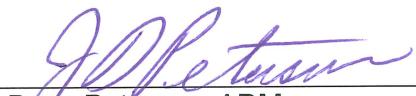


Land Procedure Forfeitures

NAME OF LAND PROCEDURE:	Forfeitures
APPLICATION:	Applies to lands forfeited to the Crown (pursuant to Section 39 of the <i>Taxation (Rural Area) Act</i>) for non-payment of taxes
ISSUANCE:	Assistant Deputy Minister, Tenures, Competitiveness and Innovation
IMPLEMENTATION:	Ministry of Forests, Lands and Natural Resource Operations
REFERENCES:	<i>Land Act</i> (Ch. 245, R.S.B.C, 1996) <i>Forest Act</i> (Ch. 157, R.S.B.C, 1996) <i>Taxation (Rural Area) Act</i> (Ch. 448, R.S.B.C. 1996)
RELATIONSHIP TO PREVIOUS LAND PROCEDURE:	This procedure replaces the previous Land Forfeitures to the Crown procedures dated August 16, 2004.



Dave Peterson, ADM
Tenures, Competitiveness and Innovation
Ministry of Forests, Lands and Natural
Resource Operations

MAY 26 2011

Date:

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
February 25, 2013	BN 195660	Clarify name of branch receiving and processing forfeiture notices from Surveyor of Taxes
September 22,2015	BN 217947	Land Act Reform phase 1 changes
February 26, 2021	BN 260513	Moved information related to Escheats into this procedure from the Tenure Administration Procedure.

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1. PURPOSE

To establish procedure for the administration of land which forfeits to the Crown for non-payment of property taxes. This procedure also provides information related to land that has escheated to the Crown (pursuant to the *Escheat Act*).

This procedure is consistent with the *Taxation (Rural Area) Act* and subsection 5(5) and 5(9) of the *Forest Act* which requires land that was formerly inside a Provincial Forest to automatically revert to Provincial Forest status upon forfeiture.

2. DEFINITIONS

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

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.

Redemption Period means a one year period from the date of notice of forfeiture during which time, the former owner has an absolute right to redeem the property on payment of all monies owing.

Revestiture Period means a two year period following the termination of the one year redemption period during which time the former owner may apply to have the title to the property returned to him.

3. GENERAL POLICY

Sections 39 of the *Taxation (Rural Area) Act* authorizes the Authorizing Agency to administer forfeited land during the period of potential reversion. The period of potential reversion is made up of a one year Redemption Period (the first year after forfeiture), followed by a two year Reversion Period (the second and third years after forfeiture).

The Authorizing Agency will not actively market forfeited lands during the Redemption Period or the Reversion Period. Where extenuating circumstances exist, the Authorizing Agency may issue temporary tenure (temporary licence of occupation or standard license of occupation) at market rent during the Reversion Period to a third party. Any such temporary tenure should be for a term less than the unexpired balance of the Reversion Period and contain provisions for cancellation at the sole discretion of the Authorizing Agency.

At the discretion of the Authorizing Agency, forfeited lands that are occupied may be subject to eviction proceedings pursuant to the Authorizing Agency's policy on Compliance and Enforcement. Where the former owners are the party in trespass, attempts are made to legalize the occupation. If attempts to legalize are unsuccessful, a seizure notice may be enforced (where the Authorizing Agency has determined issuance of a temporary tenure to a third party is appropriate, action may commence earlier).

Where the former owner remains in occupation during the Redemption Period, occupational rent may be charged at the annual minimum rent rate under the appropriate program.

Where the former owner remains in occupation during the Revestiture Period, the Authorizing Agency may advise the former owner that if he wishes to remain on the property, he must legalize his occupation by entering into a formal tenure at market rent.

The Surveyor of Taxes should be informed of any outstanding occupational rent and requested to include the outstanding amount in the recoverable costs to effect redemption or revestiture.

4. GENERAL PROCEDURE

The Surveyor of Taxes forwards copies of Certificates of Forfeiture for rural properties to the Base Mapping & Cadastre Section, GEOBC, once a year. The Base Mapping & Cadastre Section enters the forfeitures in the Crown Land Registry (Tantalis) as pending, advises the Authorizing Agency's Regional Director and distributes copies to the regions.

Regions review the property and may choose to create an active inventory site in Tantalis with the stipulation that no long term disposition is to be made for three years from the date of forfeiture.

Upon expiry of both the redemption and revestiture period, the Authorizing Agency will determine whether the land is viable for marketing.

4.1 Procedure Where a Temporary Disposition is Approved Within the Revestiture Period

The Authorizing Agency advises the Surveyor of Taxes, District Collector of Taxes and BC Assessment of the temporary disposition.

The Authorizing Agency will update the file and Tantalis.

4.2 Procedure Where the Former Owner Redeems the Property During the Redemption Period

The Surveyor of Taxes notifies the Authorizing Agency and requests advice as to any costs incurred by the Authorizing Agency. The Authorizing Agency inactivates any inventory site. A Redemption Notice is received by the Base Mapping & Cadastre Section from Surveyor of Taxes. The Base Mapping & Cadastre Section updates Tantalis accordingly and forwards a copy of the Redemption notice to the appropriate the Authorizing Agency office.

The Surveyor of Taxes makes application to register the Redemption Certificate at the appropriate land title office, affecting the transfer of title from the Province to the former owner.

Note: this is a relatively new process of raising a new title in the name of the Province. Currently, the Victoria LTO is not consistently processing forfeitures in this manner. The

Victoria LTO is entering a legal notation on the current forfeited title pertinent to the forfeiture notice received.

4.3 Procedure Where the Surveyor of Taxes Approves a Revestiture

The Surveyor of Taxes contacts the Authorizing Agency before proceeding with an application for revestment of a forfeited property.

The Surveyor of Taxes forwards copies of the Order for Revesting of Forfeited Land to the Base Mapping & Cadastre Section. The Base Mapping & Cadastre Section updates Tantalus accordingly and forwards a copy of the revestment order to the appropriate the Authorizing Agency office.

The "former owner" is responsible for the registration of a certified copy of the Order at the appropriate land title office affecting the transfer of title from the Province to the "former owner".

Whether redeemed or revested, the Surveyor of Taxes contacts the Authorizing Agency regarding any costs and proceeds from that point.

4.4 Management of Forfeited Properties with Improvements

It is the policy of Government to self insure (i.e. assume the risk of loss of improvements from fire or vandalism and the exposure to liability). Insurance for liability or loss on land or improvements is not usually required. If exceptional high risk situations or major assets (\$500,000) are involved, the Authorizing Agency may consider insurance. Where required, insurance coverage is to be arranged through the Risk Management Branch.

The Authorizing Agency may reduce potential liability in these situations by:

- making the property safer by boarding up buildings, restricting access, posting adequate notices, etc.;
- arranging for the removal/destruction of unsafe improvements; and,
- entering into a contractual arrangement for the maintenance and upkeep of the property.

If such action is taken, the Surveyor of Taxes should be notified and may then consider including costs incurred by the Crown in any application received for redemption or revestiture.

4.5 Verification of Status of Forfeited Lands

Upon expiration of the Revestiture period, the Authorizing Agency will determine, through advice from Surveyor of Taxes, if the lands identified have forfeited absolutely. The Authorizing Agency will advise the Base Mapping & Cadastre Section of this determination and Tantalus will be updated accordingly.

4.6 Escheats

The Ministry of Attorney General (MAG) administers the *Escheat Act*, and therefore, any land which escheats to the Crown vests with MAG. MAG normally deals with escheated

land only when a claim is forthcoming, rather than seeking out escheated land. All enquiries concerning escheated land are to be referred to MAG Legal Services Branch.

In situations where land has escheated to the Crown due to dissolution of its corporate owner, and the Authorizing Agency requires the land for Government use, the Authorizing Agency must, not less than 24 months from the date of the company's dissolution:

- a) provide evidence of the Escheat;
- b) set out the basis for the acquisition; and
- c) address the issue of any other potential claimants.

Once satisfied, the Legal Services Branch will seek instructions to vest the land in the name of MAG for subsequent transfer to the Authorizing Agency.

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).