

The Railway Line (Short Line) Financial Assistance Regulations

being

Chapter G-5.1 Reg 108 (effective June 16, 2004) as amended
by Saskatchewan Regulations 50/2015.

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

PART I		PART III	
Title and Interpretation		Study Grant Program	
1	Title	12	Study grant program established
2	Interpretation	13	Application for study grant
PART II		14	Study grant approval
Loan Program		15	Amount and terms of study grant
3	Railway Line Loan program established	PART IV	
4	Application for loan	General	
5	Loan approval	16	Overpayment
6	Amount and terms of loan	17	Advisory committee
7	Interest on loan	PART V	
8	Repayment of loan	Coming into Force	
9	Default	18	Coming into force
10	Waiver of default		
11	Audit		

CHAPTER G-5.1 REG 108
The Government Organization Act
The Highways and Transportation Act, 1997

PART I
Title and Interpretation

Title

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

Interpretation

- 2** In these regulations:

- (a) **“advisory committee”** means the advisory committee established by the minister pursuant to section 17;
- (b) **“applicant”** means a person who applies for a loan or study grant, as the case may be;
- (c) **“eligible applicant”** 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 or study grant is to be made; and
 - (D) is the owner or proposed owner of the railway line with respect to which the loan or study grant is to be 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 with respect to which the loan or study grant is to be made; and
 - (D) consists of shareholders, members or partners of whom 50% or more reside within 50 kilometres of the railway line with respect to which the loan or study grant is to be made;

- (iii) a municipality that, or group of municipalities each of which:
 - (A) has a portion of a railway line with respect to which the loan or study grant is to be made within its boundaries; and
 - (B) has passed a resolution to purchase the railway line mentioned in paragraph (A) or to conduct a study respecting the advisability of purchasing that railway line;
- (d) **“loan”** means a loan made to a participant by the Government of Saskatchewan pursuant to the loan program;
- (e) **“loan program”** means the Railway Line Loan Program established pursuant to section 3;
- (f) **“minister”** means the member of the Executive Council to whom for the time being the administration of *The Highways and Transportation Act, 1997* is assigned;
- (g) **“participant”** means a person to whom a loan or study grant is made;
- (h) **“railway line”** means the land, track and structure:
 - (i) on which a railway may be operated; and
 - (ii) that is subject to the legislative authority of Saskatchewan;
- (i) **“study grant”** means a grant approved pursuant to section 14;
- (j) **“study grant program”** means the Railway Line Study Grant Program established pursuant to section 12;
- (k) **“Transportation Partnerships Fund”** means the Transportation Partnerships Fund continued pursuant to section 8 of *The Highways and Transportation Act, 1997*.

25 Jne 2004 cG-5.1 Reg 108 s2.

PART II

Loan Program

Railway Line Loan program established

- 3(1) The Railway Line Loan Program is established.
- (2) The purpose of the loan program is to provide 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.

25 Jne 2004 cG-5.1 Reg 108 s3.

Application for loan

- 4(1) An eligible applicant may apply for a loan pursuant to the loan program by submitting an application to the minister that is in the form and contains any information that the minister may require.

RAILWAY LINE (SHORT LINE)
FINANCIAL ASSISTANCE

G-5.1 REG 108

- (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 total purchase price of the railway line; and
 - (d) the amount of financial assistance being requested from the Government of Saskatchewan pursuant to the loan program.
- (3) If the minister receives an application pursuant to subsection (1), the minister may request from the applicant or any other person:
- (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.

25 Jne 2004 cG-5.1 Reg 108 s4.

Loan approval

- 5(1) If the minister receives an application pursuant to section 4, the minister may, after consulting with the advisory committee:
- (a) approve the application if the minister is satisfied with respect to the matters set out in subsection (3); or
 - (b) refuse to approve the application.
- (2) The minister shall provide the applicant with written notice of the minister's decision as soon as the minister considers it practicable to do so.
- (3) For the purposes of clause (1)(a), the minister may approve an application if the minister is satisfied with respect to all of the following:
- (a) that the applicant is an eligible applicant;
 - (b) that the applicant has complied with these regulations;
 - (c) that the operation of the railway line proposed to be acquired by the applicant will be economically viable;
 - (d) that the operation of the railway line has strong local support in the area in which the railway is situated;
 - (e) that the operation of the railway line will support the economic growth and social well-being of Saskatchewan;
 - (f) that the applicant will operate the railway line as a common carrier;
 - (g) that in order to purchase the railway line, the applicant is entitled to receive or has received financial assistance from residents and other interested parties in the area in which the railway line is situated in an amount equal to at least 8% of the total purchase price of the railway line;

- (h) that in order to purchase the railway line, the applicant 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 total purchase price of the railway line, after considering the financial assistance mentioned in clause (g) and the amount of the loan applied for;
- (i) that the applicant 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) that the applicant 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 to ensure the repayment of an amount of money equal to the total amount of the loan, including:
 - (i) a land mortgage;
 - (ii) a general security agreement;
 - (iii) an option to purchase; or
 - (iv) any other instrument that is satisfactory to the minister;
- (k) that there are sufficient funds remaining in the loan program to make the loan.

25 Jne 2004 cG-5.1 Reg 108 s5.

Amount and terms of loan

- 6(1) The minister may provide a loan from one or more of the following:
 - (a) moneys allocated to the loan program by the minister from moneys appropriated by the Legislature;
 - (b) the Transportation Partnerships Fund.
- (2) The maximum amount of a loan that the minister may provide is equal to 32% of the lesser of:
 - (a) the net salvage value of the railway line; and
 - (b) the total purchase price of the railway line.
- (3) The minister may impose any terms and conditions that the minister considers appropriate on a loan in addition to those imposed by these regulations.
- (4) No participant who has received a loan shall fail to comply with any term or condition imposed on the participant's loan by these regulations or by the minister pursuant to subsection (3).

25 Jne 2004 cG-5.1 Reg 108 s6; 22 May 2015 SR
50/2015 s3.

Interest on loan

7(1) Subject to subsection (2), no interest is payable on loans that are repaid within the period mentioned in subsection 8(1).

(2) If all or part of a loan is not repaid within the period mentioned in subsection 8(1) or if a participant is in default with respect to the loan, the minister may charge interest on the unpaid portion of the loan at the rate set out in section 9.

25 Jne 2004 cG-5.1 Reg 108 s7.

Repayment of loan

8(1) Subject to section 9, every participant who receives a loan pursuant to the loan program shall repay the amount of the loan to the Crown in right of Saskatchewan within:

- (a) 15 years from the date on which the loan was made to the participant; or
- (b) any other period that does not exceed 15 years from the date on which the loan was made that the minister determines to be appropriate.

(2) The minister shall allocate the amounts repaid by the participant pursuant to subsection (1):

- (a) if the loan was provided from moneys mentioned in clause 6(1)(a), to the Minister of Finance;
- (b) if the loan was provided from the Transportation Partnerships Fund, to that fund; or
- (c) if the loan was provided from both of the sources mentioned in subsection 6(1), to the Minister of Finance and to the Transportation Partnerships Fund in the same proportion that each contributed.

25 Jne 2004 cG-5.1 Reg 108 s8; 22 May 2015 SR
50/2015 s4.

Default

9(1) If 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 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 of the loan approval 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) 2%.

(3) A participant is deemed to be in default if all or any of the following circumstances occur:

- (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 with these regulations or with any term or 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 the period set out in any agreement between the minister or the participant or, if no period is set out, within four months after 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;
- (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 after the participant becomes aware of that event of default.

(5) If a participant is in default:

- (a) the principal amount of the loan, less any amount repaid pursuant to section 8, 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.

Waiver of default

10 The minister may waive a participant's default pursuant to section 9 if the minister is satisfied that:

- (a) one or more of the following apply:
 - (i) the default was due to circumstances beyond the control of the participant and could not have been avoided by the exercise of due care;
 - (ii) the default is with respect to a minor matter that does not affect the proper operations of the railway line;
 - (iii) the participant has proposed or agreed to other conditions that meet or exceed the matters with respect to which there is non-compliance;
- (b) the participant is otherwise substantially in compliance with these regulations; and
- (c) it is not contrary to the public interest to waive compliance.

25 Jne 2004 cG-5.1 Reg 108 s10.

Audit

11(1) A participant who has received a loan pursuant to the loan program 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.

25 Jne 2004 cG-5.1 Reg 108 s11.

PART III

Study Grant Program

Study grant program established

12(1) The Railway Line Study Grant Program is established.

(2) The purpose of the study grant program is to provide study grants to participants to assist them with paying for the costs of undertaking studies or plans to determine the advisability of purchasing a railway line.

25 Jne 2004 cG-5.1 Reg 108 s12.

Application for study grant

13(1) An eligible applicant may apply for a study grant pursuant to the study grant program 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 study grant must contain:
- (a) the proposed or actual location of the railway line;
 - (b) the type of study to be conducted;
 - (c) the estimated total cost of the study to be conducted; and
 - (d) any other information that the minister may require.

25 Jne 2004 cG-5.1 Reg 108 s13.

Study grant approval

14(1) If the minister receives an application pursuant to section 13, the minister may, after consulting with the advisory committee:

- (a) approve the application if the minister is satisfied that:
 - (i) the applicant is an eligible applicant;
 - (ii) it is appropriate to make the study grant; and
 - (iii) there are sufficient funds to make the study grant from the moneys in the Transportation Partnerships Fund; or
 - (b) refuse to approve the application.
- (2) The minister shall provide the applicant with written notice of the minister's decision as soon as the minister considers it practicable to do so.
- (3) Study grants are to be paid out of the Transportation Partnerships Fund.

25 Jne 2004 cG-5.1 Reg 108 s14.

Amount and terms of study grant

15(1) The maximum amount of a study grant is the lesser of:

- (a) \$25,000; and
 - (b) 80% of the estimated total cost of the study to be conducted.
- (2) The minister may impose any terms and conditions that the minister considers appropriate on a study grant in addition to those imposed by these regulations.
- (3) No participant who has received a study grant shall fail to comply with any term or condition imposed on the participant's study grant by these regulations or by the minister pursuant to subsection (2).

25 Jne 2004 cG-5.1 Reg 108 s15.

PART IV
General

Overpayment

16(1) The minister may declare all or any loan or study grant payment made to a participant pursuant to these regulations to be an overpayment if, in the opinion of the minister:

- (a) the participant has knowingly made a false or misleading statement with respect to a material fact on any form or in any information or document provided to the minister pursuant to these regulations;
 - (b) the participant has omitted to make a statement or to provide any information or document where that omission results in a statement with respect to a material fact being misleading;
 - (c) the participant has failed to comply with these regulations or the terms and conditions imposed by the minister on the participant's loan or study grant.
- (2) If the minister declares a loan or study grant payment to be an overpayment, the amount of the overpayment is deemed to be a debt due and owing to the Crown in right of Saskatchewan and may be recovered from the participant in any manner authorized pursuant to *The Financial Administration Act, 1993* or in any other manner authorized by law.

25 Jne 2004 cG-5.1 Reg 108 s16.

Advisory committee

17(1) The minister may establish an advisory committee to assist the minister in determining whether or not to approve applications pursuant to these regulations.

- (2) The committee is to be composed of:
- (a) two persons nominated by the Saskatchewan Association of Rural Municipalities;
 - (b) one person nominated by the Saskatchewan Urban Municipalities Association; and
 - (c) two persons selected by the minister.

25 Jne 2004 cG-5.1 Reg 108 s17.

PART V
Coming into Force

Coming into force

18 These regulations come into force on the day on which they are filed with the Registrar of Regulations.

25 Jne 2004 cG-5.1 Reg 108 s18.

