

## Questions and Answers

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### About the New Act and Regulations

#### 1. What does the *Private Managed Forest Land Act (Bill 88)* do?

The Act is designed to maintain and encourage further growth of the private managed forest program, including maintaining forest management rights and obligations provided for currently. The Act establishes the Private Managed Forest Land Council (Council), comprised of representatives from government and Managed Forest landowners. The object of the Private Managed Forest Land Council is: "to encourage forest management practices on private managed forest land, taking into account the social, environmental and economic benefits of those practices."

#### 2. When will the Act and the new regulations take effect?

Sections of the Act were brought into force on January 30, 2004 to aid in the transition from the Forest Land Reserve. These sections did not affect landowners and the Forest Land Reserve and the Private Land Forest Practices Regulation remain in effect. The Act came into full effect in August of 2004, at which time the Forest Land Reserve Act was repealed.

A Private Managed Forest Land Council has been established and has collect fees from landowners to start the program. The Council may also retain an Executive Director and a management services contractor on a short-term contract until the permanent Council is in a position to issue longer-term contracts. The new Chair of the Council is Trevor Swan.

#### 3. What land does the *Private Managed Forest Land Act* apply to?

The Act applies to all private land that is assessed as managed forest by BC Assessment, except private Managed Forest land in a tree farm licence area, woodlot licence area or a community forest agreement area. These lands are subject to the provincial *Forest and Range Practices Act*.

**4. What if I have land in the Forest Land Reserve that is not classified as Managed Forest?**

Now that the *Forest Land Reserve Act* has been repealed the requirements of the Forest Land Reserve will no longer apply to any lands. Land that was not classified as managed forest at that time will not be subject to the requirements of the *Private Managed Forest Land Act*.

**5. What happens if my application to add land to the Managed Forest program is accepted — will the legislative and regulatory provisions apply to that land immediately?**

The provisions of the Private Managed Forest Land Act and the regulations will not apply to land that is new to the program until March of the next fiscal year, at which time the property will be added to the BC Assessment roll as managed forest land.

**6. How will these changes impact owners of Managed Forest property over the next several months?**

Regulatory performance requirements, and the Managed Forest landowners' reporting obligations are essentially unchanged. The main changes to the Managed Forest program are the requirement for the owner to pay an annual administration fee to fund operation of the Council, and the opportunity for nominating and electing owner representatives to the Council.

**7. Must I make any immediate plans to address the changes under the *Private Managed Forest Land Act*?**

Managed Forest landowners will be advised of the administration fees for participating in the program and reminded of their legal reporting obligations and deadlines in due course.

**About the New Council**

**8. What is the Private Managed Forest Land Council?**

The Private Managed Forest Land Council (Council) consists of two members appointed by the Minister of Sustainable Resource Management and two members elected by Managed Forest landowners.

**9. How are the Managed Forest landowner representatives selected?**

Managed Forest landowners will be asked to nominate willing

candidates. An election will be held to select representatives from the field of nominated candidates. The voting will be weighted to reflect the value and/or size of each landowner's Managed Forest holdings. This process will also be followed for the selection of owner representatives at the end of a member's Council term of two years.

**10. How do I nominate Managed Forest landowner representatives to the Council?**

Nominees must meet the criteria established in Section 6 of the *Private Managed Forest Land Act* and any additional selection criteria that may be established by the Council. Before an election takes place, Managed Forest landowners will receive a nomination form and relevant information.

**11. What authority will the Private Managed Forest Land Council have?**

The Council's authority will include:

- establishing forest practice standards in accordance with the objectives set out in the Act;
- administration of the forest practices component of the Managed Forest program;
- recommending to BC Assessment whether land qualifies for Managed Forest assessment property class;
- conducting forest practices audits and participating in audits;
- handling complaints and investigations;
- issuing stop work orders and remediation orders;
- levying administrative financial penalties against landowners who contravene the prescribed forest practices standards;
- recommending to BC Assessment that landowners not complying with the standards have their land removed or be suspended from the Managed Forest class;
- pursuing former Managed Forest landowners for unpaid fees and penalties incurred while in the program;
- charging fees for services such as variance applications; and
- liaising with other Provincial, Federal and local government interests.

**12. What oversight will there be of the Private Managed Forest Land Council?**

The Council will be held accountable in a number of ways:

- landowners will be consulted regarding the calculation of fees and the disposition of any surplus or deficit;
- an annual report will be made available to the public; and
- the Minister responsible may appoint an independent audit.

**13. What resources will the Private Managed Forest Land Council**

## have?

The permanent Council determined what resources are necessary to support the Managed Forest program. It is anticipated that the Council's direct resources will include an Executive Director, a contract administrative department and field specialists. In addition, managed forest owner experts, personnel from the Ministry of Water, Land and Air Protection, peer groups and the Private Forest Landowners' Association will be available to support the work of the Council as required.

## About Forest Practices

### 14. What is the status of the Private Land Forest Practices Regulation (PLFPR)?

The Private Land Forest Practices Regulation will be replaced with a similar regulation of the Private Managed Forest Land Council. There will be no substantial changes to the regulatory requirements or approach of the regulation.

### 15. Do I have to change the way I conduct my forest practices to be in compliance with the new regulations?

The objective is to maintain continuity of forest practice requirements under the new regulation. If you currently conduct your operations in a manner that is in compliance with the existing Private Land Forest Practices Regulation, no substantial changes should be required to meet the new regulations.

### 16. How can I obtain a copy of the forest practices regulations associated with the *Private Managed Forest Land Act*?

The forest practices regulations were developed in consultation with the Private Forest Landowners' Association. The regulations are available to managed forest landowners and the public on the Council website.

### 17. Is my right to practice forestry still protected by the *Private Managed Forest Land Act*?

Yes. Section 21 of the Act prohibits local governments from passing bylaws that directly or indirectly restrict forest management activities. Local governments will be able to place reasonable restrictions on the non-forestry use of private Managed Forest land and will have the ability to set local property tax rates.

## About Taxes and Management Commitments

**18. Will this new model affect the property tax paid on Managed Forest land?**

The Managed Forest program will continue to provide property assessment values that are generally lower than for other classes such as Residential, in exchange for landowners committing to the reforestation of private lands and the protection of key environmental values. The Managed Forest program will not create any new tax-based incentives, and will not impact on local governments' ability to set local property tax rates.

**19. What is the purpose of a Management Commitment?**

A Management Commitment is required under Section 17 of the *Private Managed Forest Land Act* and must include a commitment on the part of the landowner to adhere to the Act and regulations. Information submitted as part of the Management Commitment will be used by the Council to determine if the property qualifies for managed forest classification.

As of August 31, 2004, in order to be assessed as Managed Forest, the landowner must have on file with the Private Managed Forest Land Council a Management Commitment which meets the requirements of the Act and associated regulations. Landowners who currently have a valid Management Commitment under the Private Land Forest Practices Regulation on file with the Agricultural Land Commission will not be required to submit a new document.

**20. Do I have to change my Management Commitment to comply with the new Act and regulations?**

An amendment to an existing Management Commitment must be submitted if the size or ownership of the Managed Forest land subject to the Commitment has changed. A landowner may amend a Management Commitment at any time by completing an Amendment Form and filing it with Private Managed Forest Land Council; however, amendments to Management Commitments will not be reflected on the assessment roll for 2005 unless they are submitted to the Council by August 31, 2004.

**21. How do I apply to add land to the private Managed Forest program and have it assessed as Managed Forest for the 2005 assessment roll?**

If you have a current Management Commitment on file and your land is assessed as Managed Forest, you may apply to the Council to amend the Management Commitment to add land. In order for land to be added to the 2005 assessment roll, the amendment must be submitted by August 31, 2004.

For landowners without a current Management Commitment on file, an application must be made to the Council by August 31, 2004.

Requirements include a minimum property area of 25 hectares, a 15 year commitment to the program and an acceptable Management Commitment.

**22. Where do I get an application form to add land to the Managed Forest program?**

Application forms are available on request from the Council's office.

**23. What is the process once I submit an application form to add land to the Managed Forest program?**

The Private Managed Forest Land Council will review the Management Commitment against specified criteria, and determine if the application meets those criteria. The Council is responsible for maintaining a database of all Managed Forest land; it will advise BC Assessment of any changes to the lands within the Managed Forest program in October of each year to enable the assessment roll for the following year to be compiled.

In order to ensure that Managed Forest lands are correctly amended in time for the following year's assessment roll, it will be necessary to submit new Management Commitments or amendments to existing Management Commitment by August 31 of each year.

**24. How do landowners keep land in the Managed Forest property assessment class?**

To retain Managed Forest class, owners must:

- Submit and maintain a valid Management Commitment;
- Comply with the forest practices standards, regulations and other requirements of the Private Managed Forest Land Act and the Private Managed Forest Land Council; and
- Pay the annual administration fee.

**25. How do I remove land from the Managed Forest program?**

Landowners will be able to voluntarily enter and exit from Managed Forest class by providing notice to the Private Managed Forest Land Council. An exit fee may apply if the lands have been assessed as Managed Forest for less than 15 years. However, existing Managed Forest landowners will have until one year from the date the Act comes fully into force to remove lands from Managed Forest class without penalty.

Note that if lands are withdrawn before September 31, 2004, they will continue to be part of Managed Forest and will be subject to the requirements of the Act, including payment of the annual administration fee, until they are re-assessed by BC Assessment on December 31, 2004. If the notification of withdrawal is received after

September 31, 2004, the lands will remain in Managed Forest until December 31, 2005.

**26. What is the exit fee, how does it apply and how is it calculated?**

The exit fee is intended to discourage abuses of the Managed Forest program as a tax shelter for landowners intending to develop or sell lands for non-forestry purposes. The exit fee will apply to lands that have been assessed as Managed Forest for less than 15 years and is calculated as a percentage of the bare land assessed value, with a discount related to the number of years spent in the class.

Managed Forest owners will have until one year from the date the Act comes fully into force to remove lands from Managed Forest class without paying an exit fee. Owners of land that has been assessed as Managed Forest for more than 15 years will not pay an exit fee at any time. Exemptions will also apply in certain circumstances, such as the expropriation or donation of land for public purposes.

**27. How much will it cost for landowners to participate in the Managed Forest program?**

The budget for the first year of operating the Managed Forest program is on the website. It is expected that the annual cost to landowners will be in the range of 40 to 60 cents per thousand dollars of bare land assessed value. It is anticipated that a minimum fee of \$100 will be necessary to ensure that a reasonable portion of the administrative costs are recovered from each landowner.

**28. How will the administration fees payable by each Managed Forest landowner be calculated?**

The annual fees payable by each managed forest land owner will be based on the bare land assessed value of their parcel in the program. The Council will first establish a fees rate based on the following calculation:

$$\frac{\text{Total Budget required for MF program}}{\text{Total bare land assessed value of MF parcels}} = \text{Rate per \$ of bare land assessed value}$$

The rate will then be applied to the bare land assessed value of each owner's holdings to determine their annual fee. Note that the minimum fee of \$100 will be applied to all owners participating in the Managed Forest program.

**29. Why was bare land assessed value chosen as the means to**

### **determine the annual fee for participating in Managed Forest class?**

A number of options were considered as a means of fairly and equitably spreading the burden of funding the new Managed Forest program. Bare land assessed value was chosen because it was considered to be the most objective way of recognizing the value and potential timber yield of each landowner's Managed Forest holdings. It also uses information readily available from BC Assessment. Put simply, this approach means that the more productive and valuable your land, the more you pay into the program.

### **30. What happens if Managed Forest landowners do not pay their portion of the program administration fee?**

Managed Forest landowners who do not pay their annual fees will lose their managed forest land classification.

### **31. What happens to land in the Forest Land Reserve when the Reserve is eliminated?**

The Forest Land Reserve will be eliminated in the Spring of 2004 when the *Private Managed Forest Land Act* is fully enacted.

Land which is in the FLR and currently assessed as Managed Forest land will remain in the Managed Forest class and will automatically be entered into the new program.

Land which is in the FLR and not part of the Managed Forest class will be re-assessed for the 2005 assessment roll.

It should be noted that the Unmanaged Forest property class will be eliminated at such time that the *Private Managed Forest Land Act* is brought into full force and the land that currently holds this classification will be reassessed into one of the other property classes based on BC Regulation 438/81 - "Prescribed Classes of Property Regulation".

### **32. What will be the role of BC Assessment?**

BC Assessment will retain its existing responsibilities under the Assessment Act, including the compilation and maintenance of the assessment roll, and the annual collection of Timber Harvesting Returns.

### **33. What are the Managed Forest landowner's reporting obligations with respect to BC Assessment and the Timber Harvesting Return?**

Under the *Assessment Act*, BC Assessment requires all landowners who have land classified as forest land to submit a timber harvesting return for the previous calendar year. BC Assessment will send all



owners of forest land a Harvesting Return form at the beginning of each year. This form must be completed and returned to BC Assessment by May 31st of each year. The annual Silviculture Return was discontinued in 2000.

**34. What are the Managed Forest landowner's reporting obligations to the Agricultural Land Commission and Private Managed Forest Land Council?**

Reporting obligations to the Private Managed Forest Land Council are the same as those to the Agricultural Land Commission. Section 20 of the *Private Managed Forest Land Act* establishes the minimum requirements for all owners of Managed Forest land to provide information regarding the forest management activities that have taken place on their lands during the previous calendar year, including timber harvesting, road construction and reforestation. This information must be filed with the Council annually.

By April 1 of each year, the Council will send an Annual Declaration form and a reminder to all Managed Forest landowners. It is the responsibility of the landowner to ensure that the form is completed and returned to the Council by May 1<sup>st</sup> of each year. There are significant penalties for failure to file the declaration within the prescribed period.

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