



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 4
(1996, chapter 14)

An Act to amend the Forest Act and other legislative provisions

Introduced 4 April 1996
Passage in principle 1 May 1996
Passage 19 June 1996
Assented to 20 June 1996

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EXPLANATORY NOTES

The main purpose of this bill is to amend the Forest Act in order to revise the provisions relating to private forests, in particular as regards the status of certified forest producer and the rules governing government assistance.

The bill provides for the establishment of regional agencies for private forest development. To that end, one or more regional or local municipalities, may associate with groups of forest producers and holders of a wood processing plant operating permit to apply to the Minister for the creation of an agency in their territory. In a regional county municipality, however, initiative for the association is taken by the regional municipality. The role of an agency will be to guide and promote the development of private forests, in particular through the preparation of a protection and development plan and the provision of financial and technical support. Regional agencies will be funded, in part, out of contributions paid by permit holders who purchase the timber harvested in the private forests in the territories of the agencies.

The bill also provides for the introduction of a forest management funding program to encourage the establishment, maintenance and development of forest production units of 80 hectares or more and the establishment and development of forest service enterprises.

In addition, the bill provides for the establishment of a forestry fund for the purpose of financing activities related to seedling production, forest inventory data and forest research. The holders of timber supply and forest management agreements will contribute to the financing of those activities by paying annual contributions to the forestry fund on the basis of a rate applicable to the volume of timber allotted in their agreement.

The bill enables the Minister of Natural Resources to review, while management permits are effective, the annual volume of timber from forests in the public domain allocated to holders of timber supply and forest management agreements.

Lastly, the bill introduces in the Forest Act a preliminary provision specifying that the purpose of the Act is to foster recognition of the forest as common heritage and promote sustainable forest development and setting out the objectives that can be better achieved by the effect of sustainable forest development.

The bill also contains transitional provisions and consequential amendments to allow for the implementation of the new private forest development regime.

LEGISLATION AMENDED BY THIS BILL:

- Act respecting land use planning and development (R.S.Q., chapter A-19.1);
- Act respecting farm-loan insurance and forestry-loan insurance (R.S.Q., chapter A-29.1);
- Act to promote forest credit by private institutions (R.S.Q., chapter C-78.1);
- Act respecting municipal taxation (R.S.Q., chapter F-2.1);
- Act respecting the Ministère des Ressources naturelles (R.S.Q., chapter M-25.2);
- Act respecting the marketing of agricultural, food and fish products (R.S.Q., chapter M-35.1).

LEGISLATION REPEALED BY THIS BILL:

- Forestry Merit Act (R.S.Q., chapter M-11.1)

Bill 4

An Act to amend the Forest Act and other legislative provisions

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Forest Act (R.S.Q., chapter F-4.1) is amended by adding, before Title I, the following:

“PRELIMINARY PROVISION

“The purpose of this Act is to foster recognition of the forest as a common heritage and promote sustainable forest development in order to meet the economic, environmental and social needs of present and future generations while giving proper consideration to other potential uses of the territory.

Sustainable forest development is, more particularly, to the extent provided for by this Act and the regulations, forest development that is conducive to

- the preservation of biological diversity;
- the maintenance and improvement of the condition and productivity of forest ecosystems;
- the conservation of soil and water resources;
- the maintenance of the function of forest ecosystems as a component of global ecological cycles;
- the maintenance of the multiple socioeconomic benefits society derives from forests;

— the giving of proper consideration, in selecting forms of development, to the values and needs expressed by the populations concerned.”

2. The French text of section 9 of the said Act is amended by replacing the words “alors censé” in the seventh line of the third paragraph by the word “réputé”.

3. Section 46.1 of the said Act is amended

(1) by replacing the words “second and third” in the sixth line of the first paragraph by the words “third and fourth”;

(2) by adding, after the first paragraph, the following paragraph:

“The Minister may, in addition, in September of the year concerned, take either of those measures, or change or terminate any measure taken pursuant to the first paragraph.”;

(3) by replacing the word “third” in the first line of the fourth paragraph by the word “fourth”.

4. Section 73.1 of the said Act, amended by section 8 of chapter 37 of the statutes of 1995, is again amended by adding, at the end, the following paragraph:

“However, contributions paid by an agreement holder to a regional agency for private forest development pursuant to section 124.29 or contributions paid pursuant to section 73.4 are not admitted as payment of dues.”

5. The said Act is amended by inserting, after section 73.3, the following:

“iv. CONTRIBUTIONS TO THE FORESTRY FUND

“**73.4** Every agreement holder must, at such intervals as are determined by regulation of the Government, pay to the Minister a contribution for the financing of activities related to seedling production, forest inventory data and forest research.

The contribution shall be established by the Minister on the basis of a rate per cubic metre of timber, fixed by regulation of the Government, that is applicable to the volume of timber allotted to the agreement holder in his agreement and is determined on the date or dates fixed by the regulation.

“73.5 The Minister shall collect the contributions of the agreement holders and pay them into the forestry fund established under section 170.2.

“73.6 The Minister may refuse to issue a forest management permit if the agreement holder does not pay his contribution.”

6. Section 86 of the said Act, amended by section 11 of chapter 37 of the statutes of 1995, is again amended by inserting the words “, subject to any decision of the Minister made pursuant to section 46.1”, after the word “year” in the second line of the first paragraph.

7. The French text of section 87 of the said Act is amended

(1) by replacing the word “enregistrement” in the first line of the second paragraph by the word “inscription”;

(2) by replacing the words “alors censé” in the fifth line of the second paragraph by the word “réputé”.

8. Section 118 of the said Act is amended

(1) by striking out the words “plans and” in the first line;

(2) by replacing the second sentence by the following sentence :
“To that end, the Minister may, on the conditions he determines, grant financial assistance to any person or organization, including a regional agency for private forest development.”

9. The said Act is amended by inserting, after section 118, the following section :

“118.1 Every person or organization that obtains financial assistance without entitlement, fails to comply with the conditions applicable or uses the proceeds of such assistance for purposes other than those for which it was granted forfeits the assistance by operation of law and must return the amounts received, unless the Minister decides otherwise.

Any balance remaining on amounts to be returned under the first paragraph bears interest, at the rate fixed under section 28 of the Act respecting the Ministère du Revenu (chapter M-31), from the thirtieth day following the date of the Minister’s claim. The interest is capitalized monthly.”

10. Sections 120 and 121 of the said Act are replaced by the following section:

“120. A certified forest producer is a person or an organization that satisfies the following requirements:

(1) ownership of a forest area of not less than four hectares in a single block, for which a forest management plan has been certified by a forest engineer as being consistent with the by-laws of the competent regional agency for private forest development;

(2) registration with the Minister, or with any person or organization designated for such purpose by the Minister, of a forest area that meets the requirements set out in subparagraph 1 and of any change thereto which modifies its forested area or causes any change thereto.

The Minister or the person or organization having effected the registration shall issue to a certified forest producer, upon payment of the dues prescribed by regulation, a certificate attesting his status as regards the forest area in question. No certificate may be valid for more than five years.”

11. Section 122 of the said Act is amended by replacing the figure “121” in the fifth line by the figure “120”.

12. Section 123 of the said Act, amended by section 15 of chapter 37 of the statutes of 1995, is again amended

(1) by replacing the figure “121” in paragraph 1 by the figure “120”;

(2) by replacing the words “in writing each year” in paragraph 2 by the words “in accordance with section 220.3 of the Act respecting municipal taxation”;

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

“(3) be in possession of a report the form and content of which are determined by government regulation, prepared by a forest engineer and containing a statement of the eligible development work expenses, within the meaning of the regulations of the Government, that are applicable to the last calendar year where the producer is a natural person or, in other cases, that are applicable to the last fiscal year of the producer and represent an amount equal to or greater than the amount of real estate taxes that may be the

subject of an application for reimbursement under section 220.3 of the Act respecting municipal taxation. Such expenses shall not include any expenses financed under section 73.1.”

13. Sections 123.1 to 124.1 of the said Act are repealed.

14. The said Act is amended by inserting, after section 124.1, the following:

“CHAPTER III

“REGIONAL AGENCIES FOR PRIVATE FOREST DEVELOPMENT

“DIVISION I

“ESTABLISHMENT AND ORGANIZATION

“124.02 For the purposes of this division, the Minister may certify organizations composed of forest producers that provide forest producers with private forest development services or forest product marketing services.

“124.2 One or more municipalities may associate with organizations certified pursuant to section 124.02 and holders of a wood processing plant operating permit to apply to the Minister for the creation of a regional agency for private forest development in their territories.

In the territory of a regional county municipality, initiative for the founding of an association shall be taken by the regional county municipality; however, any local municipality whose territory is comprised in that of a regional county municipality that is participating in such an association may join the association.

For the purposes of this division, an urban community shall be regarded as a regional county municipality.

“124.3 The application of the association must include

- (1) the name of the agency to be established;
- (2) a description of the territory of the agency;
- (3) a list of the members of the association and an indication of their capacity;

(4) the designation of the persons who will act as representatives of the municipalities, the organizations certified pursuant to section 124.02 and the holders of a wood processing plant operating permit on the agency's first board of directors;

(5) the designation of the person who will act as chairman of the agency's board of directors.

The application shall be accompanied with the internal by-laws that will govern the new agency.

“124.4 The Minister may, after ascertaining that the internal by-laws are consistent with section 124.10, grant the application and establish the agency.

The Minister shall give notice of the establishment in the *Gazette officielle du Québec*.

The members of the founding association become, without further formality and without ratification, members of the agency. The same applies to the members of the board of directors, including the chairman, and to the internal by-laws proposed for the agency in the application.

“124.5 The agency is a non-profit legal person; its operation is governed by articles 335 to 354 of the Civil Code, subject to any inconsistent provisions of this chapter or of the internal by-laws of the agency.

“124.6 An agency shall have its head office in its territory, at the place it determines. Notice of the location or of any change of location of the head office shall be published in the *Gazette officielle du Québec*.

“124.7 Subject to such admission requirements as may be prescribed by the internal by-laws of the agency, the municipalities whose territory is comprised in that of the agency as well as organizations certified pursuant to section 124.02 and holders of a wood processing plant operating permit may become members of the agency.

The right to vote at meetings of the members is limited to the representatives of the categories of members mentioned above; each category shall have the same number of votes.

“**124.8** An agency may, in its internal by-laws, create a category of associate members who do not vote and do not participate in the administration of the agency, and determine the conditions governing their admission and their rights and obligations.

“**124.9** The board of directors of an agency is composed of representatives of each category of members mentioned in section 124.7 and of persons appointed by the Minister for the time he fixes; each of such four groups shall have the same number of votes on the board.

“**124.10** The internal by-laws of an agency shall

(1) prescribe, subject to the requirements of section 124.7, the mode of designation of the representatives of each category of members at the meeting of the members, the conditions to be met by each representative, the number of representatives authorized and their term of office, and the number of votes that may be cast by each representative;

(2) prescribe, subject to the requirements of section 124.9, the mode of designation of the members of the board of directors except those appointed by the Minister, the conditions to be met by each board member, the number of board members and their term of office, and the number of votes that may be cast by each board member;

(3) determine the standards of ethics and professional conduct applicable to the members of the board of directors; such standards must provide mechanisms for their implementation, including any applicable penalties;

(4) determine the minimum amount of liability insurance which an agency must take out to cover any liability incurred by its officers and other representatives as a result of faults or negligence committed in the exercise of their functions;

(5) establish a decision-making process for the board of directors and a mechanism for the resolution of conflicts among board members, without, however, setting aside article 341 of the Civil Code;

(6) ensure that every person or organization that satisfies the admission requirements is permitted to join the agency.

Any amendment to the internal by-laws of an agency requires approval by the Minister after ratification by the general meeting.

“**124.11** An agency shall call a general meeting of its members at least once a year.

The general meeting shall adopt the annual report of the agency, approve the financial statements for the preceding fiscal year and, where necessary, elect directors. In addition, the general meeting shall appoint an auditor for the current fiscal year and examine any other question on the agenda.

“**124.12** The Minister may change the name of an agency that applies therefor.

The Minister shall give notice of such change in the *Gazette officielle du Québec*.

“**124.13** The Minister may, on an application by an agency and a municipality, extend the boundaries of the territory of the agency in order to include therein the territory of the municipality.

The Minister shall give notice thereof in the *Gazette officielle du Québec*.

In the territory of a regional county municipality, initiative for the filing of the application shall be taken by the regional county municipality.

“**124.14** The Minister may, on an application by interested agencies whose territories are adjacent, join their territories and form a new agency; the application must include

- (1) the name of the new agency ;
- (2) the designation of the persons who will act as representatives of the municipalities, the organizations certified pursuant to section 124.02 and the holders of a wood processing plant operating permit on the new agency's first board of directors ;
- (3) the designation of the person who will act as chairman of the board of directors of the new agency.

The application shall be accompanied with the internal by-laws that will govern the new agency.

The Minister shall give notice of the creation of the new agency in the *Gazette officielle du Québec*.

The agencies whose territories are joined cease to exist and their members, rights and obligations become the members, rights and obligations of the new agency.

“124.15 The Minister may, following an application by an agency, divide the territory of the agency and form new agencies; the application must include

(1) the names of the new agencies;

(2) the designation of the persons who will act as representatives of the municipalities, the organizations certified pursuant to section 124.02 and the holders of a wood processing plant operating permit on the first boards of directors of the new agencies;

(3) the designation of the persons who will act as chairmen of the boards of directors of the new agencies;

(4) a plan for the allocation of the rights and obligations of the agency whose territory is divided.

The application shall be accompanied with the internal by-laws that will govern the new agencies.

The Minister shall give notice of the formation of the new agencies in the *Gazette officielle du Québec*.

The agency whose territory has been divided ceases to exist and its rights and obligations become the rights and obligations of the new agencies in accordance with the allocation plan.

“124.16 The members and the chairman of the board of directors of a new agency resulting from an amalgamation or division of territory who are proposed in the application that gave rise to the new agency become, without further formality and without ratification, the members and chairman of the board of directors of the new agency. The same applies to the internal by-laws proposed for the new agency.

The protection and development plan of a former agency remains in force in the territory to which it applied until it is amended or replaced by the new agency having jurisdiction in that territory.

“DIVISION II

“OBJECTS

“**124.17** The objects of an agency are to guide and promote the development of the private forests in its territory in order to foster sustainability, in particular through

(1) the preparation of a protection and development plan ;

(2) the provision of financial and technical support for protection or development.

To that end, the agency shall encourage concerted action between the persons and organizations concerned by such activities.

“**124.18** The protection and development plan shall include a survey of forest capability in the territory of the agency and indicate production objectives and recommended management methods, in particular, management methods capable of ensuring a sustainable supply of timber.

The plan shall come into force in the territory of every regional county municipality if it is consistent with the objectives of the development plan, within the meaning of the Act respecting land use planning and development (chapter A-19.1).

For the purposes of this section and sections 124.19 to 124.23, an urban community, Ville de Laval and Ville de Mirabel shall be regarded as a regional county municipality.

“**124.19** The agency shall send a copy of its protection and development plan to every regional county municipality whose territory is comprised in that of the agency.

“**124.20** Within 90 days after receiving the agency’s plan, the council of the regional county municipality concerned shall give its opinion on whether or not such plan is consistent with the objectives of the development plan.

The secretary-treasurer shall serve on the agency, within the time limit provided for in the first paragraph, a certified copy of the resolution stating this opinion.

If the council of the regional county municipality fails to send its opinion to the agency within the time limit provided for in the first paragraph, the agency's plan is deemed to be consistent with the objectives of the development plan.

The agency's plan is also deemed to be consistent with those objectives from the date on which the regional county municipality, in accordance with the first paragraph, issues an opinion to the effect that the agency's plan is consistent with the development plan of the regional county municipality.

“124.21 An opinion to the effect that the agency's plan is not consistent with the objectives of a development plan must include reasons and may contain the suggestions of the regional county municipality as to how consistency may be ensured.

The agency shall, within 90 days after receiving the opinion, amend its protection and development plan to ensure that it is consistent with the objectives of the development plan.

“124.22 The agency shall, within 90 days after the coming into force of an original or revised development plan that is applicable in its territory, revise its protection and development plan so as to ensure that it is consistent with the objectives of the development plan.

“124.23 In the case of an amendment to a development plan that is applicable in the territory of a regional county municipality, the agency shall, within 90 days after receiving the application of the regional county municipality, amend its protection and development plan to ensure that it is consistent with the objectives of the amended development plan. The application may contain suggestions as to how consistency may be ensured.

“124.24 The agency shall determine, by by-law, the form and content of the forest management plan referred to in section 120. A plan applicable to a forest area of 800 hectares or more in a single block must provide, in particular, a method for calculating the annual allowable cut.

“124.25 An agency may, within the scope of its programs and subject to the conditions it determines, participate financially in the implementation of its protection and development plan and in particular in

(1) the preparation of forest management plans and the carrying out of forest development work;

(2) the carrying out of training and information activities for forest producers.

However, financial participation in the carrying out of forest development work shall be limited to forest areas registered in accordance with section 120.

The agency may also give prizes or awards for excellence in the protection and development of private forests.

“**124.26** Every financial participation program proposed by an agency shall include the eligibility requirements, the nature of the participation as well as the scales and limits and the terms and conditions governing the allotment procedures.

“**124.27** An agency may, in addition,

(1) receive gifts, legacies, grants or other contributions, provided the conditions that may be attached thereto are not incompatible with the exercise of its powers and duties;

(2) establish and administer any fund required for the exercise of its powers and duties;

(3) inspect the work carried out under a financial participation program.

“**124.28** An agency may, by way of an agreement and subject to the conditions set out therein, entrust the exercise of certain of its powers and duties to any person or organization.

“DIVISION III

“FINANCIAL PROVISIONS AND REPORTS

“**124.29** Every holder of a wood processing plant operating permit who acquires a volume of timber originating from the territory of an agency shall pay a contribution to the agency. The contribution shall be established each year by the agency on the basis of a rate per cubic metre of timber, fixed by regulation of the Government, that is applicable to the volume of timber from private forests purchased by a permit holder in a year.

“124.30 Each holder of a wood processing plant operating permit must state, on the form and subject to the conditions determined by by-law of the agency, the volume of timber from private forests that he purchased in the period preceding his report. He shall file his report according to the schedule fixed by regulation of the Government and pay his contribution in accordance with such schedule and on the basis of the volume declared.

“124.31 The Minister may suspend or revoke a wood processing plant operating permit if the holder fails to file with the agency the report referred to in section 124.30, gives false or misleading information in his statement or fails to pay his contribution in accordance with the said section.

“124.32 Every agency must obtain the authorization of the Minister before

(1) granting a loan or a guarantee for total or partial repayment of a financial commitment ;

(2) making an investment in exchange for a share of the profits, royalties or any other form of compensation ;

(3) acquiring assets of an enterprise ;

(4) making any other financial commitment that the Minister may determine by regulation.

The Minister may subordinate his authorization to the conditions he determines.

“124.33 The fiscal year of the agency ends on 31 March.

“124.34 An agency shall not, in any fiscal year, make payments or assume obligations in excess of the sums at its disposal for that fiscal year.

Nothing in this section shall prevent an agency from making a commitment for a term that exceeds one fiscal year.

“124.35 The Minister may require an agency to file progress reports on its financial situation on the dates and in the form he determines.

The Minister may also require from the agency any information concerning the application of this chapter.

“**124.36** Each agency shall send to the Minister, at the time he determines, its financial statements and its annual report for the preceding fiscal year.

Such documents must contain all the information required by the Minister and be accompanied with the auditor's report.

“CHAPTER IV

“FOREST MANAGEMENT FUNDING PROGRAM

“**124.37** The Government shall establish, by regulation, a forest management funding program to encourage the establishment, maintenance or development of forest production units of 80 hectares or more and the establishment or development of forest service enterprises.

“**124.38** Financial assistance under the forest management funding program shall be granted by the Société de financement agricole. The program may include

(1) loans;

(2) security for total or partial repayment of financial commitments, furnished by the Fonds d'assurance-prêts agricoles et forestiers set up under the Act respecting farm-loan insurance and forestry-loan insurance (chapter A-29.1).

“**124.39** The provisions of the Act respecting the Société de financement agricole (chapter S-11.0101), except subparagraphs 1 to 4 of the first paragraph of section 34, adapted as required, apply in respect of the forest management funding program.

“**124.40** The Société de financement agricole shall, not later than 30 June each year, send to the Minister of Natural Resources a report on the administration of the program for the preceding fiscal year.

The Minister shall table the report in the National Assembly within 30 days of receiving it or, if the Assembly is not sitting, within 30 days of resumption.

The Société shall, in addition, provide the Minister with any information he requires on its activities under this Act.”

15. Section 127.2 of the said Act is replaced by the following section:

“127.2 The Minister, or the person or organization designated pursuant to section 120, may refuse to issue a forest producer’s certificate to the owner of a private forest of 800 hectares or more in a single block, if such owner is not a member of the forest protection organization or does not pay the assessment fixed by the organization. The Minister may, for the same reasons, revoke such a certificate.”

16. The French text of section 129 of the said Act is amended by replacing the word “jurisdiction” in the second line of the first paragraph by the word “compétence”.

17. The said Act is amended by inserting, after section 170.1, the following:

“TITLE IV.1

“FORESTRY FUND

“170.2 A fund to be known as the forestry fund is hereby established for the purpose of financing activities related to seedling production, forest inventory data and forest research.

The fund may, in addition, to the extent and subject to the conditions determined by the Government and except as concerns the sums referred to in paragraph 1 of section 170.4 and any related interest or surplus, provide for the financing of forest management activities designed to maintain and improve the protection or development of forest resources.

“170.3 The Government shall determine the date on which the fund begins to operate, its assets and liabilities and the nature of the expenses chargeable to it.

“170.4 The fund shall be made up of the following sums:

(1) the sums paid into the fund by the Minister pursuant to section 73.5;

(2) the advances paid into the fund by the Minister of Finance under the first paragraph of section 170.6;

(3) the sums paid into the fund by the Minister out of the appropriations granted for that purpose by the Parliament;

(4) interest on bank balances in proportion to the sums referred to in paragraphs 1 and 5;

(5) the gifts, legacies and other contributions paid into the fund to further the achievement of the objectives of the fund.

“170.5 The management of the sums constituting the fund shall be entrusted to the Minister of Finance. The sums shall be paid to the order of the Minister of Finance and deposited with the financial institutions he designates.

Notwithstanding section 13 of the Financial Administration Act (chapter A-6), the Minister shall keep the books of account for and record the financial commitments chargeable to the fund. The Minister shall also certify that such commitments and the payments arising therefrom do not exceed, and are consistent with, the available balances.

“170.6 The Minister of Finance may, with the authorization of the Government and subject to the conditions it determines, advance to the fund sums taken out of the consolidated revenue fund.

The Minister of Finance may conversely advance to the consolidated revenue fund, on a short-term basis and subject to the conditions he determines, any part of the sums paid into the forestry fund that is not required for its operation.

Any advance paid into a fund is repayable out of that fund.

“170.7 Surpluses accumulated by the forestry fund shall be paid to the consolidated revenue fund on the dates and to the extent determined by the Government, in the proportion representing the sums referred to in paragraph 3 of section 170.4.

“170.8 The sums required for the remuneration and expenses pertaining to social benefits and other conditions of employment of the persons assigned, in accordance with the Public Service Act (chapter F-3.1.1), to activities related to the fund shall be paid out of the fund.

“170.9 Sections 22 to 27, 33, 35, 45, 47 to 49, 49.2, 49.6, 51, 57 and 70 to 72 of the Financial Administration Act, adapted as required, apply to the fund.

“170.10 The fiscal year of the fund ends on 31 March.

“170.11 Notwithstanding any provision to the contrary, the Minister of Finance shall, in the event of a deficiency in the consolidated revenue fund, pay out of the forestry fund the sums required for the execution of a judgment against the Crown that has become *res judicata*.”

18. Section 172 of the said Act, amended by section 16 of chapter 37 of the statutes of 1995, is again amended by inserting, after paragraph 18.1, the following paragraphs:

“(18.2) fix the rate referred to in section 73.4, the date or dates on which the volume allotted to an agreement holder under an agreement must be determined for the purposes of the contribution, and determine the intervals, dates and methods of payment of the contribution;

“(18.3) prescribe the payment to the Minister, or to the person or organization designated for the purposes of section 120, for his or its own account, of fees for the issue or renewal of a forest producer’s certificate, for changes made to a forest producer’s certificate or for the issue of duplicates or copies;

“(18.4) fix the rate per cubic metre of timber applicable to the contribution payable to a regional agency for private forest development by holders of a wood processing plant operating permit, and determine the schedule according to which permit holders are required to file their statements with the agencies; such a regulation may vary depending on the regional agencies;”.

19. The said Act is amended by inserting, after section 172, the following sections:

“172.1 The Government may, by regulation,

(1) define “eligible development expenses” for the purposes of section 123, and prescribe exclusions, ceilings and deductions;

(2) establish rules for the calculation and substantiation of eligible development expenses applicable to a calendar year where a producer is a natural person or, in other cases, to the fiscal year of a producer, and authorize the carrying forward of such expenses, even expenses incurred before the coming into force of the regulations;

(3) determine the form and content of the report referred to in paragraph 3 of section 123.

The content of the regulations may vary depending on the class of expenses.

Before recommending the adoption of regulations by the Government under this section, the Minister must obtain the advice of the Minister of Revenue, which he shall submit together with his recommendation.

“172.2 The Government may, by regulation, prescribe any measure necessary for the establishment and implementation of the forest management funding program provided for in section 124.37 and in particular

(1) determine the conditions, criteria and scope of the program, which may vary, in particular, according to the nature of the activities concerned, and prescribe exclusions;

(2) establish criteria to be used to determine the persons or classes of persons who may avail themselves of the program, and prescribe exclusions;

(3) designate the persons who may act as lenders under the program;

(4) determine the financial commitments made within the scope of the program that give entitlement to insurance under section 4 of the Act respecting farm-loan insurance and forestry-loan insurance together with the extent and duration of coverage.”

20. Section 209 of the said Act is amended by replacing the word “first” in the first line by the word “third”.

ACT RESPECTING LAND USE PLANNING AND DEVELOPMENT

21. Section 6 of the Act respecting land use planning and development (R.S.Q., chapter A-19.1) is amended

(1) by adding, after subparagraph 7 of the first paragraph, the following subparagraph:

“(8) determine guidelines to promote the sustainable development of private forests within the meaning of the preliminary provision of the Forest Act (chapter F-4.1).”;

(2) by inserting, after the first paragraph, the following paragraph:

“The power provided for in subparagraph 8 of the first paragraph does not limit the generality of the obligation set out in section 5 regarding the general aims that relate to resources other than private forest resources.”;

(3) by replacing the word “second” in the first line of the third paragraph by the word “third”.

ACT RESPECTING FARM-LOAN INSURANCE
AND FORESTRY-LOAN INSURANCE

22. Section 1 of the Act respecting farm-loan insurance and forestry-loan insurance (R.S.Q., chapter A-29.1) is amended by inserting the words “a financial commitment or portion thereof which, under the forest management funding program established under section 124.37 of the Forest Act (chapter F-4.1), gives entitlement to the insurance provided for in section 4 of this Act, or” after the word “means” in the first line of paragraph *d*.

23. Section 4 of the said Act is amended by inserting the words “or the forest management funding program established under section 124.37 of the Forest Act” after the words “(chapter S-11.0101)” in the second line of the first paragraph.

24. Section 25.1 of the said Act is amended

(1) by replacing the words “article 1155 of the Civil Code of Lower Canada” in the fifth line of the first paragraph by the words “articles 1653 and 1654 of the Civil Code”;

(2) by inserting the words “or under the forest management funding program established under section 124.37 of the Forest Act” after the words “(chapter S-11.0101)” in the third line of the third paragraph;

(3) by striking out the word “assistance” in the tenth line of the third paragraph.

ACT TO PROMOTE FOREST CREDIT BY PRIVATE INSTITUTIONS

25. The Act to promote forest credit by private institutions (R.S.Q., chapter C-78.1) is amended by inserting, after section 9, the following section:

“9.1 No loan may be granted by a lender, under this Act, following an application received by the lender after 20 June 1996.”

ACT RESPECTING MUNICIPAL TAXATION

26. Section 220.2 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1) is amended by replacing the words “timber producer’s certificate that was issued to him by the Minister of Natural Resources pursuant to sections 120 to 124” in the first, second and third lines by the words “forest producer’s certificate issued pursuant to section 120”.

27. Section 220.3 of the said Act, replaced by section 1 of chapter 36 of the statutes of 1995, is amended

(1) by replacing the words “entered on the certificate contemplated in section 220.2” in the third and fourth lines of the first paragraph by the words “mentioned in the report referred to in paragraph 3 of section 123 of the Forest Act (chapter F-4.1)”;

(2) by replacing the word “The” at the beginning of the third paragraph by the words “Subject to paragraph 3 of section 123 of the Forest Act, the”.

28. Section 236 of the said Act, amended by section 76 of chapter 2 of the statutes of 1994, section 23 of chapter 23 of the statutes of 1994, section 3 of chapter 7 of the statutes of 1995, section 123 of chapter 65 of the statutes of 1995 and section 6 of chapter 73 of the statutes of 1995, is again amended by replacing the words “under sections 120 to 124” in the second line of paragraph 12 by the words “pursuant to section 120”.

FORESTRY MERIT ACT

29. The Forestry Merit Act (R.S.Q., chapter M-11.1) is repealed.

ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES

30. Section 15 of the Act respecting the Ministère des Ressources naturelles (R.S.Q., chapter M-25.2) is replaced by the following section:

“**15.** The Minister may, in the exercise of his functions, grant subsidies.

He may also, with the authorization of the Government, grant any other form of financial assistance.”

ACT RESPECTING THE MARKETING OF
AGRICULTURAL, FOOD AND FISH PRODUCTS

31. Section 59 of the Act respecting the marketing of agricultural, food and fish products (R.S.Q., chapter M-35.1) is amended by replacing the words “has undertaken to comply with a general forest management plan and a five-year forest management plan pursuant to the second paragraph of section 121” in the second, third and fourth lines of the third paragraph by the words “is a certified forest producer within the meaning of section 120”.

TRANSITIONAL AND FINAL PROVISIONS

32. In any regulation, order in council, order, proclamation, contract, agreement or other document, a reference to a “carte de producteur forestier” issued by the Minister of Natural Resources is a reference to a forest producer’s certificate issued pursuant to section 120 of the Forest Act, unless the context indicates otherwise, and except in the case of a lessee of land in the public domain and of persons or organizations certified as forest producers pursuant to section 124 of the Forest Act before on 20 June 1996.

33. The amendment to section 86 of the Forest Act, introduced by section 6 of this Act, is applicable in respect of any forest management permit in force on 20 June 1996.

34. Section 118.1 of the Forest Act, introduced by section 9 of this Act, applies in respect of any financial assistance granted by the Minister pursuant to section 118 of the Forest Act before 20 June 1996.

35. Every forest producer’s certificate issued by the Minister of Natural Resources under the former provisions of sections 120 and 121 of the Forest Act, except certificates issued to lessees of land in the public domain, is deemed to have been issued under the new provisions introduced by section 10 of this Act, and shall remain in force in respect of every forest area that is the subject of a simple management plan, a general forest management plan or a five-year forest management plan within the meaning of the former provisions, until 20 June 1998 or the expiration of the term for which it was granted, whichever is the latest, and subject to any revocation under section 127.2 of the Forest Act.

A forest producer is, to the same extent, considered to be a forest producer certified under the new provisions, and the plans referred to in the first paragraph are considered to be forest

management plans that are consistent with the by-laws of the competent regional agency for private forest development.

36. Every forest producer certified before 20 June 1996 under section 124 of the Forest Act as it read on 19 June 1996 or under section 121 of the said Act as it read on 19 June 1996 in the case of a lessee of land in the public domain remains eligible for a real estate tax refund, in accordance with the applicable rules contained in the Forest Act, in respect of forest development work completed before that date.

37. The new provisions governing eligibility for the reimbursement of real estate taxes, introduced by paragraphs 2 and 3 of section 12 and by section 27 of this Act or resulting from the repeal of section 123.1 of the Forest Act, are, with respect to a forest producer who is a natural person, applicable from the calendar year 1997 to eligible development work expenses within the meaning of the regulation of the Government, and, in other cases, from the first fiscal year of the producer that begins after 31 December 1996. The excess amount of expenses of a producer, referred to in the second paragraph of the said section 123.1, existing on the day preceding the day on which the producer becomes subject to the new system may, on the same conditions as those set out in that section, be carried over and become eligible development work expenses in respect of the years concerned.

38. The first protection and development plan of a regional agency for private forest development shall be established by the agency not later than 20 June 1999.

For the period prior to the coming into force of a plan, the agency shall establish each year a development work program; such program shall stand in lieu of a protection and development plan but is not subject to the rules set out in the second paragraph of section 124.18 and in sections 124.19 to 124.23 of the Forest Act.

The agency shall also determine, for the period referred to in the second paragraph, timber production objectives and management methods capable of ensuring a sustainable supply of timber.

39. The contribution of the holders of a wood processing plant operating permit to regional agencies for private forest development shall be applicable as regards purchases of timber from private forests beginning on 1 April 1996.

40. The first regulations made under paragraphs 18.2 and 18.4 of section 172, introduced by section 18 of this Act, are not subject to the requirements of sections 8 and 17 of the Regulations Act (R.S.Q., chapter R-18.1) as regards publication and coming into force. The regulations come into force on the day they are published in the *Gazette officielle du Québec* or on any later date provided therein.

41. Section 17 of this Act has effect from 1 April 1996.

42. This Act comes into force on 20 June 1996.