

CONSOLIDATED NEWFOUNDLAND AND LABRADOR REGULATION 962/96

Timber Royalty Regulations
under the
Forestry Act
(O.C. 96-260)

Amended by:

54/96 s3
105/97
41/03
93/04
87/05
10/06
11/06
35/08
24/09

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Timber Royalty Regulations
under the
Forestry Act
(O.C. 96-260)

Under the authority of section 35 of the Forestry Act and the Subordinate Legislation Revision and Consolidation Act , the Lieutenant-Governor in Council makes the following regulations.

REGULATIONS

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Schedule

Short title

1. These regulations may be cited as the Timber Royalty Regulations.

167/93 s1

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Definitions

2. In these regulations

(a) "Act" means the Forestry Act;

(b) "commercial cutting permit" means a permit issued under the Cutting of Timber Regulations to cut timber for sale or barter;

(c) "commercial cutting permit return" means a form showing the total of all volumes cut and royalty owing for each of the prescribed 3 month periods ending March 31, June 30, September 30 and December 31 of the year in accordance with a commercial cutting permit;

(d) "royalty" means the fee paid to the Crown for use of the timber resource; and

(e) "timber purchase licence" means a licence issued under section 34 of the Act to purchase timber cut under a commercial cutting permit or Crown timber licence.

167/93 s2; 35/08 s1

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Domestic cutting permit

3. A royalty is not payable to the Crown in respect of timber harvested under a domestic cutting permit issued under the Cutting of Timber Regulations.

167/93 s3

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Royalty

4. (1) The holder of a commercial cutting permit shall pay royalty for each class of Crown timber in accordance with the Schedule.

(2) The holder of a timber purchase licence shall pay royalty on each class of Crown timber purchased in accordance with the Schedule unless the seller of the timber has agreed to pay the royalty and provides to the holder of the timber purchase licence written assurance that the royalty will be paid.

167/93 s4

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Exemption from royalty

4.1 A royalty is not payable to the Crown in respect of timber harvested by a person who acquired the right to harvest the timber under a timber exchange agreement with the Crown to which section 12 of the Act applies.

24/09 s1

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Royalty rates

5. Royalty rates shall be

- (a) prescribed by the minister; and
- (b) published in the Gazette .

167/93 s5

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Crown timber

6. Notwithstanding section 4, the royalty due in relation to Crown timber cut as pulpwood shall be at the rate for sawlogs prescribed in the Schedule if

(a) the pulpwood is exchanged for sawlogs that are cut from limits owned, leased or licensed by a pulp and paper company; and

(b) the documentation as may be required in the commercial cutting permit in relation to the exchange is provided.

167/93 s6

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Royalty: commercial cutting permit

7. The holder of a commercial cutting permit must remit all royalty to the Crown, accompanied by a cutting permit return, no later than the 20th day of the month following the quarterly periods ending March 31, June 30, September 30 and December 31 based on volumes cut during each period.

167/93 s7; 35/08 s2

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Royalty: timber purchase licence

8. The holder of a timber purchase licence must remit royalty to the Crown for each calendar month no later than the 20th day of the following month, based on the volume purchased during that calendar month, if required to pay royalty under subsection 4(2).

167/93 s8

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Interest rate

9. (1) Royalty not remitted in accordance with sections 7 and 8 shall bear interest at the rate of 1.5% per month

(a) from the end of each quarter in respect of a commercial cutting permit; and

(b) from the end of each month in respect of a timber purchase licence.

(2) Interest calculated in subsection (1) shall be added to the royalty amount payable.

167/93 s9

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Security for royalty

10. (1) In the case of first time permit holders, one time permit holders, sporadic permit holders, permit holders previously delinquent in remitting royalty and cutting permit returns, any timber purchaser or any individual, when there is reason to believe that a royalty may not be paid, the minister may require the provision of security in the form of cash, certified cheque, bond or similar security for 25% of royalty that would be owing if the full permit volume were harvested.

(2) Security shall be returned upon filing of the return and payment of the royalty.

(3) If royalty payment is delayed or royalty is not paid, the security shall be realized.

(4) Realization of security shall not affect liability to pay the balance of the royalty or another remedy available to the Crown to enforce payment.

167/93 s10

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[Pulpchips](#)

11. For royalty purposes, pulpwood that is converted to pulpchips at a sawmill shall be treated as pulpwood.

167/93 s12

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[No permit or licence issued](#)

12. Further to the Cutting of Timber Regulations, a cutting permit or timber purchase licence may not be issued to a person while any royalty, interest or penalties owing to the Crown are outstanding from that person.

167/93 s13

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[Repeal](#)

13. The Timber Royalty Regulations, Newfoundland Regulation 167/93, are repealed.

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[Schedule](#)

[Royalty Rates for Timber Commencing January 1, 2008](#)

[Sawlog Rates](#)

[All Species](#)
\$5.56/m³

[Pulpwood Rates](#)

[All Species](#)
\$5.56/m³

Commercial
Fuelwood Rates

Roundwood (as per pulpwood)
\$5.56/m³

Whole Tree Chips
\$1.70/green tonne

Christmas Trees (Commercial)

1-200 Trees
\$250.00

Additional Trees
\$1.00 per tree

Christmas Trees (Domestic)

No charge for a Christmas Tree for personal use.

Other Harvested Species

Taxus Canadensis (Canadian Yew)
\$0.25/kg

Reduction Schedule Class
Amount of Reductions
Notes

Steep Slopes

(a) 15-25%
33%
Applied only in broken or choppy terrain conditions.

(b) 25+ %

67%

May only be harvested by environmentally sensitive methods.

Low Volume Stands

(a) 90 - 60 m³ /ha

33%

Based on net merchantable volume using each district average cull unless formal cull survey available.

(b) less than 60 m³ /ha

67%

Based on net merchantable volume using each district average cull unless formal cull survey available.

Dead Timber

(a) 26-75% dead

33%

(b) 76-100% dead

67%

Isolated Stands

(a) by distance

800-1000 metres

33%

Distance to nearest stand edge.

>1000 metres
67%
Distance to nearest stand edge.

(b) by wet ground conditions
33%
Winter harvesting only.

Operator Constructed Road

½ - 2 km
33%
All road constructed to approved department standards.

>2km
67%
May apply to winter roads used to access isolated stands.

Designated Salvage Areas
Up to 100%
With District Manager's approval in accordance with an approved plan.

Modified Cutting Areas
Up to 67%
With District Manager's approval in accordance with an approved plan.

Environmentally Sensitive Equipment
33%
Examples: wide-tires, tracks, yarders, extra cable lengths, etc.

Enhanced Forest
67% premium
Areas silviculturally treated (i.e., planted, thinned etc) will be subject to premium base rate (5.56 x 167%=\$9.29/ m3)

Snowclearing – Amount of Reductions

Snow Depth
0-5 Km
5-10 km
10+ km

0.3-0.5 m
10%
20%
30%

0.51-1.0 m
20%
30%
40%

1.0+m
30%
40%
50%

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1. Available only to operators doing the clearing.
2. Available only for areas designated by the District Ecosystem Manager as being available for winter harvest.

Conditions for Reductions

1. Reductions may be applied cumulatively i.e., \$5.56 x 67%x33% etc. as conditions may warrant.
2. The minimum royalty (except for salvage areas) following any combination of reductions shall be \$1.50/ m3.
3. Reductions may only be applied in accordance with the resource management objectives of a given district plan
4. All reductions must be auditable.

35/08 s3

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