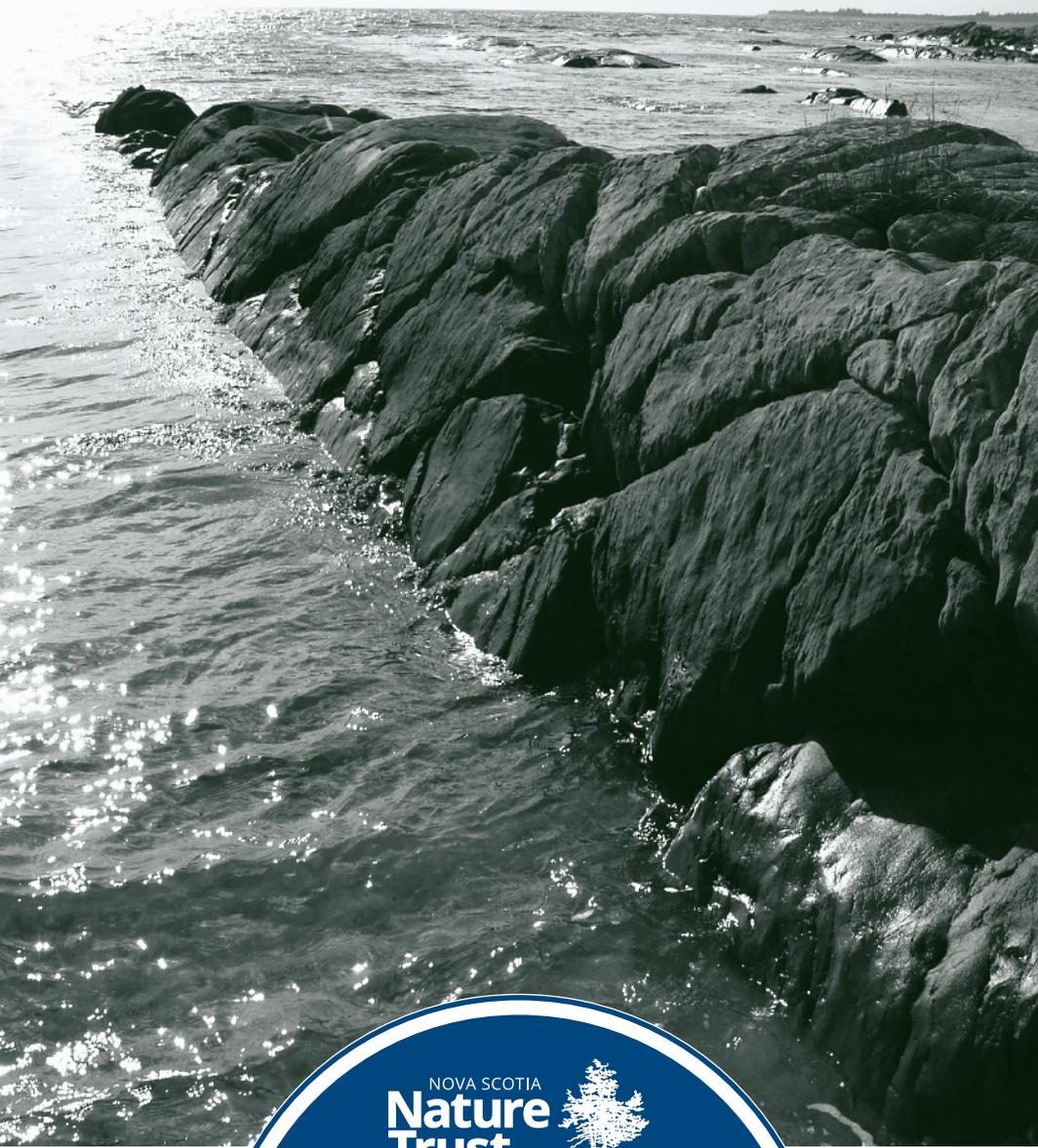


CONSERVATION OPTIONS FOR LANDOWNERS



NOVA SCOTIA
**Nature
Trust**





Cover Shot Courtesy Clarke Richards

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Columbia
VERTEX

AN INTRODUCTION

Many Nova Scotian landowners - whether they have coastline, forest, lakeshore, or other wild space - have been responsibly caring for their properties for generations. Landowners, like you, may wish to see the land kept in a natural state, for the enjoyment of children and generations to come - yet there is no guarantee that future owners will steward the land in the same thoughtful way.

Fortunately, you can take positive steps to permanently protect your land. The Nova Scotia Nature Trust has created this booklet to outline the important role that private landowners in Nova Scotia play in protecting our natural world. This booklet will provide information to help you decide if your property is suitable for permanent protection, what the options for protecting it are, and the benefits of each.

When you make the decision to permanently protect your ecologically significant land, you will be joining a growing movement of Nova Scotian landowners who are preserving cherished and important land for the benefit of all Nova Scotians.



WHY LAND CONSERVATION MATTERS

Nova Scotians have inherited a rich and beautiful natural legacy. From coastal barrens and salt marshes, to rocky shores and expansive sand dunes; from hardwood forests and rugged highlands, to rich and fertile river valleys, Nova Scotia's unique natural landscapes are of immense benefit to residents and visitors alike.

However, hundreds of years of human use, settlement and land clearing in Nova Scotia have greatly altered the original landscape, destroying irreplaceable parts of our natural heritage. Large, intact examples of our province's richest and most diverse ecosystems are becoming hard to find. Habitats that are naturally uncommon are becoming increasingly rare, and the plants and animals that depend on them are in trouble.

The conservation of large, intact ecosystems, as well as small localized habitats, is vital to protecting our natural legacy.

There are many reasons for protecting the natural world. Our unique heritage and high quality of life depend on the wealth and benefits that natural lands provide. Our economy - from farming, fishing and forestry, to tourism and recreation - has always depended on a healthy environment and resilient natural resources. We depend on natural systems to purify our air and water, and absorb pollution. Our wild areas not only provide Nova Scotians with amazing recreational opportunities and a high standard of living, but also define our province and us as Nova Scotians.



Natural areas are important for many reasons. They:

- Protect our diverse, native flora and fauna.
- Provide a home for much of Nova Scotia's wildlife.
- Are living museums that inspire us to understand and appreciate the natural world.
- Provide landowners with opportunities for quiet relaxation and enjoyment.
- Sustain our genetic resources for future use (like farming and forestry).
- Are important areas for scientific research.
- Provide invaluable 'ecological services' such as preventing erosion, protecting crops, controlling floods, and providing healthy species to replenish other areas.

Besides directly benefiting us, the natural world deserves protection for its intrinsic value. We have a responsibility as guardians of the land to ensure that the natural world is respected and carefully stewarded into the future.

Janice Flynn



WHY SHOULD YOU CONSIDER CONSERVATION ON YOUR LAND?

Less than ten percent of Nova Scotia is protected from activities such as logging, mining, road-building, and residential development. Most of this protected land has been set aside by the government as provincial Wilderness Areas, Nature Reserves, and national or provincial Parks. However, unlike other parts of Canada, seventy percent of Nova Scotia is privately owned, which means there are significant limitations to how much of our natural world governments can effectively protect. Our private lands are critical for conservation because they represent many wild spaces and species not found on Crown Lands.

By conserving private lands, we contribute to the survival of the diverse landscapes, ecological communities and species that the lands support, as well as the creation of critical buffers and wildlife corridors for government protected areas. Private land conservation can only happen with your support as a private landowner, because you know and understand the balance of land uses and natural systems on your property.

Owning land gives us certain rights to the land and its resources. It also gives us some responsibility for what happens on the land. What Nova Scotia will look like one hundred years from now is being decided day-by-day, parcel-by-parcel, by landowners and land users. Your participation in land conservation will make a significant difference.

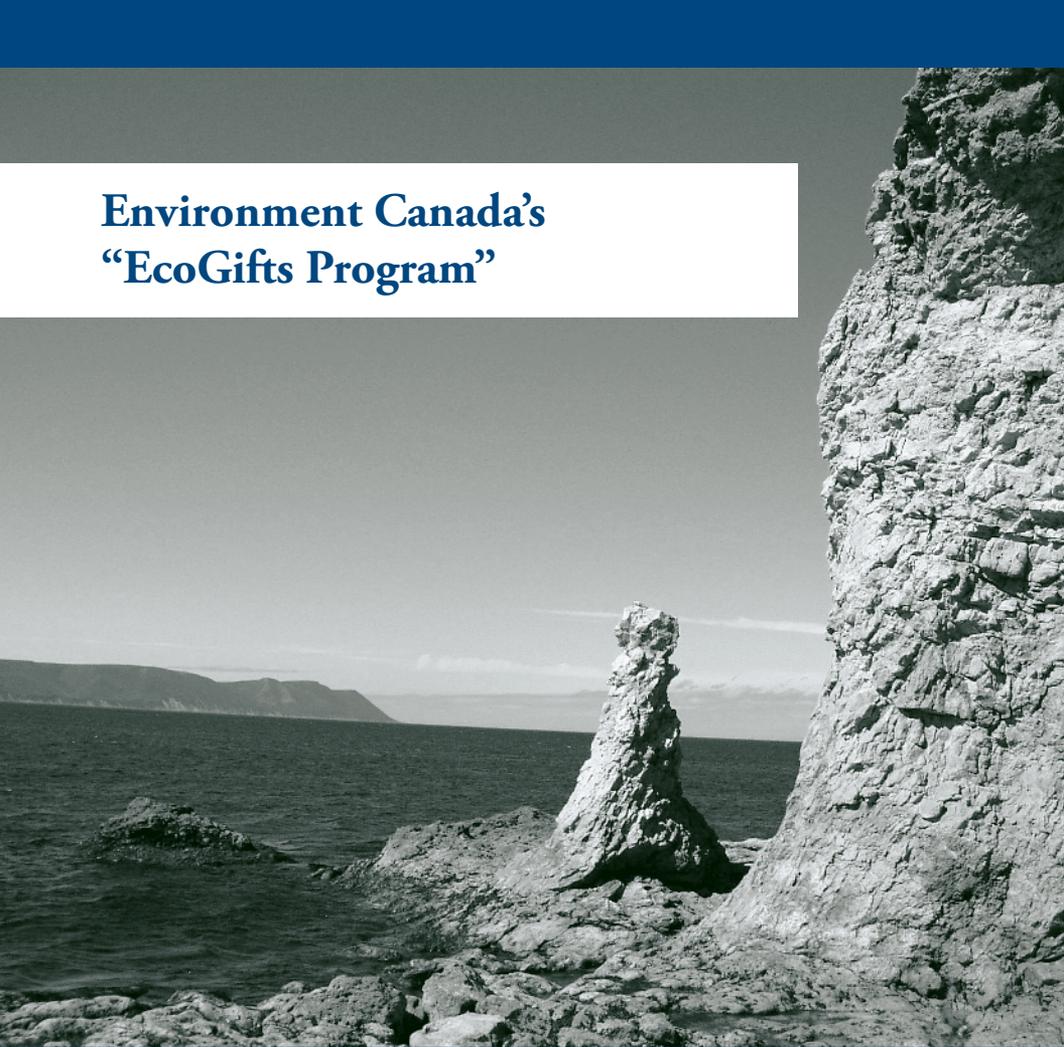
THE BENEFITS OF PRIVATE LAND CONSERVATION

You may have many reasons for owning land. Your land may be a place where you enjoy beautiful scenery or outdoor activities like hiking, fishing, or bird watching; it may be a source of income or retirement funds; or a gift to pass on to your children. Whatever your reasons for owning land, there are also good reasons - both financial and environmental - to protect its ecological values.

As you consider the future of your property, you may have questions about whether it will be developed, if heirs will be able to maintain it, or if others will be able to enjoy its beauty. One thing should become clear - if you want your land to be protected in the future it's important to act now. Formally protecting all or part of your property can give you peace of mind that your children and future generations will be able to enjoy it as you have, as well as potentially providing advantageous property and income tax benefits.

As a private land conservationist, you will contribute to enhancing the quality of life for all Nova Scotians, now and in the future. Your concern and abiding love for the land will set an example, and help foster a meaningful conservation ethic across Nova Scotia, lasting even beyond your own lifetime!





Environment Canada's “EcoGifts Program”

The Ecological Gifts Program (EcoGifts) offers significant income tax benefits to those who donate ecologically sensitive land or a conservation easement to qualified conservation organizations - like the Nature Trust. Donors of EcoGifts receive a tax credit that can be ‘carried forward’ for up to five years, and there is no limit to the total value of EcoGift donations eligible for credit in a given year (unlike other charitable gifts). Additionally, donors receive reduction or elimination of their capital gains tax.

More detailed information is available from the website:
<http://www.cws-scf.ec.gc.ca> or you can contact the Nature Trust office.

IS YOUR LAND ECOLOGICALLY SIGNIFICANT?

All intact, natural habitats and ecosystems are important. In order to achieve the maximum conservation benefit with limited resources, the Nature Trust must focus on the highest priority lands - those that are truly irreplaceable.

Your property may be especially important if it supports:

- Large, intact and undisturbed natural features, such as mature or old forests, wetlands, saltmarsh, or coastline.
- Habitat for rare, threatened or endangered plants or animals.
- Habitat for typical plants or animals in a region where there are few protected areas.
- An unusually large variety of plants or animals.
- Large areas representing a landscape or habitat that is not adequately protected anywhere in the province.
- Important scientific, educational, scenic and geological features.
- Lands linking/bordering protected areas or other large, wild areas.

Nature Trust staff can consult with you and visit your property to help determine if it will be a good match for our conservation mandate. If you own land that may not meet these criteria, but you are keen to donate it for the benefits of conservation, our Trade Lands Program may be of interest to you. See page 21 for more information.



Janice Flynn



Oliver Maass

WHAT CAN YOU DO TO PROTECT YOUR LAND?

Many private landowners practise responsible and ongoing stewardship of their land. If you want to ensure that your land is cared for beyond your lifetime, the more formal protection options outlined in the next section will be of interest to you.

The conservation tool you choose will depend on the features and layout of your land, your conservation vision for the property, and your family's financial situation. These options are designed to be flexible, and can be combined to meet your individual needs and the interests of your family.

As you read through the description of options, you may ask yourself:

- What is it about the land that is important to me?
- What are its special natural features?
- Do I wish to protect all the land or part of it?
- How will different options affect me financially?
- Do I want to retain ownership of the land?
- How could my actions affect my family?



CHOOSING A CONSERVATION OPTION



CHOOSING A CONSERVATION OPTION

Do you wish to keep ownership of your land?



YES

NO

Conservation Easement, OR
Provincial Designation*



Do you require financial compensation?



YES

NO

Right of First Refusal Agreement,
Split-Receipt Sale, OR
Outright (Fair Market Value) Sale



Do you wish to keep living on your land?



YES

NO

Donation of Remainder Interest
with Reserved Life Estate, OR
Donation By Will (Bequest)



Outright (Fee Simple) Donation, OR
Donation to Generate Conservation Funds
(Trade Lands)

* This option is made available through the Province of Nova Scotia. Please contact your nearest Department of Environment Office.

CONSERVATION OPTIONS IN DETAIL

As you plan for your land's future - no matter which conservation tool you choose - it will be important for you to obtain independent legal and financial advice to complement the knowledge and skills of the land trust's staff and to ensure you understand all aspects of your decision. Lawyers and accountants are often called upon to comment on the legal feasibility and the tax implications of land conservation.

CONSERVATION EASEMENTS

Many landowners want to formally protect their land while retaining ownership and enjoyment of it. A popular option is a conservation easement. An easement is a legal agreement developed in partnership with the Nature Trust, which permanently protects the land's significant ecological features by restricting some land uses and the type and scope of development that can take place on the property.

The easement is registered with the property deed, and its restrictions apply to all future landowners. This gives you the freedom to sell the land or pass it on to your heirs, confident that its natural features will remain protected.

An easement is especially well suited to a diverse property that can benefit from different levels of protection. You can place an easement on your entire property, or just part of it. For example, if there is sensitive plant habitat on the same property as your house, you can allow for one level of use around your home, and another (more restrictive) level on the portion of land that is ecologically sensitive.

The holder of the easement (the Nature Trust) assumes permanent responsibility for ensuring that all future owners of the land abide by the terms that you set out in the agreement. The easement holder is a trusted partner in the conservation of your land. The Nature Trust will discuss your wishes, answer your questions, and - if the easement is not respected - will act to correct the violation and protect the ecological integrity of the land.

POTENTIAL TAX BENEFITS OF AN EASEMENT

When you donate an easement, you are, effectively, giving away an interest in your land. As such, you may be eligible to receive a tax benefit for the value of the easement.

By restricting some uses, the easement may also lower the land's market value, which, in turn, may lower the capital gains tax that heirs have to pay on their inheritance - a significant advantage in the face of large tax penalties resulting from an inheritance. Finally, depending on the level of the restrictions, your easement may reduce or eliminate the property taxes payable on the land.

GIFTS OF LAND

Donating ecologically significant land for conservation is one of the finest legacies you can leave to future generations. Donation may be the best option for you if you:

- Cherish the land and want to see it preserved for the common good.
- Recognize that greater expertise is required to manage the land's significant features.
- Do not wish to pass the land onto heirs.
- No longer use the property, or do not want the responsibility of maintaining it or paying property taxes.
- Own land that has appreciated significantly, or own a significant amount of land and want to reduce the estate and capital gains taxes.



POTENTIAL TAX BENEFITS OF A DONATION

Donations of ecologically sensitive lands are eligible for income tax benefits. Each of the options below comes with unique tax benefits that you should understand before proceeding.

OUTRIGHT (FEE SIMPLE) DONATION

A straightforward gift of land to a conservation charity is the most common and easiest way to protect property - it is the least complicated transaction, it provides maximum benefits and it ensures the recipient charity is wholly responsible for the land's stewardship. Giving a gift of land can be a source of personal pride and satisfaction, or a special and unique way of honouring or remembering a loved one.

DONATION BY WILL (BEQUEST)

If you wish to own and manage your land during your lifetime, but want to ensure it is protected after you are gone, you can donate land to the Nature Trust in your will. It is best to contact the Nature Trust in advance if you plan to include such a gift in your will, to ensure that your specific wishes for the property can be honoured. This option does not confer a tax benefit in your lifetime, but ensures that the land will not be taxed as part of your estate.

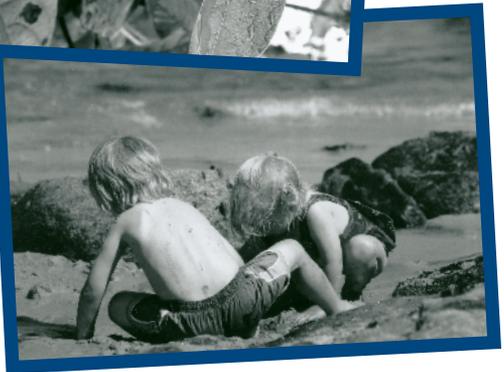
DONATION OF REMAINDER INTEREST WITH RESERVED LIFE ESTATE

If you would like the tax benefit of donating land now, but wish to still live on the land, you can donate a 'remainder interest' in your land and retain a reserved life estate which allows you and other named persons (such as your spouse) to live out your lives on the land. After your lifetimes, the Nature Trust would assume full title to and responsibility for the property.

Such a gift would provide you with a charitable tax receipt for the value of the land, less the value of the reserved life estate (or the 'advantage' you retain). With this arrangement you are able to take advantage of the income tax benefit during your lifetime and the conservation portion of the property may be eligible for a property tax break.



Clarke Richards



DONATION TO GENERATE CONSERVATION FUNDS (TRADE LANDS)

Lands that do not have significant conservation value won't be appropriate for formal and permanent protection under the Nature Trust's mandate. These may include commercial or developed land, or vacant land that doesn't support ecologically significant features. If your land falls into this category, you can still make a significant contribution to land conservation by donating it to the Nature Trust for 'resale' or 'trade' in the future.

These lands can be donated in your lifetime or in your will. Doing this helps generate much needed funding for conservation and is an important way to contribute to the protection of the province's most important ecological areas. For a donation of trade land, you would receive a charitable tax receipt for the fair market value of your property, but would not be eligible for the additional benefits of the EcoGifts Program.

Only lands specifically donated for the purpose of resale can be sold or traded by the Nature Trust. If land is acquired by the Nature Trust as Conservation Land, it will remain protected in perpetuity.



Stewardship Endowment Funds



Before accepting a donated easement or property, the Nature Trust must consider the associated, long-term ownership and management costs. Conservation lands and easements require frequent and careful monitoring by the Nature Trust to ensure that the conservation values are being protected. Additionally, they may require restoration work, maintenance or insurance burdens, or - in some cases - even legal or other costly enforcement actions to respond to activities which threaten the protection of the land's conservation values.

In order to uphold its duty of care, the Nature Trust must raise funding to support the stewardship of its lands, not just the cost of acquiring them. In addition to community fundraising efforts, the Nature Trust will request a stewardship contribution from the land or easement donor. This allows the Nature Trust to uphold the landowner's wishes in perpetuity by backing up its stewardship commitment with sufficient resources.

Landowners make this contribution in a variety of ways. You may not be in a position to make a contribution to your land's stewardship at the time of the gift. You may consider a multi-year pledge to generate a stewardship fund over time; or, in the case of a conservation easement, donate a portion of the sale price when the land is sold. You may also consider making a contribution as part of your estate planning - with a cash gift, a gift of stocks or mutual funds, or a life insurance benefit. These contributions, like the land or easement donation itself, come with tax benefits.

SALE OF LAND

Because of rising property values and very limited conservation resources, purchases of land are rare; reserved for outstanding properties that face an imminent risk of inappropriate development or that provide irreplaceable conservation value. Purchases require a much longer timeline than other options outlined in this book because significant fundraising is usually required. Having said this, there are conservation tools that allow the Nature Trust to provide some compensation to landowners.



Bob MacDonald

RIGHT OF FIRST REFUSAL

You may not wish to sell your land right away. Giving the Nature Trust a Right of First Refusal ensures that, when you do sell, the Nature Trust has the first opportunity to buy from you. If, in the meantime, you receive an acceptable offer on the land, this right would give the Nature Trust an opportunity to match it. This arrangement can also give the Nature Trust time to raise funds to buy the property.



Len Waage

SPLIT-RECEIPT SALE

You also have the option of selling property to the Nature Trust at a reduced price. Such a “bargain sale” provides you with cash-in-hand, as well as a charitable tax receipt for the donated portion of your land’s fair market value. Note that, under Canada Revenue Agency rules, the donated portion must equal at least 20% of the property’s fair market value in order to represent a ‘public benefit’ and qualify for a tax receipt.



OUTRIGHT (FAIR MARKET VALUE) SALE

While selling your land at fair market value to a conservation group may seem like an ideal option, it is rarely affordable. In extraordinary circumstances the Nature Trust may be able to arrange a purchase of your lands at fair market value. Keep in mind that, under this scenario, capital gains taxes on the property may be high if the value of the land has appreciated since you bought it.

OTHER TOOLS AND OPTIONS

CONSERVATION BUYERS

If you are looking to acquire property in Nova Scotia in a way that will benefit conservation, you can work with the Nature Trust in advance of purchasing your land. It may be possible that the Nature Trust has a property on its 'wish list' that matches your needs and conservation priorities. This approach is very effective in cases where sensitive lands are unexpectedly threatened by sale. Conservation groups don't often have the resources needed to move quickly and the intervention of a conservation buyer can mean the preservation of a critically important ecological site.

CASH DONATIONS AND BEQUESTS

A gift of cash or securities is a wonderful way to help the Nature Trust achieve its conservation mission. These gifts enable the Nature Trust to protect and look after unique natural areas in your community and across the province. If you want to direct a major donation towards protection of a property that is of special interest to you, we would be happy to discuss your wishes.

SOME FINAL THOUGHTS...

Private land conservation is a commitment we all can share. Most landowners and land users have concern for wildlife and natural systems and want to do what they can to preserve the province's special natural heritage.

The conservation options outlined here provide some ways you can show your commitment by making a significant and lasting contribution to private land conservation, right here in Nova Scotia.





*“If you want to make a positive personal impact,
save land. Practically nothing we can do in our
lives will make more of a difference.*

*One hundred years from now,
our children will be gone,
our personal endeavours largely forgotten,
but land conservation will stand
as a tribute to our care and forethought.”*

—Anonymous land trust supporter



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