



**Procedures for Transfer
of a Woodlot Licence
or Christmas Tree Permit
Under Division 2 of the
*Forest Act***

Southern Interior Forest Region

August 2008

The following procedures apply to Woodlot Licences (WL) and Christmas Tree Permits (CTP) issued pursuant to Section 12 of the *Forest Act* of which the administration is the responsibility of the Ministry of Forests.

With respect to agreement transfers, the *Forest Act* uses the term disposition. The definition of dispose included in the *Interpretations Act* is follows:

"Dispose" means to transfer by any method and includes assign, give, sell, grant, charge, convey, bequeath, devise, lease, divest, release and agree to do any of those things.

Exemptions

The following transactions are exempt from statutory requirements:

- To a trustee in bankruptcy;
- From the estate of a deceased person to the personal representative; or
- Transfers from a corporation to an affiliated corporation

In these cases, the legal holder of the agreement has changed and the ministry requires written notice within three months of the event. The notice must be sent to

Regional Executive Director
Ministry of Natural Resource Operations
Southern Interior Forest Region
515 Columbia Street
Kamloops, British Columbia V2C 2T7

The notice must include the following information:

1. The agreement(s) involved;
2. A description of the disposition, either bankruptcy, death of a licensee, or transfer to an affiliated corporation;
3. For dispositions involving bankruptcy or death of a licensee, the name and contact information for the trustee or the personal representative;
4. For transfers involving an estate, a certified true copy of the death certificate and a certified true copy of the will, or a portion thereof, indicating the name(s) of the executor/executrix; and
5. For transfers to an affiliated corporation, the following information:
 - shareholder and directors listing of both entities (latest copy of the registered records office)
 - copy of the Corporation Title (from the Registrar of Companies)
 - copy of the Online Search (indication of companies' standings)

Subsequent tenure transfers from the trustee in a bankruptcy to another party, or from the personal representative of an Estate to a beneficiary require the completion of a Notice of Intended Disposition related to a tenure transfer.

Transfer of a Woodlot Licence or Christmas Tree Permit

Notice of Intended Disposition

For WLs and CTPs, the completed Notice of Intended Disposition must be sent to the Regional Executive Director at the following address:

Regional Executive Director
Ministry of Natural Resource Operations
Southern Interior Forest Region
515 Columbia Street
Kamloops, British Columbia
V2C 2T7

The Notice of Intended Disposition must include the following information:

1. Information of the current holder and intended recipient. In addition to the address and phone numbers, if the intended recipient is an individual or individuals, the full given name, birthdate, and BC Drivers Licence number is required. For corporations, a listing of the officers, directors and major shareholders, and percentage of shares held by major shareholders where applicable. The WCB number is also required for corporations;
2. A description of the proposed transaction including a list of all tenures involved, including any associated road permits;
3. Confirmation that the intended recipient is a person, band or corporation that is eligible to hold a WL under the *Forest Act* or a CTP under the Christmas Tree Regulation;
4. If the agreement is a Woodlot Licence:
 - ▶ confirmation that the private land, if any, that is subject to the agreement will remain subject to the agreement, and
 - ▶ confirmation that the intended recipient does not hold or control a corporation that holds more than one other woodlot licence;
5. An indication of how the deposit currently held under the agreement is to be dealt with;
6. The name, position (if applicable) and phone number of the transferee and transferor's contact person for the proposed transaction;
7. The intended completion date for the transaction;
8. Payment of a non-refundable administrative fee of \$100.00 for the Woodlot Licence or Christmas Tree Permit and an additional \$100 for each associated road permit. A cheque (cash is not acceptable) payable to the Minister of Finance of the correct amount must be included with the Notice of Intended Agreement Transfer; and
9. If the transfer is from an Estate, a certified true copy of the death certificate and a certified true copy of the will, or portion thereof, indicating the personal representative

(executor/executrix). (This is not required if previously submitted) The executor or executrix must sign on behalf of the Estate.

Notice must be received from both the current holder and intended recipient. Joint submissions are encouraged.

Review of Intended Disposition

Upon receipt of a Notice of Intended Disposition, the Regional Executive Director will review the notice and confirm the following:

1. The agreement(s) to be transferred is transferable. The following agreements are not transferable:
 - i. an agreement issued under Section 47.3 (direct award to a First Nation) unless the transfer meets the prescribed criteria;
 - ii. road permit unless the associated licence is also being transferred; or
 - iii. an agreement that has been suspended under Section 69 of the *Forest Act*.
2. All road permits issued in association with the WL being transferred are also being transferred.
3. If the agreement is a WL, intended recipient is eligible to hold the licence as per Section 44 or 46.1 of the *Forest Act*. If the agreement is a CTP, the applicant is eligible to hold the licence as per Section 2 of the Christmas Tree Regulation. In both cases, the recipient must be a Canadian citizen or permanent resident of Canada, 19 years or older, a corporation controlled by persons who meet those requirements, or a First Nation.

Issuing a Notice to Proceed/Notice Not to Proceed with Intended Transfer

If all requirements are met, the Regional Executive Director must issue a notice that he/she is satisfied that the requirements of Section 54.1 of the *Forest Act* have been met and that the transfer may proceed.

The notice will also include the following:

- ▶ Specify the latest date by which the transfer must be completed otherwise the Notice to Proceed would be null and void;
- ▶ Requirement to notify the regional executive director of the date of completion of the disposition; and
- ▶ Requirement to deal with the security deposits if not dealt with during the Notice of Intended Disposition.

Completion of Disposition

Upon receiving a Notice to Proceed from the Regional Executive Director, the current holder and intended recipient may complete the disposition in accordance with the agreement between the two parties. The Ministry of Forests is not involved in this part of the process.

Payment of Accounts

The *Forest Act* requires that as of the end of the day of the completion of the disposition, all money required to be paid to the government under the circumstances set out in Section 130 of the *Forest Act*, and due and payable under that section, in respect of the agreement has been paid or is the subject of an arrangement for payment approved by the minister responsible for collecting the money.

The Ministry of Small Business and Revenue is responsible for collecting money owed to the Crown. To confirm that your account is current, please contact the Regional Woodlot Licence Forester by phone at (250) 828-4131 or by fax at (250) 828-4154.

Payment can be made by cheque payable to the Minister of Finance and either mailed to: delivered to the office located

Ministry of Small Business and Revenue, Forest Revenue Branch
PO Box 9990
Victoria, British Columbia V8W 9R7

or you may courier or hand deliver the payment to:

Forest Revenue Branch
2nd Floor, 1215 Broad Street
Victoria, British Columbia V8W 2A4

When payment is made the credit will be applied to the account and the subsequent statement will show the payment. Upon request a receipt may be issued.

Extension of Time

If an extension of time is required to complete the transfer, a request must be submitted, in writing, to the Regional Executive Director prior to the deadline for completion.

Notification of Completion of Transfer

Upon completion of the transfer, the current holder and intended recipient must notify the Regional Manager that the transfer has been completed. While this notice must be sent **within 7 days of the completion** of the transfer, the parties are encouraged to provide notification as soon as possible to minimize licence administration and billing complications. A copy of the land title for the Schedule A land showing the intended recipient as the title holder must be attached to the Notification of Completion unless the Schedule A land will be leased to the new holder of the agreement. If the intended recipient of the agreement is leasing the current Schedule A land, a copy of the lease must be attached to the Notice of Completion.

On the date of completion, all accounts must be current and transactions involving Schedule A land must be complete.

Licence Administration

Upon receipt of the Notification of Completion of Transfer, regional staff will be responsible for completing the various licence administration requirements including the updating of the files and systems.

The various systems (FTA; Apportionment) must be updated.

If the deposit is being replaced, any deposits currently held by the ministry may be released to the previous holder upon the appropriate deposits being received by the new holder of the agreement.

Woodlot Licence Transfers Involving Schedule A Land

1. If ownership of all the Schedule A land is to be transferred with the woodlot licence to the intended recipient of the woodlot licence, a copy of the land title showing the registered owner as the intended recipient must be included with the Notice of Completion.
2. Woodlot licence transfers from individual(s) to a corporation held by the same individuals.

If the Schedule A land is currently owned by the individual(s) and there is no intention of transferring the land title to the corporation, a satisfactory lease agreement between the individual(s) and the corporation must be submitted with the Notice of Completion. Please see the attached information for details regarding the lease requirements.

3. Woodlot licence transfers with private land transfers.

If the intended recipient proposes to replace the existing Schedule A land with a new parcel, the land transfer must be approved by the Regional Executive Director prior to the woodlot licence transfer. A letter from both parties must be submitted to the appropriate District Manager containing the information as per the attached requirements. The Notice of Intended Disposition of a Woodlot Licence can also be submitted at this time. The District Manager will review the submission, assess the land to be exchanged and submit a report to the Regional Executive Director. If the proposed private land exchange is acceptable, approval will be given by the Regional Executive Director to proceed with the exchange.

At this point a lease arrangement between the owner of the replacement land (who is also the intended recipient of the woodlot licence) and the current woodlot licence holder must be completed and submitted to the Regional Executive Director. The current holder of the woodlot licence must lease the replacement Schedule A land from the Intended Recipient of the woodlot licence before the current Schedule A land can be removed from the woodlot licence. Following receipt of the lease, the Schedule A land exchange can be completed and the transfer of the woodlot licence can proceed.

Compliance and Enforcement

Compliance

For licences that received a Notice to Proceed and have completed the disposition, regional staff will monitor the compliance with the statutory obligations associated with the disposition of certain agreements. The obligations include:

- Payment of accounts in accordance with the Act.
- The transfer of private land as part of the disposition of a Woodlot Licence.

In addition, regional staff will investigate any disposition that may have occurred without complying with the statutory obligation to notify the minister and receive a Notice to Proceed.

Enforcement

Any disposition that has occurred without meeting the statutory requirements will be without effect and not recognized by the Ministry of Natural Resource Operations.



For any other details regarding WL or CTP transfers or private land disposition, please contact either Trudy Goold or Andrea Inwards at the Southern Interior Forest Region at (250) 828-4131

Lease Requirements

In order for leased land to be included in a woodlot licence, the lease must contain the following points:

1. Woodlot Licence number;
2. Full legal description of the leased parcel and a map of the area being leased if it is only a portion of the land described by the full legal description;
3. The term of the lease must be equal to the term of the woodlot licence (20 years);
4. The lease must be replaceable every 10 years on the same date the woodlot licence is replaced; and
5. The lease must assign full management authority for all management rights associated with the operation of the woodlot licence. This includes all aspects of planning, harvesting, silviculture, and other management activities. It also includes the right for the woodlot licensee to apply for, hold, use and transfer a timber mark over the private lands for the purpose of harvesting and transporting timber.
6. If the lease is being done in preparation for a transfer, you can include the following statement:

“This lease will expire upon the date of completion of the transfer of Woodlot Licence #___ from _____ to _____.”

Schedule A Land Exchange Information Requirements

Current Schedule A land

1. Full legal description
2. Forested area
3. Proximity to woodlot licence Crown portion
4. An evaluation of the timber types.
 - ▶ age class
 - ▶ species composition
 - ▶ stocking
 - ▶ height
 - ▶ site index
 - ▶ area of type
 - ▶ mature, advanced immature, free growing, stocked, or NSR
5. Harvest History
6. Outstanding obligations
7. Map of current area
8. Current Allowable Annual Cut

Proposed Schedule A land

1. Full legal description and
2. Land title & owner
3. Forested area
4. Proximity to woodlot licence Crown portion
5. An evaluation of the timber types.
 - ▶ age class
 - ▶ species composition
 - ▶ stocking
 - ▶ height
 - ▶ site index
 - ▶ area of type
 - ▶ mature, advanced immature, free growing, stocked, or NSR (not sufficiently restocked)
6. Harvest History
7. Map of proposed area
8. Estimate of Allowable Annual Cut

* a digital submission of the replacement area will be required once final approval is granted