



Land Use Operational Policy Aggregate and Quarry Materials

NAME OF LAND POLICY: Aggregate and Quarry Materials

APPLICATION: All uses of Crown land for mining, quarrying, digging or removal of building, construction and other materials listed in the *Land Act*, Section 19. Includes ancillary activities of material sorting, crushing, stockpiling and washing, and the operation of a temporary portable asphalt plant on site. Applies to quarrying of abandoned tailings areas on Crown land.

ISSUANCE: Assistant Deputy Minister
Crown Land Administration Division

IMPLEMENTATION: Ministry of Agriculture and Lands

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 Program Services Branch, Crown Land Administration Division.

Warren Mitchell
A/Assistant Deputy Minister
Crown Land Administration Division
Ministry of Agriculture and Lands

Date

APPROVED AMENDMENTS:		
Effective Date	Briefing Note /Approval	Summary of Changes:
August 12, 2004	15043	New royalty rate for export crushed rock

EFFECTIVE DATE: January 28, 2008

FILE: 12380-00

APPROVED AMENDMENTS:		
Effective Date	Briefing Note /Approval	Summary of Changes:
August 16, 2004		Changes made as a result of the Policy and Procedures Re-write Project
October 21, 2005		Policy changed to reflect new agency names and responsibilities
July 5, 2006	141219	Policy amendment to clarify direct award process, Management Plan requirements and allow for initial tenure term longer than five years
January 8, 2008	155348	Policy amendment to state that no royalty shall be charged for projects undertaken by the Province or local governments for the purposes of public safety or flood mitigation

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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 of Energy, Mines and Petroleum Resources 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 *Mines Act* and the jurisdiction the Ministry of Energy, Mines and Petroleum Resources in 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.

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 1 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.

For more detailed standard policy information see [Form of Crown Land Allocation](#).

6.1 Investigative Permit

An investigative permit may be issued to any proponent requiring access to the land for appraisals, inspections, analyses, inventories, surveys or other investigations of Crown land or its natural resources, or where otherwise required. No buildings or other improvements may be placed on the land.

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

The maximum term for an investigative permit is 2 years.

Where an application for investigative permit is intended to lead to a Direct Offer of a Licence or a Lease, the submission of a pre-development plan is required. The pre-development plan will outline preliminary aggregate resource requirements.

The authorizing agency will review the draft pre-development plan to determine the appropriate size of the area and the term of the permit.

6.2 Temporary Permit

A temporary permit may be issued for temporary uses (including one-time events and sustained or repeated use of Crown land), where a business is better served by such a permit than by a license of occupation.

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 Government.

The maximum term for a temporary permit is 2 years.

A temporary permit may be issued where the applicant requires a small quantity of quarry material over a short term period.

6.3 Licence of Occupation

A licence of occupation may be issued where minimal improvements are proposed, where short-term tenure is required, where there are multiple users of a site (e.g. communication sites), and in remote areas where survey costs are prohibitive. 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 registerable 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.

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 10 years.

6.4 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 is a registerable interest in the land that is mortgageable.

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.

6.5 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.

6.6 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 Investigative Permit

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

7.2.1.2 Temporary Permit

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

7.2.1.3 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:

Quarry Material	Minimum Royalty Rates		
	per metric tonne (dry)	per cubic metre (loose)	per cubic yard (loose)
Sand and gravel	\$ 0.35	\$ 0.63	\$ 0.48
Sand and gravel (from Fraser River below Hope)	\$ 0.40		\$ 0.55
Rock for crushing purposes	\$ 0.60	\$ 0.92	\$ 0.71
Rock for crushing purposes (export sales only)	1 st year: \$0.40 for the volume specified in the tenure document 2 nd year: \$ 0.46 for the volume specified in the tenure document		

	3 rd year: \$ 0.51 for the volume specified in the tenure document		
	4 th year: 0.57 for the volume specified in the tenure document		

Quarry Material	Minimum Royalty Rates		
Rock for crushing purposes (export sales only)	5 th year: \$ 0.62 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. 6 th and subsequent years: \$ 0.62 adjusted monthly by a Statistics Canada derived producers' crushed rock price index ¹ .		
Building stone	N/A	N/A	N/A
Common compactable fill	\$ 0.20	\$0.36	\$ 0.28

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 metres**.
- Royalty rates, as well as terms and conditions of tenure, for all applications for **peat extraction**.

¹ E.g. Statistics Canada Index No.2306, series v1576520.

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;
- 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 (Investigative Permit);

- 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 permits 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 and temporary permits can not 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.

Investigative permits are not generally replaced. A further two year term may be provided, at the authorizing agency's discretion, when there are legitimate requirements for a longer investigative period.

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 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

Any decision that would vary from this policy must be made by the Assistant Deputy Minister, Crown Land Administration Division, Ministry of Agriculture and Lands.

Appendix 1. Aggregates Policy Summary

TENURE	TERM	VALUATION	PRICING	METHOD OF DISPOSITION
Licence of Occupation	5 years (initial term) 10 years (maximum)	Appraised Market Value	Annual land rental payment of the greater of \$500/year or 1% of Appraised Market Value*	Competitive Process or Application
Lease	10 years (normal) 20 years (maximum)		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.	
Investigative Permit	2 years	N/A	\$250 for terms up to one year, or \$500 prepaid for 2 years.	Application
Temporary Permit	2 years	N/A	\$250 for terms up to one year, or \$500 prepaid for 2 years. plus royalty payment based on quantity removed	Application
Reserve	N/A	N/A	N/A	Proposal

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