Land Use Operational Policy
Aggregate and Quarry Materials

NAME OF LAND POLICY: Aggregate and Quarry Materials


ISSUANCE: Assistant Deputy Minister, Tenures, Competitiveness and Innovation

IMPLEMENTATION: Ministry of Forests, Lands and Natural Resource Operations

REFERENCES: Land Act (Ch. 245 R.S.B.C, 1996), Sections 19 and 28 Mines Act (Ch. 293 R.S.B.C 1996)

RELATIONSHIP TO PREVIOUS LAND POLICY: This policy replaces the previous Aggregate and Quarry Materials policy dated August 16, 2004

POLICY AMENDMENT: Any formal request for an amendment to this policy is to be directed in writing to the Director, Land Tenures Branch, Ministry of Forests, Lands and Natural Resource Operations.

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

MAY 26 2011

Date:

EFFECTIVE DATE: June 1, 2011

FILE: 12380-00

AMENDMENT:
### APPROVED AMENDMENTS:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Briefing Note /Approval</th>
<th>Summary of Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1, 2011</td>
<td>BN 175892</td>
<td>Policy and Procedure update to reflect reorganization of resource ministries April 2011</td>
</tr>
<tr>
<td>September 22, 2015</td>
<td>BN 217947</td>
<td>Land Act Reform phase 1 changes</td>
</tr>
</tbody>
</table>
## Table of Contents

1. POLICY APPLICATION ................................................................. 1
2. PRINCIPLES AND GOALS ........................................................... 1
   2.1 Strategic Objectives .............................................................. 2
3. DEFINITIONS ........................................................................... 2
4. ABBREVIATIONS ..................................................................... 3
5. APPLICANT ELIGIBILITY ............................................................. 3
6. FORM OF LAND ALLOCATION ...................................................... 4
   6.1 Temporary Licence ................................................................. 4
   6.2 Licence of Occupation ............................................................ 5
   6.3 Lease .................................................................................. 5
   6.4 Sale ................................................................................... 6
   6.5 Reserves ............................................................................ 6
7. PRICING POLICY ....................................................................... 7
   7.1 Administrative Fees ............................................................... 7
   7.2 Rentals and Royalties ............................................................. 7
   7.2.1 Land Rental Payment ......................................................... 7
   7.2.2 Royalty Payment .............................................................. 7
8. ALLOCATION PROCESSES .......................................................... 10
   8.1 Applications ....................................................................... 10
   8.1.1 Application Package .......................................................... 11
   8.1.2 Application Acceptance ....................................................... 12
   8.1.3 Clearance/Statusing ............................................................ 12
   8.1.4 Referrals ......................................................................... 12
   8.1.5 Advertising/Notification ...................................................... 12
   8.1.6 Aboriginal Interests Consideration .................................... 13
   8.1.7 Field Inspections ............................................................... 13
   8.1.8 Decision/Report ............................................................... 13
   8.1.9 Issuing Documents ............................................................. 13
   8.2 Competitive Process .............................................................. 13
   8.3 Direct Offer Process ............................................................... 14
   8.4 Planned Tenure Dispositions ................................................ 14
9. TENURE ADMINISTRATION .......................................................... 14
   9.1 Insurance ........................................................................... 14
   9.2 Security/Performance Guarantee .......................................... 15
   9.3 Assignment and Sub-Tenuring .............................................. 15
   9.4 Tenure Replacement .............................................................. 15
   9.5 Monitoring and Enforcement ................................................ 16
   9.5.1 Quantity Survey and Monitoring ....................................... 16
   9.5.2 Annual Report ................................................................. 16
   9.5.3 Audit of Municipal Quarries .............................................. 16
   9.5.4 Review of Management Plan ............................................ 16
   9.5.5 Reclamation Inspection .................................................... 16
9.6 VARIANCE ............................................................................ 16
1. **POLICY APPLICATION**

This policy applies to all dispositions of vacant Crown land suitable for the mining, quarrying digging or removal of those building, construction and other materials listed in Section 19 of the *Land Act*.

This policy also applies to quarry materials located in Provincial forests provided that the primary purpose of the quarry material is for a non-forest use.

This policy applies to removing quarry materials located in river beds where the purpose of removing the materials is for public safety or flood mitigation.

Applications for quarrying of abandoned tailings disposal areas on Crown land for building or construction purposes are to be administered according to this policy.

All activities on a quarry site which are not a part of a quarry operation, as defined below, require separate authorization.

The Ministry responsible for the *Mines Act* is responsible for the regulation of removal of quarry materials not defined in Section 19 of the *Land Act*.

This policy is developed in consideration of:

- Sections 19 and 28 of the *Land Act* respecting quarrying land and royalties,
- the Ministry responsible for the Mines Act, is responsible for the approval of work systems and reclamation programs of quarry developments and the removal of materials not listed in Section 19 of the *Land Act*.
- the memorandum of agreement with the British Columbia Railway Company respecting the reservation and disposition of Crown land for railway purposes.

*The italicized text in this document represents information summarized from standard Crown land management policies and procedures. This material has been inserted where it provides necessary direction or context. As well, website links offer access to the full text of the relevant land management policies and procedures. Text in standard script is applicable to this policy only.*

2. **PRINCIPLES AND GOALS**

Provincial employees act in accordance with applicable legal requirements when making decisions. The Guiding Principles are a summary of key administrative and contract law principles which guide provincial employees.

This policy is part of a series of policies that have been developed to help provincial staff use business and legal principles to achieve the government’s goals with respect to the management of Crown land in a manner that is provincially consistent, fair and transparent. To that end, this policy also serves as a communication tool to help the public understand how the Province of BC makes decisions respecting Crown land.

The province acknowledges that an assured and continuous supply of quarry materials is vital to the long term viability of the construction industry. It also recognizes that for
many areas of the province Crown land is the only existing or potential source of supply for quarry materials used by industry, and that several government agencies have the right to obtain quarry materials from public lands for public works projects. Accordingly, the province will seek to ensure that appropriate Crown lands are made available to the quarry materials industry and government agencies provided that resultant quarry operations are undertaken in compliance with safety standards, are cognizant of land use compatibility, and have due regard for environmental sensitivities of the land.

2.1 Strategic Objectives

To provide policy for the use of Crown land containing or potentially containing quarry materials required for commercial and industrial purposes.

To enhance the viability of quarry operations by protecting and assuring a continuous supply of Crown land for quarry materials extraction by private and public sectors.

To ensure an equitable allocation of quarry lands among private operators and public agencies.

To ensure efficient use of Crown land containing quarry resources.

To provide a fair economic return to the Crown for the extraction of quarried materials in a manner which is equitable to the quarry industry.

To foster the safe and orderly development of quarry operations authorized on Crown land pursuant to programs and legislation administered by government.

To promote administrative efficiency through the utilization of the technical expertise of other agencies involved in safety and reclamation of mining and quarry lands.

To facilitate the operation of quarry activities in a manner which minimizes adverse environmental impacts on Crown land.

To encourage the common use of quarry sites by private operators where small quantities of materials are required on an occasional basis.

3. DEFINITIONS

Aggregate means sand, gravel, crushed rock, clay material, or a combination with which cement or petroleum based material is mixed to form a mortar, concrete or asphalt.

Aquatic deposit means a deposit of quarry material located within active stream channels, beds and bars of lakes or ocean beds and below the high water mark of a water body or water course.

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

Common compactable fill means unconsolidated, unsorted material used to fill or level land but does not include sand and gravel, rock or other material used of the same purpose.
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.

Primary railway purposes means those uses of Crown land required for construction and operation of rail lines and appurtenant facilities, including uses for construction and operation of railway rights-of-way, branches, sidings (not private industrial sidings), terminals, stations, depots, sheds, warehouses, wharves, bridges, trestles, tunnels, culverts, drains and other related works of the B.C. Railway Company.

Quarry operation means the primary activity of digging and removal of building and construction material pursuant to Section 19 of the Land Act. For the purposes of this policy, a quarry operation may also include the ancillary activities of material sorting, crushing, stockpiling and washing, and the operation of a temporary portable asphalt plant on site.

Quarry materials includes aggregate as defined above, in addition to building stone, limestone, soil, peat and other material which may be extracted from a quarry site under the Land Act.

Secondary use means an industrial or commercial use associated with, but not defined as, a “quarry operation.”

Upland deposit means a deposit of quarry material located outside of active stream channels, beds and bars of lakes or ocean beds and above the high water mark of a water body or water course.

4. ABBREVIATIONS

BCA - BC Assessment

ha. - Hectare

MAL - Ministry of Agriculture and Lands

MEMPR - Ministry of Energy, Mines and Petroleum Resources

MOE - Ministry of Environment

MOU - Memorandum of Understanding

5. APPLICANT ELIGIBILITY

Applicants for new tenures, tenure assignment, or tenure replacement must be:

- Canadian citizens or permanent residents 19 years of age or older; or,
- Corporations which are incorporated or registered in British Columbia. Corporations also include registered partnerships, cooperatives, and non-profit societies which are formed under the relevant provincial statutes;
• First Nations can apply through band corporations or Indian Band and Tribal Councils. Band or Tribal Councils require a Band Council Resolution a) authorizing the council to enter into the tenure arrangement, and b) giving the signatories of the tenure document the ability to sign on behalf of the Band. For tenures which are to be registered in the Land Title Office, First Nations must apply through either a band corporation or trustees. Band members can elect one or more trustees to hold a tenure on behalf of the Band. Verification of election must be by way of a letter signed by the Chief and councilors of the Band giving the full names of the trustees and stating that they were elected at a properly convened meeting of the Band. A Band Council Resolution is not required;

• In the case of aquatic land, non-Canadians can apply if they own the adjacent upland (companies must still be incorporated or registered in B.C.).

For more detailed standard policy information see Eligibility and Restrictions.

6. FORM OF LAND ALLOCATION

Refer to Appendix 1 for a summary of the forms and terms of Crown land allocation available for quarry operations.

If you wish to use Crown land for a short term, low impact activity you may not need to apply for tenure, you may be authorized under the Permissions policy.

Any Land Act permits currently in good standing remain viable tenures until expiry. Activities that were previously tenured as permits and require additional time to complete, may be authorized under the Permissions policy or as a temporary licence within programs that formerly offered a temporary permit.

For more detailed standard policy information see Form of Crown Land Allocation.

6.1 Temporary Licence

A temporary licence may be issued for temporary uses, where a business is better served by a short term, minor rights authorization than by a longer term tenure.

The tenure holder must allow public access to the area without interference, and must recognize that overlapping and layering of tenures may be authorized by the Province.

Where an application for temporary licence is intended to lead to a Direct Offer of a standard Licence of occupation or a Lease, the submission of a pre-development plan or Investigative Plan is required. The pre-development/Investigative plan will outline preliminary aggregate resource requirements.

The Authorizing Agency will review the draft plan to determine the appropriate size of the area and the term of the temporary licence.

The maximum term for a temporary licence is 2 years.
A temporary licence may be issued where the applicant requires a small quantity of quarry material over a short term period.

6.2 Licence of Occupation

A licence of occupation may be issued where minimal improvements are proposed, where there are potentially multiple users of a site (e.g. communication sites), where survey is not required or when the land is located in remote areas and legal survey costs required for a lease or right of way are prohibitive, and where Government wishes to retain future options and management control over the use of the lands. It may also be used to allow development to proceed while awaiting completion of survey requirements for a lease or right of way.

A licence of occupation conveys fewer rights than a lease. It conveys non-exclusive use for the purpose described, is not a registrable interest that can be mortgaged, and does not require a survey.

A licence of occupation does not allow the tenure holder to curtail public access over the licence area except where it would impact the licencees’ right to use the land as per the licence document. Government may authorize overlapping and layering of tenures.

The maximum term for a licence of occupation varies according to land use program. The maximum term provided within each land use policy is guidance to the decision maker, who exercises the discretion to make the term shorter or longer giving consideration to the facts of a particular application. When considering the appropriate term, the decision maker will normally consider factors such as the nature of the land use, the proponent’s basis for seeking long term security and the Province’s interest in retaining the flexibility to review or change the tenure term.

A licence of occupation is the normal form of tenure for quarry dispositions during the promotion (capital raising), physical development and production stages.

The normal term issued is five years, but where need is proven (e.g. quarry operator has long-term obligations as a supplier, quarry operator has diligently used the site for several years and continued use can be expected), a longer-term tenure may be offered.

A replacement licence may be issued with a term of up to 30 years.

6.3 Lease

A lease should be issued where long term tenure is required, where substantial improvements are proposed, and/or where definite boundaries are required in order to avoid conflicts.

The tenure holder has the right to modify the land and/or construct improvements as specified in the tenure contract. The tenure holder is granted quiet enjoyment of the area (exclusive use).

A legal survey will generally be required at the applicant’s expense to define the tenured area.
A lease can be issued in a form that is registerable in the Land Title Registry (whereas, a Licence of Occupation is not.) Registered leases for a term of 30 years or more may be considered a fully taxable transfer of interest in property and may be subject to Property Transfer Tax in accordance the Property Transfer Tax Act.

Where a lease is not registered in the Land Title Registry, Property Transfer Tax does not apply.

In most cases, a tenure holder may apply for a replacement tenure at any time following the mid-term of the lease. Replacement of tenures is at the Authorizing Agency’s discretion.

Where a replacement lease is for the same land, will result in a total duration of more than 30 years, and the replacement lease is registered in the Land Title Registry, the leases may be viewed as a single transaction and may be subject to Property Transfer Tax.

Where the term of a registered lease is less than 30 years or the total duration of all leases does not exceed 30 years, Property Transfer Tax exemption is available.

A lease can be a registerable interest in the land that is mortgageable.

The standard term for a lease is 30 years.

A lease may be issued in cases where:

- tenure is required for a term longer than that of a licence of occupation; or
- the tenure must be surveyed for purposes other than the issuance of tenure.

The normal term issued is five years, but where need is proven (e.g. quarry operator has long-term obligations as a supplier, quarry operator has diligently used the site for several years and continued use can be expected), a longer-term tenure may be offered.

A replacement lease may be issued for a term of up to 20 years.

6.4 Sale

Pursuant to Section 19 of the Land Act Crown land used for quarrying purposes will not be disposed by Crown Grant except through Order in Council.

6.5 Reserves

A map reserve may be established at the request of a government agency where a legitimate need for the reserve is demonstrated by the proponent agency (such as flood mitigation).

Establishment of a map reserve does not constitute issuance of tenure. A Land Act tenure is required prior to extraction of quarry materials, except in the case of provincial ministries.
Reserves may be subject to 5 year reviews to determine the need for their continuance.

7. **PRICING POLICY**

7.1 **Administrative Fees**

Application fees for tenures, and other administrative fees, are payable to the Province of BC. These fees are set out in the fee schedules contained in the Land Act Fees Regulation.

Multiple quarry sites may be applied for under a single application (with a single fee) if they are associated with the same construction project and they are for short term use (i.e. typically two years or less).

7.2 **Rentals and Royalties**

Pricing for new and replacement dispositions of land for quarry purposes is based on an annual land rental plus a royalty payment for quarry materials removed.

7.2.1 **Land Rental Payment**

The land rental is to be prepaid on an annual basis and includes land used for quarry purposes as well as land used for secondary uses as defined in this policy. Prepayment is to be made on the commencement date of the tenure and on subsequent anniversary dates of the tenure document.

7.2.1.1 **Temporary Licence**

$250 for terms up to one year, or $500 prepaid for 2 years.

7.2.1.2 **Licence of Occupation or Lease**

Annual land rental for the quarry operation and for secondary uses is fixed for the duration of the tenure or for 10 years, whichever comes sooner.

**Land Rental for Quarry Operation**

Lessees and licensees are required to annually prepay a land rental consisting of the greater of a non-creditable rental of 1% of Appraised Market Value as established and reviewed by the Authorizing Agency at 10 year intervals. The minimum rent is $500/yr.

**Land Rental for Secondary Uses**

In addition to the land rent charged for quarry operations, any secondary uses are charged rent as general industrial uses. The annual land rental for portions of the tenure used for secondary uses is 7.5% of Appraised Market Value for a licence, and 8% of Appraised Market Value for a lease.

A $500/year minimum rent applies for secondary uses.

7.2.2 **Royalty Payment**

Within fifteen days after each anniversary date of the tenure, or termination of the letter of consent, quarry operators are required to provide the Authorizing Agency with a
statutory declaration of the volume or weight of quarried material removed. This statutory declaration is to be accompanied by a certified cheque for the royalty payment due.

For lease and licence tenures where rapid removal of large volumes of material is anticipated, the Authorizing Agency may construct the legal document to require a statutory declaration of materials removed and payment of royalty on a monthly, quarterly, or semi-annual basis, rather than an annual basis.

Minimum royalty rates are as follows:

<table>
<thead>
<tr>
<th>Quarry Material</th>
<th>Minimum Royalty Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>per metric tonne (dry)</td>
</tr>
<tr>
<td></td>
<td>per cubic meter (loose)</td>
</tr>
<tr>
<td></td>
<td>per cubic yard (loose)</td>
</tr>
<tr>
<td>Sand and gravel</td>
<td>$ 0.35</td>
</tr>
<tr>
<td>Sand and gravel (from Fraser River below Hope)</td>
<td>$ 0.40</td>
</tr>
<tr>
<td>Rock for crushing purposes</td>
<td>$ 0.60</td>
</tr>
<tr>
<td>Rock for crushing purposes (export sales only)</td>
<td>$ 0.40 for the volume specified in the tenure document</td>
</tr>
<tr>
<td></td>
<td>$ 0.46 for the volume specified in the tenure document</td>
</tr>
<tr>
<td></td>
<td>$ 0.51 for the volume specified in the tenure document</td>
</tr>
<tr>
<td></td>
<td>$ 0.57 for the volume specified in the tenure document</td>
</tr>
<tr>
<td>Rock for crushing purposes (export sales only)</td>
<td>$ 0.60 for the volume specified in the tenure document</td>
</tr>
<tr>
<td></td>
<td>$ 0.62</td>
</tr>
<tr>
<td></td>
<td>Where the actual volume in any of years 1 through 4 exceeds the amount specified for that year, the rate of $0.62 shall be applied to the excess volume.</td>
</tr>
<tr>
<td></td>
<td>6th and subsequent</td>
</tr>
</tbody>
</table>
Higher rates are charged upon the recommendation of provincial staff, supported by independent market appraisal, and approved by Ministry Executive.

For the following quarry materials provincial staff will take recommendations, with supporting justification, to Ministry Executive for approval:

- Royalty rates for building stone and limestone.
- Royalty rates for marl, earth, and soil.
- Royalty rates where the estimated annual production of quarry material exceeds 100,000 cubic meters.
- Royalty rates, as well as terms and conditions of tenure, for all applications for peat extraction.

Reductions in Royalties

Railway companies may be eligible for discounts on royalty rates when unusually high volumes of quarry material are required for a specific project within a specific time period (e.g. double tracking).

A reduction in the royalty rate may be negotiated at the regional level when there is an ample supply of the quarry material and there is no local competitive market. For auditing purposes, the rationale for awarding the reduced rate must be documented.

A reduction is not available when supply of the quarry material is limited or there is a local private sector market that is able to supply the quantity of material at competitive market prices.

7.2.2.1 Uses of Quarry Material Exempt from Payment

No royalties or land rents are charged for quarry operations in the following circumstances:

- public works projects undertaken by local government;
- Projects undertaken by the Province or local governments for the purposes of public safety, including in-stream aggregate removal for the purposes of flood mitigation except where the Province deems that royalties and/or land rents are appropriate;

---

1 E.g. Statistics Canada Index No.2306, series v1576520.
material used by the British Columbia Railway Company in connection with “primary railway purposes” as identified in the memorandum of agreement, and which includes initial line construction and subsequent maintenance; and,

material used by the Canadian National Railway in actual construction (i.e. not maintenance) of the Prince Rupert Prince George - Jasper rail line.

The following quarry operations are exempt from royalties, but are charged land rent:

- construction and maintenance of any road on Crown lands where no restrictions on public use are to apply;
- construction and maintenance of non-private logging roads pursuant to Part 8 of the Forest Act; and,
- quarry lands required by C.N.R. to supply quarry materials for maintenance of the subject line.

7.2.2.2 Export Crushed Rock Royalties

If the Statistics Canada derived producer’s crushed rock index applicable to royalties paid in the sixth and subsequent years of export crushed rock production ceases to be available, or in the opinion of provincial staff or the quarry tenure holder there is any change in the methodology used to produce the index that would result in a material change in the amount of royalties, then royalties shall be determined as provided for in the quarry tenure document.

Tenure documents are to provide that on every 10th year anniversary of such documents, the province may, in its sole discretion, revise the rate and/or methodology by which export crushed rock royalties will be determined.

Tenure documents may establish the date on which production is deemed to start for the purpose of applying a specific annual royalty to actual production volumes as well as required minimum annual production volumes.

Export crushed rock royalties may be paid on a quarterly basis specified in the tenure document.

8. ALLOCATION PROCESSES

8.1 Applications

Direct offer may be used in response to an application where:

- a replacement tenure is being issued; or,
- a new quarry deposit has been identified through independent initiative; or,
- provincial staff, through advertising referral processes or other means, have determined that there is limited competition for the resource.

Where direct offer is used, it is the responsibility of the Authorizing Agency to ensure that fair market value is received. Where minimum royalty rates do not appear to reflect the value of the resource, a higher royalty rate may be determined using comparable market information or by a market value appraisal undertaken by an accredited appraiser.
Applications for quarry operations will be considered based on:

- scarcity of aggregates and quarry materials in the region;
- potential demand for aggregates and quarry materials for public need;
- length of tenure term proposed;
- existing demand or likelihood of demand for aggregate and quarry materials by other operators; and,
- amount of proponent investment in site investigation and development.

8.1.1 Application Package

Applications must be complete before they can be accepted for processing. A complete application package will include all the material defined in the Application Checklist.

Management Plan

All applications require the submission of a draft Management Plan and supporting material outlining estimated annual production, which may or may not be long-term development when the need is proven (i.e. longer than five years). The draft plan is to be used in preparation of a formal Management Plan issued as part of the legal tenure document.

In reviewing the size and configuration of an application area, the Authorizing Agency must be satisfied that the Management Plan (including site plan):

- relates to the type of materials being removed;
- relates to the quantity of materials being removed;
- relates to the location and nature of improvements and equipment being used;
- relates to a schedule of proposed development;
- relates to access routes;
- demonstrates the need for the estimated quantity for removal is concurrent with the proposed area of disturbance;
- minimizes potential conflicts with other users of Crown land (including the public); and,
- includes other information as necessary (e.g. stockpile area, sorting areas).

To properly evaluate a final management plan, studies or assessments may be required (at the applicant’s expense).

The approved Management Plan will act as the basis for monitoring performance requirements such as diligent use of the tenured area. When operational activity or performance is not in keeping with the provisions of the Management Plan, the Authorizing Agency will allow the operator up to 60 days to provide reasons for the discrepancy.

In the absence of strong supporting information, the Authorizing Agency will require appropriate adjustments to the tenure, including the possibility of cancellation.

A management plan is not required for map reserves established on behalf of the Ministry of Transportation.
The Authorizing Agency will specify the post-extraction land use to be identified by the applicant in preparation of a draft management plan.

8.1.2 Application Acceptance

New applications will be reviewed for acceptance based on application package completeness, compliance with policy and program criteria, preliminary statusing, and other information which may be available to provincial staff. The acceptance review is to be completed within 7 calendar days. Applications that are not accepted will be returned to the applicant.

8.1.3 Clearance/Statusing

After acceptance, provincial staff undertake a detailed land status of the specific area under application to ensure all areas are available for disposition under the Land Act and to identify potential issues.

8.1.4 Referrals

Referrals are a formal mechanism to solicit written comments on an application from recognized agencies and groups. Referrals are initiated as per legislated responsibilities and formal agreements developed with other provincial and federal government agencies. Referrals may also be used to address the interests of local governments and First Nations. Referral agencies, organizations and identified special interest groups provide their responses to the Authorizing Agency within 30 days (45 days for First Nations).

Project Review Team (PRT)

A Project Review Team (PRT) is an advanced referral method which may be used for complex applications. It is a team chaired by the Authorizing Agency and comprised of recognized agencies and groups which meets to review and comment on specific Land Act applications.

8.1.5 Advertising/Notification

At the time of application acceptance, provincial staff will notify applicants if advertising is required and provide the necessary instructions.

Upland Owner Consent

Owners of waterfront property have certain “riparian rights” which include the right of access to and from the upland (see Riparian Rights and Public Foreshore Use in the Administration of Aquatic Crown Land). Provincial staff will advise applicants if there is a need to obtain a letter indicating the upland owner’s consent to their application.

Adjacent Owner Notification

New applications to tenure foreshore adjacent to privately owned property, including Indian Reserves, are brought to the adjacent property owner’s attention through referrals or direct contact. In certain circumstances, provincial staff may advise applicants that there is a need to obtain a letter indicating adjacent owner’s consent to their application.
8.1.6 Aboriginal Interests Consideration

The Authorizing Agency is responsible for ensuring the Province’s obligations to First Nations are met in the disposition of Crown land. Provincial staff carry out consultations in accordance with the consultation guidelines of the Province to identify the potential for aboriginal rights or title over the subject property and to determine whether infringement of either might occur.

8.1.7 Field Inspections

Field inspection means the on-site evaluation of a parcel of Crown land by provincial staff. The need to conduct a field inspection will vary and the decision to make an inspection ultimately lies with the Authorizing Agency.

8.1.8 Decision/Report

The applicant will be notified in writing of the government’s decision. Reasons for Decision are posted on the relevant website.

8.1.9 Issuing Documents

If the application is approved, tenure documents are offered to the applicant. All preconditions must be satisfied prior to the Authorizing Agency signing the documents. It is the applicant's responsibility to obtain all necessary approvals before placing improvements or commencing operations on the tenure.

Tenure is issued after a final management plan has been submitted and received approval.

Approval of Work System and Reclamation Permit

Land Act dispositions for quarry purposes (excluding those for soil and peat extraction) are subject to the applicant obtaining an approval of work system and reclamation permit from MEMPR. The site reclamation program is to reflect the post-extraction land use specified and approved by the Authorizing Agency.

Soil Removal Permit

Land Act dispositions for quarry purposes are subject to issuance of a soil removal permit under the Soil Conservation Act from the Provincial Agricultural Land Commission or appropriate approving agency for the removal of soil from Crown land within an Agricultural Land Reserve.

Surface-Subsurface Rights Conflict

A quit claim, registerable quit claim or indemnity agreement is not required when the subsurface tenure holder and the applicant for Land Act tenure are the same party.

8.2 Competitive Process

The Authorizing Agency may initiate one of a number of different competitive processes (e.g. public auction, request for proposals) where permitted by program policy and when deemed appropriate by provincial staff.
Crown quarry resources will be disposed of by public competition, except as noted in 8.3 below or where replacement tenure is required.

- **KNOWN DEPOSITS** – The method of disposition for quarry deposits (i.e. a deposit not in active use or when a quarry tenure or reserve is terminated and is not renewed) should be by public competition (e.g. public tender, request for proposals or public auction).

- **NEW DEPOSITS** – In situations where quarry resources are in high demand and there is strong known competition for the resource, the Authorizing Agency should, at their discretion, choose to allocate the site through a public competition process as outlined as for KNOWN DEPOSITS above unless conditions of 8.3 are met.

Marketing procedures for public tender of quarry resource land are to be based on royalty bids. Ministry review and approval of royalty rates set above minimum rates at public tender is not required.

### 8.3 Direct Offer Process

Direct disposition is made on a first-come, first-served basis through the Regional Office.

Provided that the Authorizing Agency is satisfied, through due process, that the application area is available for tenure, direct offer may be used in response to an application where:

- the investigative work had prior authorization from the Authorizing Agency (Temporary Licence);
- the proponent provides evidence of identifying a new quarry deposit through independent initiative (e.g. written statement outlining the details of the independent investigation work, quantitative survey, engineer report etc.) and;
- the proponent provides evidence of related costs related to independent initiative, and
- the Management Plan demonstrates the need for the estimated quantity for removal is concurrent with the proposed area of disturbance.

### 8.4 Planned Tenure Dispositions

*Planned tenure dispositions involve the province actively investigating and developing opportunities for Crown land tenures, followed by announced openings within specific geographic areas. Under a planned disposition project or study, Crown lands will be allocated by the Authorizing Agency in accordance with standard application procedures or by competitive process.*

### 9. TENURE ADMINISTRATION

#### 9.1 Insurance

*A tenure holder is generally required to purchase, and is responsible for maintaining during the term of the tenure, a minimum level of public liability insurance specified in the tenure document. The province may make changes to the insurance requirements and request copies of insurance policies at any time during the term of the tenure.*
9.2 Security/Performance Guarantee

A security deposit or bond may be required to be posted by the tenure holder where any improvements on, or changes to, the land are proposed. The security deposit is collected to insure compliance and completion by the tenure holder of all the obligations and requirements specified in the tenure. Some examples where such security may be used are for any type of clean-up or reclamation of an area, and/or to ensure compliance with development requirements.

At the discretion of the Authorizing Agency, a performance guarantee may be required for licences issued for any quarry extraction or exploration purpose.

With the exception of soil or peat extraction uses, performance guarantees for lease and licence quarry materials tenures are the responsibility of MEMPR, pursuant to its legislative authority.

9.3 Assignment and Sub-Tenuring

Assignment is the transfer of the tenure holder’s interest in the land to a third party by sale, conveyance or otherwise. Sub-tenuring means an interest in the Crown land granted by a tenant of that Crown land rather than the owner (the Province).

Assignment or sub-tenuring requires the prior written consent of the Authorizing Agency. The assignee or sub-tenure holder must meet eligibility requirements. The Authorizing Agency may refuse the assignment of existing tenures if the details of the assignment or sub-tenure are not acceptable to the province.

Investigative permits cannot be sub-tenured or assigned.

9.4 Tenure Replacement

Replacement tenure means a subsequent tenure document issued to the tenure holder for the same purpose and area.

In most cases, tenure holders may apply for a tenure replacement at any time following the mid-term of the tenure. Replacement of tenures is at the Authorizing Agency’s discretion. The province may decline to replace a tenure, or may alter the terms and conditions of a replacement tenure. For tenure terms and conditions see Section 6.

At expiry of the temporary licence, the tenure holder may reapply through Virtual FrontCounter BC. The tenure holder may supply the previous file number and upload a revised Investigative Plan. If it appears that there is a conflict with what the application is for and what the tenure holder/applicant intends to do in the Investigative Plan, or the term seems substantially longer than 2 years, a standard licence of occupation may be required at market rent.
9.5 Monitoring and Enforcement

Tenure terms and conditions, including requirements contained in approved management/development plans, act as the basis for monitoring and enforcing specific performance requirements over the life of the tenure.

9.5.1 Quantity Survey and Monitoring

For quarry operations in which the annual estimated production exceeds 50,000 cubic metres, the province may require the operator to file a quantity survey with the Authorizing Agency on each anniversary date of the tenure. The quantity survey is to specify specific amount of quarry material removed during the preceding year, and is to be the certified by a professional engineer or B.C. land surveyor.

For any aggregates lease or licence tenure, the province may require the operator to install scales for the purposes of maintaining accurate records of material removal, and to make such records available for inspection by the Authorizing Agency at any time.

9.5.2 Annual Report

In circumstances where royalty payments or land rentals are waived, operators are required to submit an annual report stating quantity of material removed and end use of material.

9.5.3 Audit of Municipal Quarries

The province reserves the right to audit the use of a quarry on Crown land issued under this policy to a municipality or regional district.

9.5.4 Review of Management Plan

Management Plans are to be reviewed no less than every five years, or at the request of either party.

9.5.5 Reclamation Inspection

The Authorizing Agency will participate in reclamation advisory committees of the MEMPR to promote reclamation and subsequent coordination of inspection of reclamation sites.

Upon quarry tenure expiry the Authorizing Agency contacts MEMPR to arrange a site inspection. The inspection will determine if reclamation work has been completed to the satisfaction of the agencies and if the return of performance guarantee funds is warranted at that time.

9.6 VARIANCE

Variances to this policy must be completed in accordance with the Policy Variance Procedure.
## Appendix 1. Aggregates Policy Summary

<table>
<thead>
<tr>
<th>TENURE</th>
<th>TERM</th>
<th>VALUATION</th>
<th>PRICING</th>
<th>METHOD OF DISPOSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence of Occupation</td>
<td>5 years (initial term) 30 years (maximum)</td>
<td>Appraised Market Value</td>
<td>Annual land rental payment of the greater of $500/year or 1% of Appraised Market Value * plus royalty payment based on quantity removed plus the greater of $500/year or 7.5% (licence) or 8% (lease) of Appraised Market Value * for land required for secondary uses.</td>
<td>Competitive Process or Application</td>
</tr>
<tr>
<td>Lease</td>
<td>10 years (normal) 20 years (maximum)</td>
<td>N/A</td>
<td>$250 for terms up to one year, or $500 prepaid for 2 years. plus royalty payment based on quantity removed</td>
<td>Application</td>
</tr>
<tr>
<td>Temporary Licence</td>
<td>2 years</td>
<td>N/A</td>
<td>N/A</td>
<td>Proposal</td>
</tr>
<tr>
<td>Reserve</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Proposal</td>
</tr>
</tbody>
</table>

* Payment is fixed for the duration of the term or 10 years whichever comes first.