

The Short Line Railway Financial Assistance Regulations

Repealed

by [Saskatchewan Regulations 110/2017](#)
(effective November 2, 2017).

Formerly

[Chapter G-5.1 Reg 86](#) (effective February 17, 1999).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

Table of Contents

1	Title	7	Repayment
2	Interpretation	8	Default
3	Program established	9	Waiver of default
4	Minister may provide financial assistance	10	Audit
5	Application	11	Overpayment
6	Loan approval		

CHAPTER G-5.1 REG 86
The Government Organization Act
and
The Highways and Transportation Act, 1997

Title

1 These regulations may be cited as *The Short Line Railway Financial Assistance Regulations*.

Interpretation

2 In these regulations:

(a) **“Canada Agri-Infrastructure Program”** means the program outlined in the agreement between Saskatchewan and Canada entitled the Canada Agri-Infrastructure Program (Saskatchewan 1996-97) signed July, 1996 as amended by agreement number one signed March 27, 1997 and agreement number two signed April 14, 1998, and includes any other similar program or funding from the Government of Canada;

(b) **“loan”** means the amount of money paid to a participant by the Government of Saskatchewan pursuant to the Short Line Railway Financial Assistance Program;

(c) **“minister”** means the member of the Executive Council to whom for the time being the administration of these regulations is assigned;

(d) **“participant”** means:

(i) an individual who:

(A) is 18 years of age or more;

(B) is named in a valid Saskatchewan Health Services card issued for the purposes of *The Saskatchewan Medical Care Insurance Act*;

(C) lives within 50 kilometres of the railway line with respect to which the loan is made; and

(D) is the owner or proposed owner of the railway line with respect to which the loan is made; or

(ii) a corporation, co-operative or partnership that:

(A) has its head office in Saskatchewan;

(B) in the minister’s opinion, carries on business principally in Saskatchewan;

(C) is the owner or proposed owner of a railway line; and

(D) consists of shareholders, members or partners of whom 50 per cent or more reside within 50 kilometres of the railway line with respect to which the loan is made;

(e) “**railway line**” means the land, track and structure situated in Saskatchewan:

- (i) on which a railway may be operated; and
- (ii) that is subject to the legislative authority of Saskatchewan.

5 Mar 99 cG-5.1 Reg 86 s2.

Program established

3 The Short Line Railway Financial Assistance Program is established for the purpose of providing financial assistance in the form of loans to participants who have acquired or intend to acquire a railway line in Saskatchewan for the purposes of operating the railway line as a common carrier.

5 Mar 99 cG-5.1 Reg 86 s3.

Minister may provide financial assistance

4 The minister may provide a participant with financial assistance in the form of a loan to assist the participant to purchase a railway line, subject to the terms and conditions set forth in these regulations and any other terms and conditions that the minister considers appropriate or necessary.

5 Mar 99 cG-5.1 Reg 86 s4.

Application

5(1) A participant may apply for a loan pursuant to these regulations by submitting an application to the minister that is in the form and contains any information that the minister may require.

(2) Every application for a loan must contain:

- (a) the business plan for the operation of the railway line;
- (b) the net salvage value of the railway line;
- (c) the purchase price of the railway line; and
- (d) the amount of financial assistance being requested from the Government of Saskatchewan pursuant to the Short Line Railway Financial Assistance Program which is an amount equal to the amount the participant is entitled to receive or has received pursuant to the Canada Agri-Infrastructure Program to a maximum of the lesser of 16 per cent of:
 - (i) the net salvage value of the railway line; and
 - (ii) the purchase price of the railway line.

(3) Where the minister receives an application pursuant to subsection (1), the minister may request from the participant or any other person any other information that the minister considers necessary to evaluate the application, including:

- (a) appraisals or other evidence acceptable to the minister, establishing the net salvage value of the railway line; and
- (b) any other information that the minister may reasonably require.

5 Mar 99 cG-5.1 Reg 86 s5.

Loan approval

6(1) Where the minister receives an application pursuant to section 5, the minister, subject to subsection (2), may approve a participant's application for a loan in an amount equal to the amount the participant is entitled to receive or has received pursuant to the Canada Agri-Infrastructure Program to a maximum amount of the lesser of 16 per cent of:

- (a) the net salvage value of the railway line; and
- (b) the purchase price of the railway line.

(2) For the purposes of subsection (1), the minister must be satisfied that:

- (a) the participant has complied with these regulations;
- (b) the operation of the railway line proposed by the participant will be economically viable;
- (c) the operation of the railway line has strong local support in the area in which the railway line is situated;
- (d) the operation of the railway line will support the economic growth and social well-being of Saskatchewan;
- (e) the participant will operate the railway line as a common carrier;
- (f) in order to purchase the railway line, the participant is entitled to receive or has received financial assistance pursuant to the Canada Agri-Infrastructure Program;
- (g) in order to purchase the railway line, the participant is entitled to receive or has received financial assistance from local governments or local area residents in an amount equal to at least eight per cent of the lesser of:
 - (i) the net salvage value of the railway line; and
 - (ii) the total purchase price of the railway line;
- (h) in order to purchase the railway line, the participant is entitled to receive or has received a loan from a bank, credit union or other lender, on terms that are acceptable to the minister, for the balance of the purchase price of the railway line;
- (i) the participant is entitled to receive or has received all commercial or regulatory licences, permits or approvals that are required to own and operate the railway line on terms that are acceptable to the minister;
- (j) the participant has provided or will, if requested by the minister to do so, provide security for the loan in any form that the minister may require, including a land mortgage, general security agreement, option to purchase or any other instrument, to ensure the repayment of an amount of money equal to the total amount of the loan; and
- (k) there are sufficient funds remaining in the Short Line Railway Financial Assistance Program to make the loan.

(3) The minister may approve a loan conditional on compliance with or on the fulfilment of any of the matters mentioned in subsection (2) or on any other conditions that are not inconsistent with these regulations that the minister considers appropriate or necessary.

Repayment

7 Subject to section 8, every participant who receives a loan pursuant to these regulations shall repay the amount of the loan to the Crown in right of Saskatchewan, together with accrued interest, if any, within 15 years from the date on which the loan was made to the participant, or any other period that does not exceed 15 years that the minister determines to be appropriate.

5 Mar 99 cG-5.1 Reg 86 s7.

Default

8(1) Where a participant is in default pursuant to this section, the entire balance of the loan together with accrued interest, if any, is a debt due and owing to the Crown in right of Saskatchewan from the date of the default without further demand or notice.

(2) From the date of default, the amount remaining to be paid on the loan is subject to interest:

(a) at the rate of interest that is set out in the terms and conditions approving the loan or as otherwise agreed to by the minister and the participant; or

(b) if no interest rate has been agreed to by the minister and the participant, at a floating rate of interest that is equal to the sum of:

(i) the prime lending rate of the bank holding Saskatchewan's general revenue fund; and

(ii) two per cent.

(3) A participant is deemed to be in default if:

(a) the participant defaults with respect to any payment of principal or interest;

(b) the participant fails to submit to the minister any information required pursuant to these regulations or pursuant to any agreement between the minister and the participant, or the participant breaches or fails to comply these regulations or with any condition of the loan or an agreement with the minister;

(c) the participant fails to open the railway line pursuant to the provisions of *The Railway Act* with respect to which the loan was made within four months of the date on which the loan was paid to the participant;

(d) after giving the participant an opportunity to be heard, the minister determines that the participant knowingly made a false or misleading statement on the application for the loan or any form or in any information or document provided to the minister pursuant to these regulations;

(e) any bankruptcy, receivership, reorganization, compromise, arrangement, insolvency or liquidation proceedings or any other actions by or for the benefit of creditors, are instituted by or against the participant;

(f) the participant ceases to own the railway line; or

(g) the participant ceases to operate the railway line as a common carrier for a period of more than four consecutive months.

(4) The participant shall immediately give the minister written notice of any event of default.

- (5) Where a participant is in default pursuant to subsection (3):
- (a) the principal on the loan, less any amount repaid pursuant to section 7, together with accrued interest, if any:
 - (i) is immediately due and payable to the Crown in right of Saskatchewan; and
 - (ii) bears interest in accordance with subsection (2); and
 - (b) the Crown in right of Saskatchewan may take any action authorized by *The Financial Administration Act, 1993* or at law that it considers necessary:
 - (i) to effect collection of the principal and interest owing;
 - (ii) to obtain any additional security;
 - (iii) to realize on its security; or
 - (iv) to effect any compromise with, or grant any concession to, any participant or to any other person to the extent that it considers advisable.

5 Mar 99 cG-5.1 Reg 86 s8.

Waiver of default

9 Where a participant is in default, as set out in section 8, on a loan made pursuant to these regulations, the minister may waive the default on any terms and conditions that the minister considers appropriate.

5 Mar 99 cG-5.1 Reg 86 s9.

Audit

10(1) A participant who has received a loan pursuant to these regulations shall provide, at the minister's request, any information, documents or records that the minister may reasonably require to audit the financial affairs of the participant's railway line operation.

(2) The minister may at any time request a participant to provide an audited financial statement of the financial affairs of the participant's railway line operation and the audit must be conducted by a person who:

- (a) is a member in good standing of a recognized professional accounting association;
- (b) is independent of the participant; and
- (c) is independent of the participant's officers and directors.

5 Mar 99 cG-5.1 Reg 86 s10.

Overpayment

11 Any overpayment made to a participant is a debt due to the Crown in right of Saskatchewan and may be recovered in the manner authorized by *The Financial Administration Act, 1993* or in any other manner authorized by law.

5 Mar 99 cG-5.1 Reg 86 s11.

