



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-NINTH LEGISLATURE

Bill 67

**An Act to amend the Sustainable Forest
Development Act and the Act respecting the
Ministère des Ressources naturelles et de la
Faune**

Introduction

**Introduced by
Mr. Clément Gignac
Minister of Natural Resources and Wildlife**

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EXPLANATORY NOTES

The main purpose of this bill is to clarify the rights and obligations of the Minister of Natural Resources and Wildlife and the holders of timber supply guarantees with regard to the granting of such guarantees, as well as the nature and the legal effects of the resulting acts, including option exercises, timber sales contracts, harvest agreements and integration agreements.

The Minister is empowered to grant harvest rights by means of a permit to harvest timber to supply a wood processing plant. The rules governing such permits and their holders are defined, in particular the obligations relating to the planning of forest development activities and to membership in forest protection organizations.

The rules for converting timber supply and forest management agreements into supply guarantees are changed, in particular the rules allowing the Minister to set the guaranteed annual volumes of timber. The conversion rules with respect to forest management agreements are also changed. Agreement holders must first obtain a permit to harvest timber to supply a wood processing plant, and then may choose to replace the permit by an agreement delegating to them the management of an area identified as a local forest.

Management delegates for public forest resources must pay a contribution to the Natural Resources Fund.

For the implementation of a government program for regional development, the Minister may delegate to a municipality the regulatory powers the Government holds under the program. In addition, a regional county municipality is empowered to subdelegate to a local municipality included in its territory the powers delegated to the regional county municipality under a management delegation agreement.

Lastly, certain technical amendments are made to the Act respecting the Ministère des Ressources naturelles et de la Faune and to the Sustainable Forest Development Act in order to facilitate the administration of the latter Act.

LEGISLATION AMENDED BY THIS BILL:

- Sustainable Forest Development Act (R.S.Q., chapter A-18.1);
- Act respecting the Ministère des Ressources naturelles et de la Faune (R.S.Q., chapter M-25.2).

Bill 67

AN ACT TO AMEND THE SUSTAINABLE FOREST DEVELOPMENT ACT AND THE ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

SUSTAINABLE FOREST DEVELOPMENT ACT

1. Section 13 of the Sustainable Forest Development Act (R.S.Q., chapter A-18.1) is amended by striking out the second sentence of the third paragraph.

2. Section 41 of the Act is amended by replacing “built or used to give access to the forest and its many resources” in the second paragraph by “built or used for multiple purposes, notably to give access to the forest and its resources”.

3. Section 54 of the Act is amended by replacing “a guide that the Minister follows to prepare silvicultural prescriptions” in the fourth paragraph by “guides that the Minister follows to prepare silvicultural prescriptions”.

4. Section 55 of the Act is amended by adding the following subparagraph after subparagraph 7 of the second paragraph:

“(7.1) the holders of a permit to harvest timber to supply a wood processing plant;”.

5. Section 56 of the Act is amended by replacing the first sentence of the second paragraph by the following sentence: “However, holders of a timber supply guarantee or of a permit to harvest timber to supply a wood processing plant need not make a request and their specific interest is presumed in so far as the plan concerns, as applicable, a development unit included in a region to which their guarantee applies or a development unit covered by their permit.”

6. Sections 62, 63 and 64 of the Act are replaced by the following sections:

“**62.** Planned forest development activities are carried out by the Minister or by forest development enterprises that hold the certificates recognized by the Minister or that are registered in a program to obtain such certificates.

The contracts entered into with the forest development enterprises may cover, in addition to the forest development activities to be carried on, the activities

related to their planning or management, or the activities related to timber transportation.

Some planned forest development activities may also be carried on by the holder of a timber supply guarantee or the holder of a permit to harvest timber to supply a wood processing plant, on the conditions prescribed by this Act, provided they hold the certificates recognized by the Minister or are registered in a program to obtain such certificates.

“63. The contracts that the Ministère des Ressources naturelles et de la Faune may enter into with a cooperative constituted under the Cooperatives Act (chapter C-67.2) for planned forest development activities are subject to the same conditions as those applying to the contracts that a public body may enter into with the persons or groups of persons mentioned in the first paragraph of section 1 of the Act respecting contracting by public bodies (chapter C-65.1).

“64. The timber harvested in the course of planned forest development activities, if not allocated to the holder of a timber supply guarantee or to the holder of a permit to harvest timber to supply a wood processing plant, may be marketed by the timber marketing board or sold to one or more wood processing plants at the rates set by the timber marketing board.”

7. Section 65 of the Act is amended by replacing “particularly those carried out under forest contracts and agreements” in the first paragraph by “particularly those carried out by forest development enterprises, holders of timber supply guarantees and holders of permits to harvest timber to supply a wood processing plant”.

8. Section 73 of the Act is amended by inserting the following subparagraph after subparagraph 6 of the first paragraph:

“(6.1) the harvest of timber to supply a wood processing plant, provided the plant is not otherwise authorized under this Act;”.

9. Section 76 of the Act is amended by replacing the first paragraph by the following paragraph:

“76. If not otherwise set by regulation of the Minister, the dues payable by the permit holder are based on the rates set by the timber marketing board on timber purchased by holders of a timber supply guarantee.”

10. Section 77 of the Act is replaced by the following section:

“77. The term of permits, other than a sugar bush management permit and a permit to harvest timber to supply a wood processing plant, is set by the Minister; it may not exceed 12 months.”

11. Section 80 of the Act is amended by inserting “general” before “provisions”.

12. The Act is amended by inserting the following after section 86:

“ii.1.—*Special provisions respecting the harvest of timber to supply a wood processing plant*

“**86.1.** In addition to the general provisions governing all forestry permits, the following provisions apply to permits to harvest timber to supply a wood processing plant.

“**86.2.** Only legal persons and bodies that comply with the following conditions may obtain a permit to harvest timber to supply a wood processing plant:

(1) they do not hold a wood processing plant operating permit and are not related, within the meaning of the Taxation Act (chapter I-3), to the holder of such a permit; and

(2) they hold the certificates recognized by the Minister or are registered in a program to obtain such certificates, in accordance with the third paragraph of section 62.

“**86.3.** The Minister issues the permit if the allowable cut is sufficient, if the volumes of timber available on the open market are large enough to assess the market value of timber from the forests in the domain of the State, and if the Minister is of the opinion that it is in the public interest and in keeping with the principle of sustainable development.

“**86.4.** The term of the permit is five years. The Minister may nonetheless issue a permit for a shorter period if the Minister deems this necessary to facilitate forest planning in development units.

“**86.5.** The Minister enters permits in a public register that the Minister establishes and keeps up to date.

The Minister publishes a notice of each entry in the *Gazette officielle du Québec*, setting out in the notice the permit registration number, the name of the permit holder and the annual volumes of timber, by species or group of species, that may be harvested by the permit holder in each development unit concerned.

“**86.6.** Despite section 78, a permit issued for the harvest of timber to supply a wood processing plant is not transferable.”

13. Section 87 of the Act is amended by inserting the following paragraph after paragraph 2:

“(2.1) define, for permits other than a sugar bush management permit, the conditions of the permit that may be revised while it is in effect and at the time of its renewal;”.

14. Section 88 of the Act is amended

(1) by replacing “the amount from sales of the timber” in the third paragraph by “the amounts owing for timber purchased under the guarantee”;

(2) by replacing “receiving order” in the fourth paragraph by “bankruptcy order”.

15. Section 89 of the Act is amended by replacing “the annual volumes of timber guaranteed for each species or group of species for each region concerned” in the second paragraph by “the annual volumes of timber for each species or group of species that the guarantee holder may purchase in each region concerned”.

16. Section 90 of the Act is amended by replacing the second paragraph by the following paragraph:

“It specifies the annual volumes of timber for each species or group of species that the holder may purchase in each region concerned.”

17. Section 91 of the Act is amended

(1) by replacing the introductory clause of the first paragraph by:

“**91.** The annual volumes of timber that the holder may purchase under the guarantee are residual volumes determined by the Minister, taking into account:”;

(2) by replacing subparagraph 2 of the first paragraph by the following subparagraph:

“(2) other available sources of supply, such as timber from private forests or from outside Québec, chips, sawdust, shavings, recycled wood fibres and timber from other sources in forests in the domain of the State.”;

(3) by replacing “the Minister intends to guarantee” at the end of the second paragraph by “the Minister intends to specify in the guarantee”.

18. Section 93 of the Act is amended by striking out “guaranteed” wherever it appears.

19. The heading of subdivision iii of subdivision 2 of Division VI of Chapter VI of Title II of the Act, preceding section 95, is replaced by the following heading:

“iii. — *Annual royalty and price of timber*”.

20. Section 96 of the Act is amended by replacing “acquis” in the French text by “achetés”.

21. The heading of subdivision iv of subdivision 2 of Division VI of Chapter VI of Title II of the Act, preceding section 98, is replaced by the following heading:

“iv. — Waiver of right to purchase annual volumes of timber”.

22. Section 98 of the Act is amended by replacing “all or part of its right to guaranteed volumes of timber for the year” by “all or part of its right to the annual volumes of timber specified in the guarantee for the year”.

23. Section 100 of the Act is amended by replacing the first paragraph by the following paragraph:

“100. The Minister establishes and sends to the holder of the timber supply guarantee a calendar of the dates on which the holder is to decide whether or not to purchase part of the annual volumes of timber specified in the guarantee.”

24. Section 101 of the Act is amended by striking out “garantis” in the French text.

25. Section 102 of the Act is replaced by the following section:

“102. Timber to which the guarantee holder waived or is deemed to have waived the right may, as the Minister determines, be left standing, be sold by the timber marketing board or be sold to one or more other wood processing plants at the rates set by the timber marketing board.”

26. Section 103 of the Act is amended

(1) by replacing “all the guaranteed annual volumes of timber” in the first paragraph by “part of the annual volumes of timber specified in the guarantee”;

(2) by replacing the last sentence of the second paragraph by the following sentence: “If there is more than one guarantee holder entitled to them, the volumes of timber are divided among the guarantee holders in proportion to the volumes that could not be sold to them.”

27. The Act is amended by inserting the following after section 103:

“v.1. — Purchase of annual volumes of timber

“103.1. The purchase of all or part of the annual volumes of timber by the holder of a timber supply guarantee is evidenced in a contract.

The contract specifies, by species or group of species, the volumes of timber purchased by the guarantee holder and the forest of origin. It also specifies whether the sale was of standing or harvested timber.

The contract is not transferable.

“103.2. The holder of a timber supply guarantee may not claim an indemnity or compensation from the Government if, in the course of a year, part of the volumes of timber purchased under the guarantee could not be delivered owing to the inaccuracy of forest inventories, the requirements of the applicable forest development plans and silvicultural prescriptions, or a dispute during the performance of an integration agreement.

“v.2. — *Harvest of volumes of wood purchased*

“103.3. Subject to subparagraphs 2 and 3 of the third paragraph of section 103.7, holders of a timber supply guarantee are responsible for harvesting the standing timber they purchase.

“103.4. The rights and obligations of guarantee holders with regard to the harvest of the standing timber they purchase are set out in an agreement entered into with the Minister.

The harvest agreement specifies the forest operations zones where the timber is to be harvested and sets out the conditions for harvesting and for the other forest development activities related to this responsibility. It also sets out the other commitments the guarantee holder must meet and the penalties for failure to meet the applicable obligations.

The information in the agreement must be available to the public.

“103.5. The Minister may refuse to allow a guarantee holder responsible for harvesting timber to carry out the harvest if the holder fails to comply with the conditions of a forest development plan, a prior forest harvest agreement, the standards applicable to forest development activities or any other obligation under this Act or the regulations.

“103.6. All the guarantee holders responsible for the harvest in the forest operations zones specified in a harvest agreement must sign the agreement. The agreement must specify which of the guarantee holders is to carry out the harvest in each of the forest operations zones.

Only the designated guarantee holders are required to carry out the harvest, but each of the other guarantee holders party to the agreement is liable for carrying on the forest development activities specified in the agreement as if each were bound as solidary surety. In addition, all guarantee holders party to the agreement are solidarily responsible for the corrective measure required by the Minister under the second paragraph of section 65 and, in a case of failure to comply, for the payment of the costs incurred by the Minister pursuant to that paragraph.

The guarantee holders designated to carry out the harvest represent all the guarantee holders party to the agreement in their relations with the Minister, unless other persons have been designated for that purpose.

“103.7. However, a harvest agreement to which two or more guarantee holders are party may not be entered into unless it is demonstrated that an integration agreement has been signed by all the guarantee holders concerned and, if applicable, by the holders of a permit to harvest timber to supply a wood processing plant that are authorized to harvest timber in the forest operations zones concerned.

The integration agreement sets out the mechanisms ensuring harvest integration and timber transportation and the manner in which decisions are to be made and disputes settled on harvest integration and timber transportation and on the allocation of their costs.

If it cannot be demonstrated that an integration agreement has been signed by all the guarantee and permit holders concerned within the time determined by the Minister, the Minister may, with regard to the forest operations zones involved, make any of the following decisions:

(1) in accordance with section 103.8, submit or allow to be submitted for arbitration any dispute that prevents the contract from being entered into and that involves an object of the contract, and, despite the first paragraph of this section, enter into a harvest agreement with all the guarantee holders concerned if the Minister believes that the dispute is not such as to significantly compromise harvest integration;

(2) carry out the harvest or have it carried out by forest development enterprises, in accordance with the first paragraph of section 62, or allow the harvest to be carried out by such enterprises within the framework of a management delegation agreement entered into under section 17.22 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2); or

(3) leave the timber standing or allow the timber to be marketed by the timber marketing board and, in those cases, subtract from the contract for the sale of standing timber of the guarantee holders concerned the volumes they were required to harvest in the forest operations zones involved.

The reduction of the volumes of timber referred to in subparagraph 3 of the third paragraph does not give the guarantee holder the right to an indemnity. These volumes are deemed to be the volumes to which the guarantee holder waived all rights and may not be reclaimed by the holder in subsequent years.

“103.8. The arbitration referred to in subparagraph 1 of the third paragraph of section 103.7 is governed by Book VII of the Code of Civil Procedure (chapter C-25) or in accordance with a decision-making and dispute-settlement mechanism that the Minister imposes on all the guarantee and permit holders concerned.

However, if the guarantee and permit holders concerned have already agreed on another mechanism, one of them may, with the Minister's consent and in accordance with the mechanism, submit the dispute to arbitration under those terms.

The decisions made under the decision-making and dispute-settlement mechanism operate as stipulations agreed upon by the parties with regard to the object of the dispute.”

28. Section 104 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: “However, it may be granted for a shorter period if the Minister deems this necessary to facilitate forest planning in development units.”;

(2) by replacing “it is renewed for the same period every five years” in the second paragraph by “it is renewed for a five-year period”.

29. Section 105 of the Act is amended

(1) by replacing “including the guaranteed annual volumes of timber and the forest from which the timber may be purchased” in the first paragraph by “including the annual volumes of timber that the guarantee holder may purchase and the forest from which they come”;

(2) by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) other available sources of supply, such as timber from private forests or from outside Québec, chips, sawdust, shavings, recycled wood fibres and timber from other sources in forests in the domain of the State;”;

(3) by inserting the following subparagraphs after subparagraph 4 of the second paragraph:

“(4.1) the constraints and the wood fibre losses associated with harvest integration, the volumes of timber used for purposes other than the supply of wood processing plants, such as firewood harvested for domestic or commercial purposes, and any other factor that may reduce the volume available at the time of harvest;

“(4.2) the physical characteristics of the timber that limit its use for certain categories of wood processing plants, notably the size of the timber in relation to the type of products made;”;

(4) by replacing “the Minister intends to guarantee” at the end of the third paragraph by “the Minister intends to specify in the guarantee”.

30. Section 106 of the Act is amended by replacing “the guaranteed annual volumes of timber” in the first paragraph by “the annual volumes of timber specified in the holder’s guarantee”.

31. Section 107 of the Act is amended by replacing “guaranteed annual volumes” by “annual volumes specified in the guarantee”.

32. Section 109 of the Act is amended by replacing subparagraph 2 of the first paragraph by the following subparagraph:

“(2) if the guarantee holder fails to pay the annual royalty or the amounts payable for timber purchased under the guarantee on time;”.

33. Section 110 of the Act is amended by striking out “guaranteed” in the second paragraph.

34. Section 112 of the Act is amended by replacing “receiving order” in paragraph 2 by “bankruptcy order”.

35. Section 113 of the Act is amended by replacing the second sentence of the second paragraph of the French text by the following sentence: “Ce montant est établi au prorata des volumes de bois que le bénéficiaire avait encore le droit d’acheter avant la fin de l’année.”

36. Section 114 of the Act is replaced by the following section:

“**114.** If the Minister terminates a timber supply guarantee, the Minister may, for the time remaining before the next five-year review of allowable cuts, decide that the timber allocated to the guarantee holder be left standing, request the timber marketing board to market the timber, or sell the timber to one or more other wood processing plants at the rates set by the timber marketing board.”

37. Section 116 of the Act is replaced by the following:

“**116.** The Minister may, by regulation, determine the terms and schedules for the payment of the annual royalty and the timber purchased by the guarantee holder under the timber supply guarantee.

“§3.—*Indemnity payable for certain infrastructures established by the holder of a timber supply guarantee or the holder of a permit to harvest timber to supply a wood processing plant*

“**116.1.** The holder of a timber supply guarantee may obtain an indemnity, on the conditions prescribed by section 116.2, for the roads, bridges and forest camps the holder establishes under a plan developed by the Minister if, pursuant to a statute or for reasons of public interest, the forest area on which the infrastructures stand is no longer intended for forest production.

An indemnity may also be granted to the guarantee holder, on the same conditions, if the forest area on which the infrastructures stand has been integrated into a local forest or into a forest operations zone whose timber is to be sold on the open market.

“116.2. The Government grants a fair and equitable indemnity to guarantee holders who demonstrate that they have suffered a loss, to cover infrastructures costs for which no subsidies or credits were granted.

The indemnity is based, in particular, on the net value of the infrastructures after depreciation and on the vouchers submitted. It may be paid to the guarantee holder in a lump sum, credited to the purchase of volumes of timber under the holder’s guarantee, or paid in any other manner determined by the Government.

“116.3. This subdivision applies, on the same conditions, to holders of forestry permits issued for the harvest of timber to supply a wood processing plant.”

38. Section 120 of the Act is amended

(1) by replacing “the market value of timber offered for sale to holders of timber supply guarantees” in subparagraph 12 of the first paragraph by “the market value of timber purchased by holders of a timber supply guarantee”;

(2) by replacing the second paragraph by the following paragraph:

“The marketing manual, the value of forest development activities, the rates used to set the annual royalty that must be paid by the holder of a timber supply guarantee and the price of timber purchased by such a holder under the guarantee, the instruction manual for scaling timber and the conversion factors are all made public by the timber marketing board.”

39. Section 122 of the Act is amended by inserting “, holders of permits to harvest timber to supply a wood processing plant” after “holders of timber supply guarantees” in the first sentence.

40. The Act is amended by inserting the following section after section 125:

“125.1. Interest is charged on any unpaid balance of amounts owing on purchases made on the open market from the thirtieth day following the date of billing, at the rate determined for a debt owed to the State under section 28 of the Tax Administration Act (chapter A-6.002). Interest is capitalized monthly.”

41. Section 126 of the Act is amended by replacing “timber offered to holders of timber supply guarantees” in paragraph 1 by “timber purchased under a timber supply guarantee”.

42. Section 177 of the Act is amended by replacing “the dues on the timber or the amount from the sales of guaranteed timber” in the first paragraph by “the dues or amounts owing on the timber”.

43. Sections 181 and 182 of the Act are replaced by the following sections:

“181. The Minister may certify a non-profit organization as a forest protection organization mandated to protect an area defined by the Minister from forest fires.

The organization is responsible for organizing forest fire protection in the area for which it is certified. It fulfills its duties in accordance with the policy directions and directives set out by the Minister.

“181.1. The general by-laws of the forest protection organization must include

- (1) rules concerning membership dues;
- (2) rules of ethics and professional conduct applicable to members of the board of directors and to the officers and members of the committees to which the board of directors delegates its powers;
- (3) penalties for failure to comply with the rules of ethics and professional conduct; and
- (4) rules concerning the funding of its activities.

The by-laws and any amendments to them must be submitted for approval to the Minister before being ratified by the members. The Minister may approve them with or without changes.

“182. The forest protection organization prepares, in accordance with the Minister’s requirements, a framework plan for the prevention and suppression of forest fires in the area for which it is certified. The plan must define the intensive protection zone and state, among other things, the number of people, the equipment and the means the organization intends to use to prevent and suppress forest fires.

The framework plan is submitted to the Minister for approval within the time determined by the Minister, who may approve it with or without changes. If the organization fails to send the plan to the Minister within the prescribed time, the Minister establishes the plan at the expense of the organization or its members.

The organization must keep the plan up to date until a new plan is required by the Minister. Updates of the plan and any changes are submitted for approval to the Minister.”

44. Section 183 of the Act is amended by replacing the first and second paragraphs by the following paragraph:

“**183.** The following persons must be members of the forest protection organization certified by the Minister:

(1) holders of a timber supply guarantee for the regions covered by the guarantee and included in the intensive protection zone defined in the framework plan;

(2) holders of a permit to harvest timber to supply a wood processing plant for the development units covered by the permit and included in such a zone;

(3) managers of local forests and any other delegatee for the area covered by a management delegation agreement and included in such a zone; and

(4) owners of a private forest consisting of a single block of 800 hectares or more, as regards the part of the forest included in such a zone.”

45. The Act is amended by inserting the following sections after section 187:

“**187.1.** The books and accounts of the forest protection organization are audited every year by external auditors. The remuneration of the external auditors is borne by the organization.

“**187.2.** Within four months after the end of each fiscal year, the forest protection organization must send the Minister the audit report on its books and accounts, its financial statements and an activity report. The financial statements and activity report must contain all the information required by the Minister.

“**187.3.** Before the beginning of each fiscal year, the forest protection organization sends its budget estimates for the following fiscal year to the Minister in the manner prescribed by the Minister.

“**187.4.** The forest protection organization must also provide the Minister with information on its activities.”

46. Sections 196 and 197 of the Act are replaced by the following sections:

“**196.** The Minister may certify a non-profit organization as a forest protection organization mandated to protect an area defined by the Minister against destructive insects and cryptogamic diseases.

The organization is responsible for organizing the protection of forests against such insects and diseases in the area for which it is certified. It fulfills its duties in accordance with the policy directions and directives set out by the Minister.

“196.1. The general by-laws of the forest protection organization must include

- (1) rules concerning membership dues;
- (2) rules of ethics and professional conduct applicable to the members of its board of directors and to the officers and members of the committees to which the board of directors delegates its powers;
- (3) penalties for failure to comply with the rules of ethics and professional conduct; and
- (4) rules concerning the funding of its activities.

The by-laws and any amendments to them are submitted for approval to the Minister before being ratified by the members. The Minister may approve them with or without changes.

“197. The forest protection organization prepares, in accordance with the Minister’s requirements, a framework plan for the protection of forests against destructive insects and cryptogamic diseases in the area for which it is certified. The plan must define the area to be protected and state, among other things, the number of people, the equipment and the means the organization intends to use to prepare and implement action plans.

The framework plan is submitted to the Minister for approval within the time determined by the Minister, who may approve it with or without changes. If the organization fails to send the Minister the plan within the prescribed time, the Minister establishes the plan at the expense of the organization or its members.

The organization must keep the plan up to date until a new plan is required by the Minister. Updates of the plan and any changes are submitted for approval to the Minister.”

47. Section 198 of the Act is amended by replacing the first and second paragraphs by the following paragraph:

“198. The following persons must be members of the forest protection organization certified by the Minister:

- (1) holders of a timber supply guarantee for the regions covered by the guarantee and included in the protected area defined in the framework plan;
- (2) holders of a permit to harvest timber to supply a wood processing plant for the development units covered by the permit and included in such a protected area; and

(3) managers of local forests and any other delegatee for the area covered by a management delegation agreement and included in such a protected area.”

48. Section 199 of the Act is amended by replacing “for the area in question” by “for the area defined by the Minister” in the first paragraph.

49. The Act is amended by inserting the following sections after section 202:

“**202.1.** The books and accounts of the forest protection organization are audited every year by external auditors. The remuneration of the external auditors is borne by the organization.

“**202.2.** Within four months after the end of each fiscal year, the forest protection organization must send the Minister the audit report on its books and accounts, its financial statements and an activity report. The financial statements and activity report must contain all the information required by the Minister.

“**202.3.** Before the beginning of each fiscal year, the forest protection organization sends its budget estimates for the following fiscal year to the Minister in the manner prescribed by the Minister.

“**202.4.** The forest protection organization must also provide the Minister with information on its activities.”

50. Section 225 of the Act is replaced by the following section:

“**225.** The following persons and bodies must provide the Minister with the information and documents the Minister considers necessary to prepare the review:

(1) holders of timber supply guarantees;

(2) holders of permits to harvest timber to supply a wood processing plant;

(3) managers of a local forest and any other delegates party to a management delegation agreement under section 17.22 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2); and

(4) public bodies referred to in the first paragraph of section 3 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).”

51. Section 228 of the Act is amended by replacing “cutting areas identified on the forestry permit, forest operations contract or agreement or the applicable forest development plan” by “forest operations zones where cutting is authorized”.

52. Section 231 of the Act is amended by replacing “set out in this Act or a standard or condition required under the person’s forestry permit, forest operations contract or agreement or the applicable forest development plan” by “to which the person is subject under this Act”.

53. Section 336 of the Act is amended by replacing “forestry component of the Natural Resources Fund” in subparagraph 4 of the second paragraph by “sustainable forest development component of the Natural Resources Fund”.

54. Section 337 of the Act is replaced by the following section:

“337. Cancellation of the agreements does not give agreement holders the right to an indemnity.

However, holders of a timber supply and forest management agreement and holders of a forest management agreement are entitled, respectively,

(1) to obtain a timber supply guarantee on the conditions set out in Division II of this chapter; and

(2) to obtain a forestry permit to harvest timber to supply a wood processing plant or to enter into a local forest management delegation agreement on the conditions set out in Division III of this chapter.”

55. Sections 339 and 340 of the Act are replaced by the following sections:

“339. The annual volumes of timber to which an agreement holder is entitled are set by the Minister after the Minister has revised, in accordance with this section, the volumes specified in the agreement holder’s agreement.

After giving the agreement holder an opportunity to submit observations, the Minister revises the volumes provided for in the agreement, taking into account:

(1) the requirements of the wood processing plant;

(2) other available supply sources, such as timber from private forests or from outside Québec, chips, sawdust, shavings, recycled wood fibres and timber from other sources in forests in the domain of the State;

(3) the volumes of timber, by origin, used by the plant between 1 April 2003 and 31 March 2007;

(4) the allowable cuts assigned to the development units by the chief forester;

(5) all the forest development activities carried on in the development units under the agreement holder’s agreement since 1 April 2008, and especially the impact of those activities on the state of conservation of the forest and the

forest resources and the effectiveness of the silvicultural treatments and the other protection and conservation measures applied in the development units;

(6) the constraints and the wood fibre losses associated with harvest integration, the volumes of timber used for purposes other than the supply of wood processing plants, such as firewood harvested for domestic or commercial purposes, and any other factor that may reduce the volume available at the time of harvest;

(7) the physical characteristics of the timber that limit its use for certain categories of wood processing plants, notably the size of the timber in relation to the type of products made.

No increase in volume may be allocated to an agreement holder in a development unit pursuant to a revision if the Minister is of the opinion that the forest development activities carried out in the unit were unsatisfactory, taking into account the factors mentioned in subparagraph 5 of the second paragraph.

If a management unit is covered by more than one agreement and the allowable cut assigned to the unit has been reduced, the Minister may choose to vary the reduction in volume from one agreement holder to another for the species or group of species concerned, taking into account the impact such action may have on regional or local economic activity.

The timber made available under this section may be left standing or reserved either for the purposes set out in paragraphs 1 and 2 of section 341 or with a view to supplying wood processing plants.

“340. The Minister sets the annual volumes of timber for each agreement holder by reducing, by a percentage determined by the Minister, the part of the revised volumes of timber that exceeds the following volumes:

(1) 100,000 cubic metres for species from the fir, spruce, jack pine, larch (FSPL) group allocated to the agreement holder; or

(2) 25,000 cubic metres for all other species and groups of species combined, allocated to the agreement holder.

The reduction may vary from one agreement holder to another according to the species or group of species concerned or all or some of the areas from which the timber comes.

The Minister makes public the reduction rates determined under this section.”

56. Section 341 of the Act is amended by replacing the introductory clause by the following:

“341. The timber reserved by the Minister for the purposes of this section and made available under section 339 and the reductions made by the Minister under section 340 must ensure that a sufficient quantity of timber remains”.

57. Section 342 of the Act is amended by replacing “the guaranteed annual volumes of timber, by species or group of species, to which an agreement holder is entitled in each of the regions the Minister identifies” in the first paragraph by “the annual volumes of timber, by species or group of species, the agreement holder is entitled to purchase from each region covered by the guarantee”.

58. Section 343 of the Act is amended by adding the following sentence at the end of the second paragraph: “However, the guarantees and related juridical acts, including timber sales contracts and harvest agreements, may validly be entered into before that date.”

59. The Act is amended by replacing Division III of Chapter I of Title XI, comprising sections 344 to 346, by the following division:

“DIVISION III

“PROVISIONS GIVING ENTITLEMENT TO A PERMIT TO HARVEST TIMBER TO SUPPLY A WOOD PROCESSING PLANT OR TO A LOCAL FOREST MANAGEMENT DELEGATION AGREEMENT

“344. The holder of a forest management agreement is entitled to obtain a permit to harvest timber to supply a wood processing plant for 1 April 2013, unless the holder waives such entitlement in writing before that date.

“345. The annual volumes of timber are set out in the permit by the Minister once the Minister has revised the volumes of timber provided for in the agreement holder’s agreement.

After giving the agreement holder an opportunity to submit observations, the Minister makes the revision, taking into account the factors mentioned in subparagraphs 4 to 6 of the second paragraph of section 339.

“346. Before 31 March 2015, the Minister must offer the permit holder an opportunity to replace all or part of the permit by an agreement to delegate to the permit holder the management of an area identified as a local forest.

The permit holder must inform the Minister of the holder’s desire to enter into such an agreement or to retain all or part of the permit. If applicable, the permit holder also informs the Minister of the areas the holder wishes to see identified as local forests.

“346.1. An area identified as a local forest is governed by subdivision 2 of Division II.2 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2).

The Minister makes a decision, taking into account how close the area is to the territory of the municipality or the Native community concerned.

The management delegation agreement is entered into according to the provisions of subdivision 3 of Division II.2 of the Act respecting the Ministère des Ressources naturelles et de la Faune.”

60. Section 347 of the Act is amended by replacing “forestry component of the Natural Resources Fund” in subparagraph 4 of the second paragraph by “sustainable forest development component of the Natural Resources Fund”.

61. Section 349 of the Act is amended by replacing “forestry component of the Natural Resources Fund” in subparagraph 4 of the third paragraph by “sustainable forest development component of the Natural Resources Fund”.

ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

62. Section 17.12.15 of the Act respecting the Ministère des Ressources naturelles et de la Faune (R.S.Q., chapter M-25.2) is amended by inserting the following subparagraph after subparagraph 1 of the first paragraph:

“(1.1) the contributions from forest resource management delegates party to a management delegation agreement entered into under section 17.22, paid to the Minister under section 17.21.1;”.

63. Section 17.13 of the Act, amended by section 316 of chapter 3 of the statutes of 2010, is again amended by adding the following paragraph:

“Such a program identifies the regulatory powers assigned to the Government and provided for in the Act respecting the lands in the domain of the State (chapter T-8.1) and the Sustainable Forest Development Act (chapter A-18.1) that the Minister may, for the purposes of the implementation of the program, delegate to a municipality, in accordance with section 17.22.”

64. The Act is amended by adding the following sections after section 17.21, enacted by section 320 of chapter 3 of the statutes of 2010:

“17.21.1. Forest resource management delegates must, in accordance with the terms determined by ministerial regulation, pay a contribution to the Minister for the funding of the goods and services available to them, in particular for activities related to the management or sustainable development of the area covered by the delegation or for other activities carried on in such an area that may be financed by the sustainable forest development component of the Natural Resources Fund.

The contribution is established on the basis of a percentage of the revenues generated by the activities carried on in the area covered by the delegation,

minus management costs for the area, or on the basis of any other computation rule determined by ministerial regulation.

“17.21.2. The Minister may, by regulation,

(1) set the percentage of revenues generated by the activities carried on in an area covered by a delegation, on the basis of which the contribution to be paid by a forest resource management delegatee must be established, or determine any other computation rule to establish the contribution;

(2) determine the terms of payment of the contribution the forest resource management delegatee must make to the Minister, as well as the documents and information the manager must send to the Minister.”

65. Section 17.22 of the Act, enacted by section 320 of chapter 3 of the statutes of 2010, is amended

(1) by striking out “and, in the case of a municipality, the exercise of regulatory powers” at the end of the first paragraph;

(2) by adding the following sentence at the end of the first paragraph: “Management delegated to a municipality may include the exercise of regulatory powers attributed to the Minister under the Acts under the responsibility of the Minister or attributed to the Government under the Act respecting the lands in the domain of the State (chapter T-8.1) or the Sustainable Forest Development Act (chapter A-18.1) but only, in the latter case, to the extent and in the manner provided for in a program prepared under section 17.13.”;

(3) by replacing the second paragraph by the following paragraph:

“The Minister may also delegate to those groups, by agreement, the management of a program the Minister devises under paragraph 3 of section 12. The same applies to a program the Minister prepares under section 17.13, to the extent and in the manner provided for in the program.”

66. Section 17.23 of the Act, enacted by section 320 of chapter 3 of the statutes of 2010, is amended by adding the following subparagraph after subparagraph 8 of the first paragraph:

“(9) if the delegatee is a regional county municipality, the delegated powers that may be subdelegated to a local municipality whose territory is included in that of the regional county municipality, as well as the terms governing the subdelegation.”

67. This Act comes into force on (*insert the date of assent to this Act*), except sections 1, 2, 6 to 13, 37, 41 to 52 and 62 to 66, which come into force on 1 April 2013 or on any earlier date or dates to be set by the Government.

