



MANAGED FOREST INFORMATION FOR REAL ESTATE AGENTS & PURCHASERS

Managed Forest Classification Overview

Managed forest land is a BC Assessment property classification (class 7) established in 1988 to encourage private landowners to manage their lands for long-term forest production. Landowners apply for managed forest class by submitting a forest management commitment application to the Managed Forest Council that complies with the *Private Managed Forest Land Act*. The application is then forwarded to BC Assessment who determines whether the property may be classed as managed forest land under the *Assessment Act*.

Managed Forest Council (Council)

The Council is an independent provincial agency established under the *Private Managed Forest Land Act* to administer the forest practices component of the Managed Forest Program, which includes the protection of key public environmental values on private managed forest land in British Columbia.

Managed Forest Land (Class 7) Obligations for Landowners

- Pay an annual administration fee to the Council. The fee is determined each year and is based on a rate per \$1000 of bareland assessed value, plus \$120.
- Submit an Annual Declaration to Council that highlights forest management activities completed during the year.
- Comply with the *Private Managed Forest Land Act* and regulations, including reforestation requirements.
- Pay an exit fee if the property is withdrawn from managed forest land class within 15 years. The exit fee is payable by the new owners if they do not keep the property in managed forest class. There could be a substantial fee that represents taxes that were saved while the property was in managed forest class rather than residential or another property assessment class.

- File a Notice of Sale within 30 days to the Council if the property is sold.
- Pay property taxes based on the bare land assessed value. Additionally when harvesting takes place, pay taxes related to the assessed value of trees harvested: the assessed value of the cut trees is added to the property assessment two years after the harvest, and will be passed on to the new owner if the property is sold during the two year period
- Submit an Annual Report to BC Assessment that identifies timber harvested during the year including area and volume.

Purchasers Should Be Aware of the Following:

- Managed forest land obligations.
- Liability for a potential exit fee for withdrawing the property from managed forest land class if the property has been managed forest for less than 15 years.
- Potential taxes owing that will be their obligation if they purchase managed forest land logged within two years of the sale date.

New Property Owner Notification and Application to Remain in Managed Forest Land Class

When Council receives notification that a managed forest property has been sold, it sends a letter to the new owners advising that they must apply to Council to retain managed forest land class for the property.

More Information

Visit the Council website: www.MFCouncil.ca, which provides information about the Managed Forest Program, including the program requirements, applicable legislation, and useful links.

Visit the BC Assessment website: www.bcassessment.ca/ for information on how managed forest land is assessed.

Contact the Managed Forest Council at (250) 386-5737.