



Land Procedure Allocation Procedure - Direct Sales

NAME OF LAND PROCEDURE:	Allocation Procedures - Direct Sales
APPLICATION:	Applies to all direct sales through Regional Offices
ISSUANCE:	Assistant Deputy Minister, Tenures, Competitiveness and Innovation
IMPLEMENTATION:	Ministry of Forests, Lands and Natural Resource Operations
REFERENCES:	<i>Land Act (Ch. 245, R.S.B.C, 1996)</i>
RELATIONSHIP TO PREVIOUS LAND PROCEDURE:	This procedure replaces the previous Direct Sale/Lease procedure dated August 16, 2004

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Resource Operations

MAY 26 2011

Date:

EFFECTIVE DATE: June 1, 2011
AMENDMENT:

FILE: 11480-00

APPROVED AMENDMENTS:		
Effective Date	Briefing Note /Approval	Summary of Changes:
June 1, 2011	BN 175892	Policy and Procedure update to reflect reorganization of resource ministries April 2011

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1. PURPOSE

To establish a framework for the direct sale of Crown land.

The Authorizing Agency may sell Crown land using one of the following processes:

- Direct sale through Authorizing Agency offices;
- Real estate industry listing on the Multiple Listing Service (MLS); or,
- Competitive process (use of Request for Offers to Purchase, Public Auction, etc.)

See [Real Estate Industry Sales](#) and [Competitive Process](#) procedures for information on these other methods of disposition.

The following procedures comply with the provisions of the *Land Act* and the *Ministry of Lands, Parks and Housing Act*.

2. DEFINITIONS

Authorizing Agency means the Provincial ministry responsible for the specific land use authorization.

Deposit means the sum of money required to be submitted with the Offer to Purchase. A deposit may be by certified cheque, money order, or bank draft.

Direct Sale means fee simple disposition of Crown land through the Authorizing Agency offices directly to one or more interested parties, without a public offering.

First Nation is a term that refers to the Indian peoples in Canada, both Status and non-Status. Although the term First Nation is widely used, no legal definition of it exists. Some Indian peoples in British Columbia have adopted the term "First Nation" to replace the word "band" in the name of their community.

Public offering means the use of a competitive process or real estate industry listing.

Purchaser means purchaser, lessee, prospective purchaser, prospective lessee.

3. DIRECT SALE CRITERIA

Direct sales may occur when one or more of the following criteria are met:

- Landlocked and other properties that are not separately viable except to the purchaser;
- The property is needed to restore access or frontage to property cut off by realignment or closure;
- Property is being transferred/sold to other levels of government, provincial agencies or corporations, utility companies, conservation authorities or First Nations;
- Sales are being carried out subsequent to an unsuccessful public offering.

- Land is being exchanged; and/or,
- Entities who have been occupying the property under tenure have applied to purchase the site.

In the event that a direct sale would provide clear benefit to the Crown and does not meet the above criteria, an appropriate rationale will be provided on a case-by-case basis for the decision of the Authorizing Agency's Executive.

4. PROCEDURE

4.1 Eligibility

The eligibility requirements, as well as the number and type of lots that may be acquired by an individual, family unit, corporation or partnership, must be determined in accordance with the specific program policy under which the property is being offered.

4.2 Processing Offers To Purchase

The purchaser completes the Offer to Purchase form and submits it to the Authorizing Agency together with the required deposit. The Authorizing Agency accepts the Offer to Purchase in accordance with signing authorities.

The regional office will forward to the Surveyor General Division, Land Title and Survey Authority, for the preparation of the Crown grant, the following:

- the accepted offer to purchase;
- the Vendor's statement of adjustments;
- a current status report on the property being sold; and,
- the name, address and telephone number of the purchaser's conveyancer.

4.3 Sale Value

All direct sales of parcels will be sold at market value. Selling below market value may result in an operating expense for the concessionary difference.

Direct sales where all or part of the market value consideration is based on land transfers or other value-in-kind compensation require prior approval by the Authorizing Agency's Executive.

4.4 Profit Recovery Clause

In order to ensure that the Province receives fair value for its land, agreements of purchase and sale with municipalities or other direct sales (where normal method of sale would be through public means) of parcels may contain a clause providing for the purchaser to reimburse the Government the difference between the purchase price and the sale price, should the property be sold at a higher price within a certain time period.

4.5 First Nations

The Authorizing Agency is responsible for ensuring the Province's obligations to First Nations are met in the disposition of Crown land. The Authorizing Agency carries out consultations with First Nations in accordance with its guidelines and policies on First Nations consultation to identify the potential for aboriginal rights or title over the subject property and to determine whether infringement of either might occur (refer to the Aboriginal Interest Consideration Report form contained in the Land Use Report).