



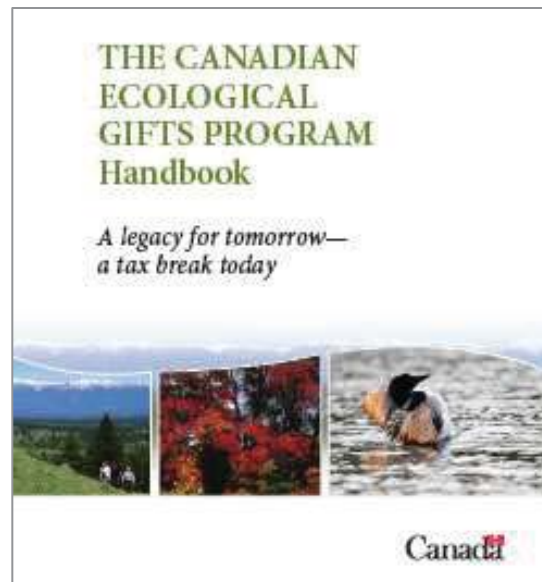
Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

Canada



ECOLOGICAL GIFTS PROGRAM



Ontario Land Trust Alliance Gathering

Session 4A Successful Land Securement Conversation

Acquisition considerations

October 20, 2017

Laura Kucey

Environment and Climate Change Canada

4905 Dufferin Street

Toronto, ON M3H 5T4

416-739-4362 laura.kucey@canada.ca

ECOLOGICAL GIFTS PROGRAM

Federal program made possible by the *Income Tax Act*

Administered by Environment and Climate Change Canada

Stewardship tool that promotes, encourages and enables donations of environmentally sensitive land, or interests in land

Requires that recipients protect conservation lands for future generations



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

WHAT CONSTITUTES A GIFT?

Donation must fully qualify as a gift under Canadian tax law:

- donor transfers ownership of /interest in property to a qualified recipient
- the transfer is voluntary
- no benefit is provided to the donor (or person selected by donor)

EGP does not assess whether the donation qualifies as a gift

- Advance rulings from the CRA are possible
- Responsibility of the donor/recipient
- CRA: 1-800-267-2384



LAND SECUREMENT OPTIONS

*Which one is best for the property, the donors **AND** for your organization?*

Purchase

Donation / EGP Options

- Donate fee simple title
- Donate a partial interest (conservation easement)
- Donate a residual interest (maintain a life estate)
- Complete a partial donation (split-receipt)



RECIPIENT RESPONSIBILITIES

EGP

- Willingness and demonstration of **financial, technical and human resource capacity** to receive, manage and monitor Ecological Gifts
- Demonstration of **adoption**, or is working towards adoption, of a **recognized national or provincial set of ethical and technical guidelines for the responsible operation of a land trust** to guide the organization's **land securement and management practices**
example: [Canadian Land Trust Standards and Practices 2005](#)

PROPERTY SPECIFIC

- Responsible for maintaining the biodiversity and environmental heritage values of the property
- May also require help with initial assessment of the property's ecological sensitivity, arranging for an appraisal, coordinating the necessary applications, arranging for land transfer / land registry document registration



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada



GIFTS IN CANADA AND ONTARIO

As of October 16, 2017:

Canada

1321 Ecological Gifts donated
over **\$828.7** million in value
protecting over **184,300** hectares

Ontario

534 Ecological Gifts donated
over **\$175.9** million in value
protecting over **20,350** hectares



ONTARIO EGP FILES

Current files:

- 45 open files
 - 24 different recipients
 - 8 additional files on hold
- 73 / 27% split **FS** vs. **CEA**
 - past trends: 65 / 35% split



CONSIDERATIONS FOR A POTENTIAL GIFT



- Donors are eligible to claim tax benefits beginning in the tax year in which their gift was made
 - Find out if your potential donor has any **timelines** in mind
- Typically, there are **third party advisors** involved in the donation process - obtaining advice can take time
- What are the **future intentions** for the property?
- Start the certification process early!
 - Some donation files come to the EGP in great shape and are completed in 3-4 months, others can take years to make it through the process....

**ALL PARTIES SHOULD OBTAIN INDEPENDENT
LEGAL AND FINANCIAL ADVICE**

CONSIDERATIONS FOR A POTENTIAL GIFT



- **Review the title documents**
 - Ask questions if you don't know what you are looking at OR if something seems to be out of place
 - Obtain the parcel register early on in discussions with potential donors
 - Ensure you are speaking with ALL of the owners listed on title
 - Even if the donor assures you that they own the parcel, review the parcel register, find out if it is listed in their name OR a corporation
 - Important to the donor: where and how the tax benefits can be applied
 - Important for the recipient: who has ultimate signing authority for the property, any encumbrances on title
 - Important for all applications coming to the EGP
 - **Encumbrances on title must be submitted to the EGP for review (easements, right-of-ways, agreements, etc.)**
 - some exceptions (Bell, hydro, mortgages...)
- The donation must be at the appraisal stage with the EGP by mid-September if potential donors wish to know the certified fair market value of their potential Ecological Gift before December 31



PROPERTY DESCRIPTION: PT LT 3 CON 5 AS IN NC235 EXCEPT THROUGH: MUNICIPALITY

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLK
LT CONVERSION QUALIFIED

REMARKS:

FIRST CONVERSION FROM BOOK

PIN CREATION

2008/12/22

OWNER NAMES

DONOR 1
DONOR 2

CAPACITY SHARE

JTEN
JTEN

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PART |
|--|------------|-----------------|--------|--------------|------|
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) ** | | | | | |
| **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, IS: | | | | | |
| ** SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * | | | | | |
| ** AND ESCHEAT OR FORFEITURE TO THE CROWN. | | | | | |
| ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF | | | | | |
| ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISEDSCRIPTION OR BOUNDARIES SETTLED BY | | | | | |
| ** CONVENTION. | | | | | |
| ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. | | | | | |
| **DATE OF CONVERSION TO LAND TITLES: 2008/12/22 ** | | | | | |
| NC2 048 | 1995/06/16 | TRANSFER | 93 | | |

DONOR 1
DONOR 2

PREPARING SUBMISSIONS



- Review the EGP **submission checklist**
- **Call/e-mail your Regional Coordinator if you have any questions**
- Review your submissions before submitting them – details on the application are very important (area, property description, value...)
 - Remember: you are submitting this for review under provisions of the *Income Tax Act*
- **DATE** your Conservation Easement Agreement drafts
- Provide substantiation (references, maps, etc.) for the **Ecological Sensitivity Criteria**

ECOLOGICAL GIFTS PROGRAM: SUBMISSION PROCESS – ONTARIO

Additional details can be found online and in the Ecological Gifts Program Handbook: www.ec.gc.ca/pde-egp

Initial submission should include:

1. Donor indication of intent – *letter of intent OR the A*
2. Recipient indication of acceptance
3. Current **Title Abstract / Parcel Register** showing legal description
 - *Also submit any notices, easements, registered d*
4. Ecological Sensitivity Application
 - *Include description of the property, ecological fea*
 - *references for any of the ecological criteria that th*
 - *Accurate, detailed property information, coordin*
 - *Analy for specific Criteria: www.ec.gc.ca/pde-egp/hd*

ECOLOGICAL GIFTS PROGRAM: ECOLOGICAL SENSITIVITY CRITERIA – ONTARIO

Applications to the EGP must include BOTH A and B criteria.

Provide rationale and evidence as to how the property satisfies each submitted criteria.

Submitted criteria are evaluated as:

- Criteria submitted; not substantiated
- Criteria submitted; substantiated
- Criteria not submitted but applicable

PROPERTY STEWARDSHIP

- Even in the early days of an acquisition, consider a Baseline Documentation Report (BDR) for **all** properties
- Property management
 - consider future intentions, possibilities for the property
 - consider requirements regarding **dispositions or changes in use** of an Ecological Gift: [Disposition or change in use of Ecological Gifts](#)
- Ensure that your Board is aware of EGP requirements



REGIONAL COORDINATORS ARE
AVAILABLE TO HELP THROUGHOUT
THE ECOLOGICAL GIFTS PROGRAM
PROCESS



REGIONAL CONTACT

Laura Kucey

Environment and Climate
Change Canada
4905 Dufferin Street
Toronto, ON M3H 5T4

416-739-4362

laura.kucey@canada.ca



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

RESOURCES

EGP Publications www.ec.gc.ca/pde-egp:

- [Application Form and Instructions - Application for Appraisal Review and Determination of an Ecological Gift](#)
- [Donations and Income Tax Scenarios](#)
- [Confirmation that Ecogifts are Eligible for Split-receipting](#)
- [Disposition or Change of Use of Ecological Gifts](#)
- [Ecological Gifts Program Brochure](#)
- [The Canadian Ecological Gifts Program Handbook](#)
- [Engaging an Appraiser to Appraise an Ecological Gift](#)
- [Guidelines for Appraisals](#)
- [Retaining the Right to Use Land Donated as an Ecological Gift](#)

Canada Revenue Agency (CRA): 1-800-267-2384

- [Gifts and Income Tax - website](#)
- [Gifts and Official Donation Receipt](#), IT-110R3
- [Proposed Guidelines on Split-Receipting, Income Tax Technical News No. 26](#)

