



Questions and Answers
Lands Administration Regulation, Crown Lands and Forests Act
Department of Natural Resources and Energy Development

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Why is the Department of Natural Resources and Energy Development increasing land rents?

- The Department conducted a review of its fees in accordance with the *Fees Act*.
- The Department determined adjustments to its annual Crown land rental rates were required. As a result, there have been amendments to the *Lands Administration Regulation - Crown Lands and Forests Act*.
- Crown rents have not increased since 2009.
- The proposed amendments will allow the Department to charge premium land rents for those leases that have greater land values or contain unique features or resources that cannot be duplicated across Crown lands provincially (example: waterfront leases).

Was anyone consulted to determine these increases?

- In 2010, an independent third-party market study indicated that the fees and rents were in line with what the markets were willing to pay in 2009 and recommended a method to determine land values.
- In 2010, the market study established the valuation of Crown land in remote areas of New Brunswick.
- A third market study in 2016 confirmed that the Department is undervaluing Crown properties, and recommended rents based on market values and rates of return for the private use of public lands, and generate revenues for Government programs.

How will those affected be notified?

- Effective April 1, 2022, Crown land rental rates for the use of public lands for private interests will be changing. Rental rates will be based on the lease type and the estimated land value of the leased area.
- **Rental increases will be reflected on annual invoices issued on April 1, 2022.**
- Notification has been forwarded to all lessees and licensees with the April 1, 2021, invoices, fulfilling the notification requirement under *Subsection 3.2 (k) of the Lands Administration Regulation: notices and changes under a disposition shall be in writing*.

Why does the Government charge rent to use Crown lands; isn't this public land?

- Crown lands are available for use by the public for all kinds of pursuits or activities.
- New Brunswickers should have an expectation of reasonable rates of return from active lease holders who have an exclusive right of use of public lands and resources.
- The amendments will allow the Department to generate revenues for Government programs;
- These amendments will reflect fair market values, establish land rental rates that are in-line with the private sector, thereby reducing the unfair competitive advantage of Crown lands over private land owners, and get a reasonable rate of return for the use of public lands like those offered by the private sector.

How will the rent formula be calculated?

- Crown land rents will be calculated by multiplying a regulated land value, multiplied by the area of land leased, and multiplied by a percentage rate of return.
- Land values will change according to the area leased.
- The percentage rate of return will depend on the type of activity located on Crown lands (example: recreational, commercial or industrial activities).

Why are camp lot lease rents increasing?

- The camp lot lease rental rate has not increased since 2009.
- There have been no increases due to the cost of inflation, nor has the Consumer Price Index been applied.
- The existing rental rate for most camp lot leases is \$320 annually for upland, and \$640 for waterfront parcels.
- The proposed average increase for all camp lot leases will amount to \$400 annually for upland, and \$800 annually for waterfront parcels.
- This will amount to an increase of approximately \$7 per month for upland parcels, and \$13 per month for waterfront parcels.

Why are you increasing Maple Sugary lease rents and what does value-added mean?

- The rent calculation will remain discounted at 50% of standard rent.
- The original intent of the 1989 value-added maple product definition and rent incentive was to foster growth of the maple harvesting and processing industries.
- Since the industry is well established, it was found that the definition restricted producers from increasing markets and generate opportunities for value-added products.
- Removal of the value-added provisions removes trade barriers and provides economic benefits to maple sugary producers.
- Removing the definition of value-added maple sugary will provide lessees with more incentives to create new maple food or beverage products and reduce reporting requirements.
- Maple producers will no longer be required to submit gross sales information to determine their rent.
- By removing the container size from the current legislation, maple producers will have the opportunity and flexibility to expand into new markets.

The Government of New Brunswick Climate Change Action Plan is placing greater emphasis on renewable energy; won't some of these increases go against the Action plan and deter companies from applying?

- No; in determining the increases in fees and rents, the Department was very careful in finding a balance between investing in public lands, providing a rate of return that is fair, while continuing to accommodate investments in renewable energy.
- Requesting environmental impairment insurance as a condition of a disposition where required will also ensure that environmental clean-up remediation is completed, thus reducing environmental impacts.
- The new wind energy land rents continue to be among the lowest in Canada which helps attract industry investments and grow this sector in New Brunswick.