

(7) if the right to verify is the right covered by the personal rights provided for in sections 31 and 31.1 of the Act, a copy of the relevant permits, the property assessment roll of the year following the construction and of the current year;

(8) where the recognition applied for is for the personal right provided for in section 40 of the Act, the name, profession and quality of the occupant of the residence, a description of the farm operation including the total area owned and the leased area, if applicable, the area under cultivation, the type of crops, a list of the livestock, farm machinery and buildings, and a copy of the financial documents for the last fiscal year;

(9) a cheque or postal money order made out to the Minister of Finance in the amount provided for in section 1 of the Regulation respecting the tariff of duties, fees and costs made under the Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1, r. 6).”.

**4.** Sections 7 and 8 are revoked.

**5.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

102489

## Draft Regulation

Sustainable Forest Development Act  
(chapter A-18.1)

### Method for assessing the annual royalty and method of frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee — Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the draft Regulation to amend the Regulation respecting the method for assessing the annual royalty and the method and frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation modifies the method for assessing the annual royalty to be paid by the holder of a timber supply guarantee and on the basis of which the timber market board sets the rate applicable.

The draft Regulation generally will reduce, as of the 2016-2017 harvest year, the amount of the annual royalty to be paid by holders of timber supply guarantees.

Further information on the draft Regulation may be obtained by contacting Jean-Pierre Adam, Bureau de mise en marché des bois, Ministère des Forêts, de la Faune et des Parcs, 5700, 4<sup>e</sup> Avenue Ouest, bureau A-204, Québec (Québec) G1H 6R1; telephone: 418 627-8640, extension 4375; fax: 418 528-1278; email: jean-pierre.adam@bmbb.gouv.qc.ca

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Ronald Brizard, Associate Deputy Minister for Forests, Ministère des Forêts, de la Faune et des Parcs, 5700, 4<sup>e</sup> Avenue Ouest, bureau A-405, Québec (Québec) G1H 6R1.

LAURENT LESSARD,  
*Minister of Forests, Wildlife and Parks*

## Regulation to amend the Regulation respecting the method for assessing the annual royalty and the method and frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee

Sustainable Forest Development Act  
(chapter A-18.1, s. 126)

**1.** The Regulation respecting the method for assessing the annual royalty and the method and frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee (chapter A-18.1, r. 6) is amended in section 1:

(1) by inserting the following after paragraph 1:

“(1.1) “merchantable timber” means all logs or parts of logs greater than 9 cm in diameter;”;

(2) by inserting the following after paragraph 2:

“(2.1) “special development plan” means a special development plan within the meaning of section 60 of the Sustainable Forest Development Act (chapter A-18.1);”;

(3) by replacing paragraph 3 by the following:

“(3) “billed volume of timber” means all merchantable timber from forests in the domain of the State that is billed to the holder of a timber supply guarantee by the timber marketing board, except timber acquired on the open market;”.

**2.** Section 2 is amended by replacing “January” in the second paragraph by “February”.

**3.** Sections 3 and 4 are replaced by the following:

**3.** If the volume of timber billed to a guarantee holder during the reference period is equal to or greater than 10% of the volume of timber specified in the holder’s timber supply guarantee, the first annual royalty instalment is assessed using the following method:

$$\text{RAVBG}^1 = \text{VBG}^2 [18\% (\text{VMBSPP}^3 / \text{VBF}^4)]$$

$$\text{RAAR1F}^5 = \{(\text{VBG}^2 - \text{VBR1}^6) [18\% (\text{VMBSPP}^3 / \text{VBF}^4)]\}$$

$$\text{RA1F}^7 = 50\% \text{RAAR1F}^5$$

If, however, the annual royalty after waiver used to determine the first billing is less than 50% of the annual royalty according to the volumes of timber specified in the holder’s timber supply guarantee, the first annual royalty instalment is assessed using the following method:

$$\text{RA1F}^7 = 50\% \text{RAVBG}^1$$

<sup>1</sup> the annual royalty according to the volume of timber specified in the holder’s timber supply guarantee

<sup>2</sup> the volume of timber specified in the holder’s timber supply guarantee

<sup>3</sup> the amount calculated on the basis of the market value of the standing timber related to the volume of timber billed to the holder during the reference period

<sup>4</sup> the volume of timber billed to the holder during the reference period

<sup>5</sup> the annual royalty after waiver used to determine the first billing

<sup>6</sup> the volume of timber waived or deemed to have been waived by the holder at the time the sales contract for the standing timber purchased pursuant to the holder’s timber supply guarantee was made

<sup>7</sup> the annual royalty to be paid on the first billing

The second annual royalty instalment is assessed using the following method:

$$\text{RAAR2F}^8 = \{(\text{VBG}^2 - \text{VBR1}^6 - 50\% \text{VBR2}^9 - \text{VBR2PAS}^{10}) [18\% (\text{VMBSPP}^3 / \text{VBF}^4)]\}$$

$$\text{RA2F}^{11} = \text{RAAR2F}^8 - \text{RA1F}^7$$

If, however, the annual royalty after waiver used to determine the second billing is less than 50% of the annual royalty according to the volumes of timber specified in the holder’s timber supply guarantee, the second annual royalty instalment is assessed using the following method:

$$\text{RA2F}^{11} = (50\% \text{RAVBG}^1) - \text{RA1F}^7$$

<sup>8</sup> the annual royalty after waiver used to determine the second billing

<sup>9</sup> the volume of timber, not under a special development plan, waived by the holder between the time the sales contract for the standing timber purchased pursuant to the holder’s timber supply guarantee is made and 15 August of the current harvest year

<sup>10</sup> the volume of timber, under a special development plan, waived by the holder between the time the sales contract for the standing timber purchased pursuant to the holder’s timber supply guarantee is made and 15 August of the current harvest year

<sup>11</sup> the annual royalty to be paid on the second billing

At the end of the harvest year, the holder of a timber supply guarantee is entitled, for the timber under a special development plan waived by the holder between 16 August and 31 March of the harvest year concerned, to be reimbursed for a portion of the annual royalty, assessed using the following method:

$$\text{RAARA2F}^{12} = \text{RAAR2F}^8 - (\text{VBRA2FPAS}^{13}) [18\% (\text{VMBSPP}^3 / \text{VBF}^4)]$$

$$\text{PRAR}^{14} = (\text{VBRA2FPAS}^{13}) [18\% (\text{VMBSPP}^3 / \text{VBF}^4)]$$

If, however, the annual royalty after waiver following the second billing is less than 50% of the annual royalty according to the volumes of timber specified in the holder’s timber supply guarantee, the reimbursed portion of the annual royalty is assessed using the following method:

$$\text{PRAR}^{14} = (\text{RA1F}^7 + \text{RA2F}^{11}) - (50\% \text{RAVBG}^1)$$

<sup>12</sup> the annual royalty after waiver following the second billing

<sup>13</sup> the volume of timber, under a special development plan, waived by the holder between 16 August and 31 March of the harvest year concerned

<sup>14</sup> the reimbursed portion of the annual royalty

“4. If the volume of timber billed to a guarantee holder during the reference period is less than 10% of the volume of timber specified in the holder’s timber supply guarantee, the first annual royalty instalment is assessed using the following method:

$$RAVBG^1 = \Sigma e^2 \{ (VBGe^3) [18\% (VMTBSPFe^4 / VBTFe^5)] \}$$

$$RAAR1F^6 = \Sigma e^7 \{ (VBGe^3 - VBRe1^8) [18\% (VMTBSPFe^4 / VBTFe^5)] \}$$

$$RA1F^9 = 50\% RAAR1F^6$$

If, however, the annual royalty after waiver used to determine the first billing is less than 50% of the annual royalty according to the volumes of timber specified in the holder’s timber supply guarantee, the first annual royalty instalment is assessed using the following method:

$$RA1F^9 = 50\% RAVBG^1 - 50\%$$

<sup>1</sup> the annual royalty according to the volume of timber specified in the holder’s timber supply guarantee

<sup>2</sup> the sum of the operation performed for each annual royalty for the species or group of species concerned, as specified in the holder’s timber supply guarantee

<sup>3</sup> the volume of the species or group of species concerned, as specified in the holder’s timber supply guarantee

<sup>4</sup> the amount calculated on the basis of the total market value of the standing timber related to the volume of timber billed to all the holders during the reference period for the species or group of species concerned

<sup>5</sup> the total volume billed to all the holders during the reference period for the species or group of species concerned

<sup>6</sup> the annual royalty after waiver used to determine the first billing

<sup>7</sup> the sum of the operation performed for each annual royalty for the species or group of species concerned, as specified in the holder’s timber supply guarantee after waiver

<sup>8</sup> the volume of the species or group of species concerned, as specified in the holder’s timber supply guarantee, waived or deemed to have been waived by the holder at the time the sales contract for the standing timber purchased pursuant to the holder’s timber supply guarantee was made

<sup>9</sup> the annual royalty to be paid on the first billing

The second annual royalty instalment for the species or groups of species specified in the holder’s timber supply guarantee is assessed using the following method:

$$RAAR2F^{10} = \Sigma e^{11} \{ (VBGe^3 - VBRe1^8 - 50\% VBRe2^{12} - VBRe2PAS^{13}) [18\% (VMTBSPFe^4 / VBTFe^5)] \}$$

$$RA2F^{14} = RAAR2F^{10} - RA1F^9$$

If, however, the annual royalty after waiver used to determine the second billing is less than 50% of the annual royalty according to the volumes of timber specified in the holder’s timber supply guarantee, the second annual royalty instalment is assessed using the following method:

$$RA2F^{14} = (50\% RAVBG^1) - RA1F^9$$

<sup>10</sup> the annual royalty after waiver used to determine the second billing

<sup>11</sup> the sum of the operation performed for each annual royalty for the species or group of species concerned, as specified in the holder’s timber supply guarantee after waiver

<sup>12</sup> the volume of the species or group of species concerned, as specified in the holder’s timber supply guarantee, not under a special development plan, waived by the holder between the time the sales contract for the standing timber purchased pursuant to the holder’s timber supply guarantee is made and 15 August of the current harvest year

<sup>13</sup> the volume of the species or group of species concerned, as specified in the holder’s timber supply guarantee, under a special development plan, waived by the holder between the time the sales contract for the standing timber purchased pursuant to the holder’s timber supply guarantee is made and 15 August of the current harvest year

<sup>14</sup> the annual royalty to be paid on the second billing

At the end of the harvest year, the holder of a timber supply guarantee is entitled, for the timber under a special development plan waived by the holder between 16 August and 31 March of the harvest year concerned, to be reimbursed for a portion of the annual royalty, assessed using the following method:

$$RAARA2F^{15} = RAAR2F^{10} - Se^{11} (VBReA2FPAS^{16}) [18\% (VMTBSPFe^4 / VBTFe^5)]$$

$PRAR^{17} = Se^{11} (VReA2FPAS^{16}) [18\% (VMTBSPFe^4 / VBTFe^5)]$

If, however, the annual royalty after waiver following the second billing is less than 50% of the annual royalty according to the volumes of timber specified in the holder's timber supply guarantee, the reimbursed portion of the annual royalty is assessed using the following method:

$$PRAR^{17} = (RA1F^9 + RA2F^{14}) - (50\% RAVBG^1)$$

<sup>15</sup> the annual royalty after waiver following the second billing

<sup>16</sup> the volume of the species or group of species concerned, as specified in the holder's timber supply guarantee, under a special development plan, waived by the holder between 16 August and 31 March of the harvest year concerned

<sup>17</sup> the reimbursed portion of the annual royalty

**“4.1.** If the Minister cancels a timber supply guarantee pursuant to subparagraph 3 of the first paragraph of section 109 of the Sustainable Forest Development Act (chapter A-18.1), or terminates a timber supply guarantee pursuant to paragraph 1 of section 112 of that Act, the Minister is to reimburse the holder of the cancelled guarantee for the portion of the annual royalty corresponding to the volume of timber remaining harvestable by the holder before cancellation of the standing timber sales contract.

A holder granted a timber supply guarantee by the Minister in the course of the harvest year must pay, for that year, an annual royalty corresponding to the proportion of the volumes of timber the holder could purchase before the end of the harvest year. If the plant for which the guarantee is granted was or had already been operated under a guarantee, the rate of the annual royalty to be paid by such a holder is the rate that applied to the holder of the cancelled guarantee at the time of the cancellation.”

**4.** This Regulation applies to the 2016-2017 and subsequent harvest years.

**5.** This Regulation comes into force on the fifteenth day following its publication in the *Gazette officielle du Québec*.