

Proposed Stumpages, other fees and Timber Marking Regulation Content

The following document contains the concepts that will be used to develop the Stumpage, other fees and Timber Marking Regulations. You are invited to review these concepts and provide comments and recommendations to the Forest Management branch of the Department of Energy, Mines and Resources.

For information on how to comment, please contact the Forest Management branch.

Comments must be made in writing and can be sent via regular mail, electronically or delivered by hand. Any comments provided in writing will be available to the public on the Energy, Mines and Resources website at the end of the consultation period, normal rules of information and privacy will apply to these documents. The Forest Management branch appreciates your participation in this process.

Contact information:

By Mail:
Nicole Hulstein
Department of Energy, Mines and Resources K-918
Box 2703
Whitehorse, YT
Y1A 2C6

Physical Address:
Forest Management Branch
918 Alaska Highway

By Phone: (867) 456-6110

Fax: (867) 667-3138

Email: nicole.hulstein@gov.yk.ca

Basic Concepts

- The Act establishes that stumpage, fees, levies and other applicable charges are collected by the Government of Yukon in the disposition of timber.
- Stumpage rates to be set by regulation.
- Allows for the exemption of stumpage or reduced stumpage on a permit.
- Cost based stumpage rate established for each permit comprised of a minimum rate plus an incremental levy to offset any government cost associated with planning, permitting, cruising, silviculture or road development, maintenance and decommissioning, carried out by the Government of Yukon.
- Annual rent could be applied to multiyear term licences.
- Timber is marked appropriately prior to leaving the site of origin. All permits to be issued timber marks as part of cutting permit or Forest Resource Permit.
- A Cruise base valuation system will be developed and used for stumpage billings.
- Timber volumes for billing may be based upon timber cruise volume estimates or scale based information.

Proposed Stumpages, other fees and Timber Marking Regulation Content

LEGISLATIVE REFERENCE:

***Forest Resources Act* PART 3 – DISPOSITION OF FOREST RESOURCES**

Stumpage and other fees:

Timber resources licence

22(1)(g) require the licensee to pay stumpage and any other fees that may be established by regulation

Woodlot licence

23(1)(h)) require the licensee to pay any stumpage and any other fees that may be established by regulation

Fuel wood licence

24(1)(h) require the licensee to pay stumpage and any other fees that may be established by regulation;

Forest resources permit

29(4)(d)(ii)(v)) require the permittee to pay stumpage and any other fees that may be established by regulation

Timber Marking:

***Forest Resources Act* PART 3 – DISPOSITION OF FOREST RESOURCES**

Timber resources licence

22(1)(f) establish any requirements for timber marking and scaling prior to removal from the timber harvesting area

Woodlot licence

23(1)(g)) establish any requirements for timber marking and scaling prior to removal from the timber harvesting area;

Fuel wood licence

24(1)(g)) establish any requirements for timber marking and scaling prior to removal from the timber harvesting area

Forest resources licence

29(4)(d)(iv) establish any requirements for timber marking and scaling prior to removal from the timber harvesting area,

1. Purpose

The purpose of this regulation is to ensure stumpage, fees, levies and other applicable charges are collected by the Government of Yukon in the disposition of timber on public land and to ensure that timber is appropriately marked for transportation and scaling.

Proposed Stumpages, other fees and Timber Marking Regulation Content

2. Definitions

- (1) In this regulation, definitions used have the same meaning as in the *Forest Resources Act*.
- (2) Please use the following definitions for this regulation:

forest resource harvesting: the cutting and removal of non-timber forest resources

markholder scaling agreement: a document, issued by a person designated by the Director, to authorize timber for transport from a specified permit site or other location to an identified scale site or log yard

stumpage: the monies collected by the government for the disposition of timber on public land

timber mark: the authority under which timber is harvested

3. Application

A person who harvests timber on public land is required to:

- a) pay applicable stumpage and fees as determined under section 6(1); and
- b) have a timber mark before transporting timber, in accordance with this regulation.

4. Amount of Stumpage

Where stumpage is payable under the Act, the amount payable must be calculated by multiplying the volume or quantity of timber:

- a) reported in a timber cruise under section 8(1)(a); or,
- b) reported in a scale under section 8(1)(b);

by the rate of stumpage applicable to the timber under section 6.

5. Bonus Stumpage

If a bonus offer is made, in respect to public timber referred to section 4, the amount of bonus must be calculated:

- a) if the bonus offer was a per cubic metre rate, by multiplying the volume harvested in the licence by the bonus offer; or,
- b) if the bonus was a lump sum amount, the lump sum amount.

Proposed Stumpages, other fees and Timber Marking Regulation Content

6. Determination of Stumpage Rates

- (1) The stumpage rate is established in regulation which describes how stumpage is calculated and the circumstances under which a permit may be exempt or subject to a reduced stumpage rate.
- (2) The holder of a licence/permit to submit information to the government as necessary or desirable for the calculation of a stumpage rate.
- (3) The holder of a licence/permit who is required, to submit the information referred to in subsection (2) must comply with the requirement.

Note:	Fees Regulation will include an exemption for personal use firewood harvesting, in an amount 25m ³ per year or less.
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7. More than One Stumpage Rate

Where more than one stumpage rate is calculated for more than one harvest area, the Director may apply a single stumpage rate under one permit based on the weighted average of the rates that would otherwise be applicable.

8. Volume Determination and Standards of Measurement

- (1) The amount of stumpage payable on timber must be calculated using the information provided by:
 - a) a cruise of the timber conducted before it is cut; or,
 - b) if no cruise of the timber was carried out on the timber prior to harvest, a scale of the timber conducted after it is cut.
- (2) The timber cruise information must meet the standards set by the Director in policy.
- (3) The scaling information must meet the standards set by the Director in policy.
- (4) The Director may develop cruising procedures in policy.
- (5) The Director may develop scaling procedures in policy.

9. Accuracy of Information

The holder licence/permit who is obliged to submit information for use in calculating a stumpage rate, or for any other purpose under the act, must ensure that the information is accurate.

Proposed Stumpages, other fees and Timber Marking Regulation Content

10. Correcting Stumpage Rates where Inaccurate Information Provided

- (1) If, in the opinion of an official designated by the Director, a stumpage rate is or was in error because it was calculated based on inaccurate information submitted by or on behalf of the holder of a licence/permit, the Director may recalculate the stumpage rate by:
 - a) taking into account new information only to the extent necessary to correct the error; and,
 - b) in accordance with the policies and procedures in effect at the time of the calculation of the stumpage rate.
- (2) The stumpage rate as recalculated in accordance with subsection (1) is deemed to have taken effect on the date that the recalculation occurs.

11. Levies

- (1) Regulation will establish how levies aimed at recovering costs to government for planning, development, engineering, maintenance, reforestation, reclamation or other costs are to be calculated and applied.
- (2) Regulation may provide exemption for any or all of these levies for a licence/permit.

12. Annual Rent

- (1) Regulation will establish how annual rent is to be calculated and implemented.
- (2) The holder of a harvesting licence with a term of greater than one year shall pay to the Government, on or before a date specified by the Director, annual rent at the rate set by the Director as supported by policy.
- (3) Despite subsection (2), the Director may provide an exemption for payment of rent.
- (4) Annual rent will apply as a credit to stumpage payments once the annual cut control provisions of the licence have been met.

13. Timber Marking

- (1) All cutting permits issued for timber on public lands must include a timber mark.
- (2) Timber harvested from public land under a licence/permit issued under the act must be conspicuously marked on each load prior to removal from the area of harvest.
- (3) All timber transported on a public road in the Yukon must have a timber mark, legal harvesting permit, or load receipt showing point of origin of the timber.

Proposed Stumpages, other fees and Timber Marking Regulation Content

- (4) The Director may create policy to establish more specific requirements for timber marking and load identification.
- (5) A person designated by the Director may grant exemption for timber marking in accordance with policy approved by the Director.

14. Markholder Scaling Agreement

- (1) Timber may not be removed from the area of harvest until a markholder scaling agreement has been approved by a person designated by the Director.
- (2) The Director may create policy to establish how markholder scaling agreements shall be administered and the circumstances under which exemption may be granted for this requirement.
- (3) A markholder scaling agreement associated with a licence/permit issued under the act is:
 - a) suspended if, under the act, the licence/permit is suspended; or,
 - b) cancelled if, under the act, the licence/permit expires or is surrendered or cancelled.

15. Scale Site Authorizations

- (1) Where harvest volumes are to be measured by log scaling, the Director may require that the scaling occur at an authorized scale site.
- (2) A person may apply for a scale site authorization by submitting an application using the approved form, approved by the Director.
- (3) On receipt of an application, the Director shall issue a scale site authorization to the individual unless that individual is currently in contravention of conditions of a previously issued scale site authorization.
- (4) A scale site authorization shall include conditions for operation of that scale site as deemed appropriate in policy created by the Director.

16. Authorization of Scalers

- (1) The Director may require log scaling for the purposes described in this regulation be carried out by a scaler authorized by a person designated by the Director.
- (2) The person designated by the Director shall provide authorization to any applicant who meets the requirements set out in policy approved by the Director.

Proposed Stumpages, other fees and Timber Marking Regulation Content

- (3) The person designated by the Director to authorize scalers may include conditions with the authorization.

17. Offence

A person who contravenes subsection 13(3) of this regulation commits an offence.

Proposed Stumpages, other fees and Timber Marking Regulation Content

