

# *The Northern Saskatchewan Economic Development Regulations, 1983*

*Repealed*  
by Saskatchewan Regulations 92/98  
(effective December 9, 1998).

*Formerly*  
Chapter N-7 Reg 2 (effective February 1, 1984)  
as amended by Saskatchewan Regulations 65/87.

## **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.

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## CHAPTER N-7 REG 2

### *The Northern Saskatchewan Economic Development Act*

#### Title

1 These regulations may be cited as *The Northern Saskatchewan Economic Development Regulations, 1983*.

#### Interpretation

2 In these regulations:

- (a) “**Act**” means *The Northern Saskatchewan Economic Development Act*;
- (b) “**applicant**” means an applicant for assistance under these regulations;
- (c) “**assistance**” means a loan, grant, guarantee or consultative, advisory or professional services;
- (d) “**director**” means the Executive Director of the Economic Development Division of the department;
- (e) “**district**” means the Northern Saskatchewan Administration District;
- (f) “**local government**” means a town, northern village, northern hamlet or northern settlement, as defined in *The Northern Municipalities Act*;
- (g) “**project**” means a proposal to commence, continue, expand or diversify a business activity in the district, and includes a feasibility study.

10 Feb 84 cN-7 Reg 2 s2.

#### Eligibility

3(1) Assistance may be provided to:

- (a) a person who:
  - (i) is a Canadian citizen or has achieved landed immigrant status in Canada; and
  - (ii) has resided in the district for a period of 15 years or half his lifetime, whichever is lesser;
- (b) a co-operative, credit union, corporation or partnership in which the controlling interest is held by persons who meet the requirements of clause (a); or
- (c) a local government.

(2) The minister may waive the requirements of subclause (1)(a)(ii).

(3) Notwithstanding subsection (1), assistance in the form of a guarantee may be given to any person residing in the district.

10 Feb 84 cN-7 Reg 2 s3.

**Loans**

- 4 The minister may make loans at a rate of interest established by him:
- (a) subject to clause (b), for a term not exceeding 10 years; or
  - (b) for a term not exceeding 20 years if the district committee recommends that the term be extended.

10 Feb 84 cN-7 Reg 2 s4.

**Guarantees**

- 5 The minister may guarantee principal or principal and interest of loans to applicants who meet the requirements of section 3 if:

- (a) the Minister of Finance, or a person to whom he has delegated authority for the purpose, has consented to:
  - (i) the giving of the guarantee; and
  - (ii) the terms and conditions to which the guarantee is subject;
- (b) the lending institution to which the guarantee is given obtains adequate security, independent from the guarantee, for the payment of the debt;
- (c) the lending institution to which the guarantee is given agrees:
  - (i) to give the minister notice of any default by the person owing the debt in respect of which the guarantee is given within 30 days of the date on which the lending institution has notice of the default or would, if it had taken reasonable care, have had notice, whichever is earlier;
  - (ii) that it must exhaust its legal and equitable remedies arising from any contract between it and the person owing the debt in respect of which the guarantee is given, including realizing on security, action to obtain judgment and proceedings to enforce any judgment obtained, but not including proceedings under the *Bankruptcy Act* (Canada), as amended from time to time, before any obligation arising from the guarantee becomes enforceable; and
  - (iii) that the obligation to pay arising from the guarantee is an obligation to pay an amount no greater than the deficiency of the principal amount of the debt in respect of which the guarantee is given together with interest existing after the lending institution has done the things described in subclause (ii).

10 Feb 84 cN-7 Reg 2 s5.

**Grants**

- 6(1) Subject to subsection (2), the minister may make grants to applicants in an amount not exceeding one half of the total estimated expenditure on the project with respect to which the grant is made.
- (2) The minister may make grants up to the entire cost of:
- (a) feasibility studies;

- (b) consultative, advisory or professional services;
- (c) insurance coverage as required on security for loans;
- (d) community economic development projects; and
- (e) projects pursuant to any federal-provincial cost-sharing agreement.

10 Feb 84 cN-7 Reg 2 s6.

#### **Counselling**

**7** The minister may provide consultative, advisory or professional services to eligible applicants.

10 Feb 84 cN-7 Reg 2 s7.

#### **Application**

**8** Applicants shall apply for assistance in a form prescribed by the director and that form is to require disclosure of:

- (a) the nature and extent of the project;
- (b) the applicant's assets and indebtedness at time of application, including the identity of creditors;
- (c) the applicant's experience in activities related to the project;
- (d) if the applicant is a co-operative, corporation or partnership, the identity of all persons holding an interest in it;
- (e) the time of residency of the applicant or its members in the district;
- (f) the particulars of the applicant's ability to comply with the requirements of government authorities with respect to the project; and
- (g) any other information required by the director.

10 Feb 84 cN-7 Reg 2 s8; 24 Jly 87 SR 65/87 s14.

#### **Payment**

**9** No part of a loan or grant is payable to or on behalf of an applicant until the director is satisfied that:

- (a) the project has met the requirements of government authorities having jurisdiction over the project or the applicant;
- (b) the applicant has the right to occupy the land required for the project;
- (c) the applicant has obtained or has made necessary arrangements to obtain the inputs required to begin the project;
- (d) there is an adequate market for the goods or services to be produced on completion of the project;
- (e) there is an equity contribution towards the project in an amount equal to:
  - (i) not less than 10%, in the case of low risk loans; and

- (ii) from 10% to 25%, in the case of higher risk loans;

of the total cost of the project in the form of cash, fixed assets, directly related physical labour contributed by the applicant towards the project, as may be approved by the director, or other unencumbered assets; and

- (f) the applicant:

- (i) can demonstrate previous business experience; or
- (ii) has arranged for and successfully completed a period of education or training;

in a similar business enterprise.

10 Feb 84 cN-7 Reg 2 s9.

#### **Misleading information**

**10** If, in the opinion of the director, assistance has been provided on the basis of misleading information, the entire amount of the grant or loan is repayable at the request of the director.

10 Feb 84 cN-7 Reg 2 s10; 24 Jly 87 SR 65/87  
s14.

#### **Accounting**

**11** The director may require the production of any records respecting a project for which assistance has been provided.

10 Feb 84 cN-7 Reg 2 s11.

#### **Sale**

**12** If the applicant proposes to dispose of the assets or goodwill of a business activity with respect to which assistance is given during the term of the loan or five years from the making of a grant, whichever is greater, the applicant shall, at the request of the minister:

- (a) sell to Her Majesty in right of Saskatchewan the assets or goodwill of the business activity at the price offered or market value if no offer has been made;
- (b) sell to an agency, person, corporation or partnership designated by the minister the assets or goodwill of the business activity as set out in clause (a); or
- (c) repay all or part of the grant or loan made to the applicant.

10 Feb 84 cN-7 Reg 2 s12.

#### **Local committees**

**13(1)** The minister may by order appoint a local committee for any community in the district, consisting of four persons:

- (a) one of whom is an employee of the Province of Saskatchewan;
- (b) one of whom is employed by the Field Services Branch of the Economic Development Division of the department; and

- (c) two of whom are local residents not permanently employed by the Province of Saskatchewan.
- (2) The minister shall designate one of the persons mentioned in clause (1)(a) or (b) as chairman.
- (3) Local committees shall:
  - (a) recommend to the minister the boundaries of their respective jurisdiction; and
  - (b) subject to subsection (5), review applications for fishing and trapping loans from persons operating within their jurisdiction.
- (4) Local committees may make recommendations:
  - (a) to the district committee established pursuant to section 14 on all applications for fishing and trapping loans; and
  - (b) respecting the terms and conditions of the loans recommended pursuant to clause (a).
- (5) A local committee shall not review an application for a loan from a person who is a member of a local committee.

10 Feb 84 cN-7 Reg 2 s13.

**District committees**

- 14(1)** The minister may by order appoint a district committee consisting of six persons:
- (a) three of whom are employed by and represent the Economic Development Division of the department;
  - (b) one of whom is employed by and represents a financial institution such as a bank or credit union in the district; and
  - (c) two of whom are residents in the district and at least one of whom has demonstrated business experience in accounting.
- (2) The minister shall designate one of the persons mentioned in clause (1)(a) as chairman.
  - (3) The district committee shall review applications for loans and:
    - (a) may approve an application for a fishing or trapping loan in a total amount equal to or less than \$25,000, if it does not result in the applicant's total indebtedness to the Northern Saskatchewan Economic Development Revolving Fund exceeding \$25,000;
    - (b) shall make recommendations to the minister with respect to applications for fishing or trapping loans:
      - (i) over \$25,000; or

- (ii) on any loan, if the application, when approved, would result in the applicant's total indebtedness to the Northern Saskatchewan Economic Development Revolving Fund exceeding \$25,000;
  - (c) shall make recommendations to the minister with respect to all commercial loans regardless of size;
  - (d) may make recommendations with regard to the terms and conditions to be attached to the loans mentioned in clause (c).
- (4) The minister may request a recommendation from the district committee with respect to an application for a grant.
- (5) If the district committee rejects a loan that it may approve pursuant to clause (3)(a), the applicant may make a written appeal to the director.

10 Feb 84 cN-7 Reg 2 s14.

**Powers of minister**

**15(1)** The minister may:

- (a) review and approve any application for assistance;
  - (b) refuse any application for assistance that has been approved or recommended for approval by a local committee or the district committee;
  - (c) establish the terms and conditions respecting applications for loans and grants;
  - (d) require the purchase of insurance which will form a part of any loan and be added to the repayment terms of the loan.
- (2) The decision of the minister with respect to any application for assistance is final.

10 Feb 84 cN-7 Reg 2 s15.

**Quorum, etc.**

**16(1)** The quorum for a local committee is three members present.

- (2) The quorum for the district committee is four members present, at least two of whom are persons mentioned in clause 14(1)(a).
- (3) If only a minimum quorum is present at a local or district committee meeting, every decision must be carried by unanimous vote.
- (4) If all members are present at a local or district committee meeting, a decision of the majority is the decision of the committee.

10 Feb 84 cN-7 Reg 2 s16.

**Remuneration**

**17(1)** For each day occupied in the business of the committee, a member who is not otherwise remunerated by the Government of Saskatchewan on that day is to be paid:



- (a) \$50 if he is a member of local committee;
  - (b) \$75 if he is a member of the district committee.
- (2) Members of local committees or the district committee are to be paid for travel and sustenance on the same basis as employees of the Government of Saskatchewan.

10 Feb 84 cN-7 Reg 2 s17.

**Repeal**

- 18 Saskatchewan Regulations 40/76 are repealed.

10 Feb 84 cN-7 Reg 2 s18.