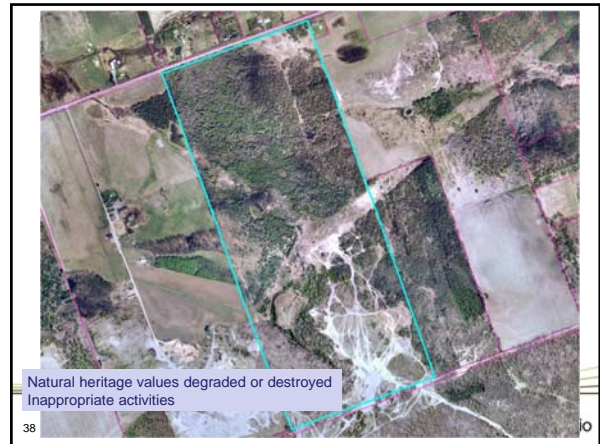
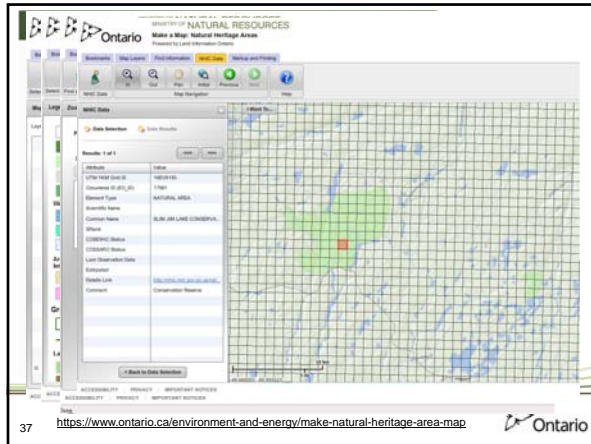
### CLTIP – CCL Application

#### Most Common Reasons Why Applications do not Succeed

- Invalid assessment roll number
- No or insufficient supporting documentation
- Property boundary not in agreement with MPAC
- Poor map or invalid map (poor scales, no legend, no labelling)
- Property does not contain any of the CCL type indicated or invalid designation
- Unsupported activities/ land use/ structures on property
- Natural heritage features degraded or removed/ unrepresentative/ requires restoration
- Forest management activities (e.g., tending or harvesting)
- Motorized vehicle use

34





### CLTIP – CCL Application Most Challenging Types of CCL

- Habitat of Species of Special Concern or species with NHC S-Rank S1-S3
- Land is designated as environmentally sensitive/ significant/ protection area, natural heritage system or other area with equivalent designation within municipal OP or zoning by-law
- Land is within, abuts or abuts a road allowance that abuts a provincial park, national park, conservation reserve or provincial wildlife area

40



### CLTIP – CCL Application Most Challenging Types of CCL

- Land that has been identified by the municipality for the purposes of natural heritage protection
- Where the municipality does not have a specific natural heritage designation (e.g. some rural municipalities that "lump"):
  - Provide supporting statement/ document from the municipality that states clearly that the area was identified for protection of its natural heritage features
  - Does not include lands set aside for protection of person or property, e.g. hazard lands

42




**CLTIP – CCL Application**  
Most Challenging Types of CCL

- Habitat of Species of Special Concern or species with S-Rank
- Refers to regulated protected areas or provincially identified wildlife areas
- Does not include: conservation areas; private "reserves"

equivalent designation within municipal OP or zoning by-law

- Land is within, abuts or abuts a road allowance that abuts a provincial park, national park, conservation reserve or provincial wildlife area

43 

**CLTIP – CCL Application**

- Make sure it fits one of the CCL types
- Prepare a complete application package
- Include all supporting documentation needed
- Submit before July 31

- If this application was audited or challenged, could inclusion under the CLTIP be defended?

44 