CHAPTER 51

An Act to amend The Saskatchewan Farm Security Act

(Assented to May 31, 1993)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

Short title

1 This Act may be cited as The Saskatchewan Farm Security Amendment Act, 1993.

S.S. 1988-89, c.S-17.1 amended

2 The Saskatchewan Farm Security Act is amended in the manner set forth in this Act.

Section 2 amended

3 Section 2 is amended by repealing clause (1)(t).

Section 5 amended

4 Section 5 is amended by repealing subsection (1) and substituting the following:

"(1) The Farm Land Security Board and the Saskatchewan Farm Ownership Board are continued as The Farm Land Security Board consisting of those persons appointed as members by the Lieutenant Governor in Council".

Section 26 amended

5 Section 26 is amended:

(a) by adding the following subsection after subsection (2):

"(2.1) Subsection (2) applies whether or not:

(a) the homestead is included in the farm land that is subject to the final order of foreclosure; or

(b) an action has been commenced against the homestead"; and

(b) by striking out "as long as the operation of the final order of foreclosure is stayed" in subsection (3) and substituting "until the time that a final order of foreclosure is obtained against the homestead and that final order of foreclosure is not stayed".

Section 27.11 amended

6 Section 27.11 is amended by adding the following subsections after subsection (3):

"(3.1) Any three or more members of the board may sit as a panel of the board and that panel may exercise or perform any powers or duties that the board itself could exercise or perform.

"(3.2) Any number of panels may sit concurrently.

"(3.3) Two members of a panel constitute a quorum at any hearing conducted by a panel.

"(3.4) A decision or action of a panel is the decision or action of the board".

Section 27.21 amended

7 Section 27.21 is amended by adding the following subsections after subsection (10):

"(11) A person shall be deemed to have been assigned the original farmer's rights pursuant to sections 27.1 to 27.9 where:

(a) the person is or has been leasing farm land from a lender as a result of an agreement between the original farmer and a lender to whom sections 27.2 to 27.9 would have applied had the original farmer been leasing the farm land; and

(b) the person would have been eligible for an assignment from the original farmer pursuant to this section.

"(12) Subsection (11) applies solely with respect to farm land:

(a) that has been transferred from a mortgagor to a lender by voluntary transfer, quit claim or otherwise, or by a final order of foreclosure, or where there has been a cancellation of an agreement for sale between a lender and a mortgagor;

(b) that has been successively leased to the person mentioned in subsection (11) or to the original farmer since the date of the transfer or cancellation of an agreement for sale mentioned in clause (a); and

(c) that has not been sold to, has not been leased to, is not subject to an agreement for sale to, and is not subject to an agreement in writing to lease to a person other than the person mentioned in subsection (11) at the time this subsection comes into force".

Section 27.31 amended

8 Section 27.31 is amended by adding the following subsection after subsection (10):

"(11) The time periods specified in clauses 27.2(9)(a) and (b) and clause 27.2(10)(a) and subsections (3) and (5) shall be calculated from the date of service of the notice on the farmer or mortgagor pursuant to subsection 27.2(1) or the date of service of the notice on the board pursuant to subsection 27.2(1), whichever is later".

Section 27.5 amended

9 Subsection 27.5(3) is amended by striking out "does not sit" and substituting "does not hear the matter".

Section 44 amended

10 Section 44 is amended by repealing subsection (12) and substituting the following: "(12) Subject to subsection (13), the board may make orders excluding any mortgage or class of mortgages from the operation of this section where, in the opinion of the board, it is in the best interests of the farmer".

Section 68 amended

11 Section 68 is amended by repealing subsection (3) and substituting the following:

"(3) Subsection (1) does not apply with respect to a security agreement that is executed by a farmer in favour of a secured party on or after September 20, 1992 as security for a specific debt, including a revolving line of credit, stated as a specific principal sum together with interest and costs if:

(a) the farmer has executed a waiver, in the prescribed form, of exemptions for specific chattels described in clauses 66(c), (d), (e) and (j) for the purpose of securing that specific debt together with interest and costs;

(b) the security agreement does not, in whole or in part, secure debt previously incurred by that farmer with that secured party; and

(c) a certificate of independent legal advice in the prescribed form has been executed with respect to the waiver".

New Part VI

12 Part VI is repealed and the following substituted:

"PART VI

Farm Ownership

Interpretation of Part

76 In this Part:

(a) **`aggregate land holding'** of a person includes all land holdings of that person and all land holdings of that person's spouse and children;

(b) **`Canadian resident'** means an individual who resides in Canada for at least 183 days in any year but does not include a resident person;

(c) `child' means an unmarried person under 18 years of age;

(d) **`farm land'** means real property in Saskatchewan that is situated outside a city, town, village, hamlet or resort village and that is used or is capable of being used for the purposes of farming, but does not include:

(i) minerals contained in, on or under that real property; and

(ii) land used primarily for the purpose of extracting, processing, storing or transporting minerals;

(e) **`land holding'** includes:

(i) farm land;

(ii) any interest in farm land held under an agreement to purchase or lease;

(iii) any interest in farm land held under any agreement that may directly or indirectly:

(A) result in vesting of title to farm land;

(B) confer the right to possession of farm land; or

(C) confer any right or control ordinarily accruing to the owner of farm land; (iv) those kinds and types of shares, that may be designated by the Lieutenant Governor in Council, legally or beneficially owned in a corporation having a land holding;

(v) for the purposes of sections 86, 94 and 95 and clause 100(b), any interest in a limited partnership where that limited partnership has a land holding;

(vi) any interest in farm land other than that described in subclauses (i) to (v); but does not include farm land or any interest in farm land held by way of security for a debt or other obligation;

(f) **`limited partnership**' means a partnership that is formed pursuant to Part II of *The* Partnership Act.

Land holding by non-residents restricted

77 Subject to sections 78 to 83 and 88, no non-resident person shall:

(a) have an aggregate land holding with an assessed value for municipal taxation purposes in excess of \$15,000, excluding any assessment for buildings and similar improvements; or (b) acquire a land holding that results in the non-resident person having an aggregate land holding with an assessed value for municipal taxation purposes in excess of \$15,000, excluding any assessment for buildings and similar improvements.

Restrictions not applicable to land acquired prior to March 31, 1974, etc.

- 78(1) Clause 77(a) does not apply:
 - (a) where the land holding was acquired by the non-resident person prior to March 31, 1974;
 - (b) where the land holding was acquired by the non-resident person on or after March 31,

1974, but the right to the land holding arose prior to that date; or

(c) where the land holding is held by a non-resident person who during any five years was a resident person and who acquired the land holding while he or she was a resident person.

(2) Where a non-resident person:

(a) has a land holding in excess of the aggregate permitted pursuant to section 77 which he or she held while a resident person; and

(b) does not meet the requirements of clause (1)(c);

the non-resident person has five years from the date of becoming a non-resident person to reduce his or her aggregate land holding to an aggregate land holding permitted pursuant to section 77.

Land holding by non-residents after September 15, 1977

79(1) Subject to subsections (2) and (3) and sections 81, 82, 83 and 88, no non-resident person shall, on or after September 15, 1977:

(a) have an aggregate land holding in excess of 160 acres or one quarter section, whichever is the greater; or

(b) acquire a land holding that results in the non-resident person having an aggregate land holding in excess of 160 acres or one quarter section, whichever is the greater.

(2) Clause (1)(a) does not apply where:

(a) the land holding was acquired by the non-resident person prior to September 15, 1977; or(b) the land holding is held by a non-resident person who, during any five years, was a

resident person and who acquired the land holding while he or she was a resident person.

(3) Where a non-resident person acquired a land holding in excess of 160 acres or one quarter section prior to September 15, 1977:

(a) *The Saskatchewan Farm Ownership Act*, as it existed on September 14, 1977, applies to that person; and

(b) that person shall not acquire any further land holdings.

(4) Where a non-resident person:

(a) has a land holding in excess of the aggregate permitted pursuant to subsection (1) that he or she held while a resident person; and

(b) does not meet the requirements of clause (2)(b);

the non-resident person has five years from the date of becoming a non-resident person to reduce his or her aggregate land holding to an aggregate land holding that is permitted pursuant to subsection (1).

Land holding by non-resident after May 6, 1980

80(1) Subject to subsections (2) and (3) and to sections 81, 82, 83 and 88, no non-resident person shall, on or after May 6, 1980:

(a) have an aggregate land holding in excess of 10 acres; or

(b) acquire a land holding that results in the non-resident person having an aggregate land holding in excess of 10 acres.

(2) Clause (1)(a) does not apply where:

(a) the land holding was acquired by the non-resident person prior to May 6, 1980; or

(b) the land holding is held by a non-resident person who, during any five years, was a resident person and who acquired the land holding while he or she was a resident person.

- (3) Where a non-resident person acquired a land holding in excess of 10 acres prior to May 6, 1980:
 (a) The Saskatchewan Farm Ownership Act, as it existed on May 5, 1980, applies to that person; and
 - (b) that person shall not acquire any further land holdings.
- (4) Where a non-resident person:

(a) has a land holding in excess of that permitted pursuant to subsection (1) that he or she held while a resident person; and

(b) does not meet the requirements of clause (2)(b);

he or she has five years from the date of becoming a non-resident person to reduce his or her aggregate land holding to an aggregate land holding that the person is permitted pursuant to subsection (1).

Canadian residents

81(1) Notwithstanding sections 77 to 80, but subject to subsection (2), no Canadian resident shall, on or after July 1, 1988:

(a) have an aggregate land holding in excess of 320 acres or two quarter sections, whichever is greater; or

(b) acquire a land holding that results in the Canadian resident having an aggregate land holding in excess of 320 acres or two quarter sections, whichever is greater.

(2) Where a Canadian resident was entitled:

(a) prior to March 31, 1974 to hold land in excess of the aggregate permitted pursuant to section 78, he or she is permitted to continue to hold that land;

(b) prior to September 15, 1977 to hold land in excess of the aggregate permitted pursuant to section 79, he or she is permitted to continue to hold that land.

(3) Clause (1)(a) does not apply where the land holding is held by a Canadian resident who, during any five years, was a resident person and who acquired the land holding while he or she was a resident person.

(4) A Canadian resident who does not meet the requirements of subsection (3) has five years from the date of becoming a non-Canadian resident to reduce his or her aggregate land holding to an aggregate land holding that is permitted pursuant to sections 77 to 80.

Special exemptions for acquisition by inheritance

- 82 Where a non-resident person acquires a land holding by:
 - $(a) \ \ devise; or$

(b) operation of *The Intestate Succession Act*;

that results in the non-resident person having an aggregate land holding in excess of that permitted pursuant to section 77 or subsection 79(1), 80(1) or 81(1), the non-resident person has five years from the date of his or her acquisition of the land holding to reduce his or her aggregate land holding to an aggregate land holding permitted pursuant to section 77 or subsection 79(1), 80(1) or 81(1), as the case may be.

Special exemption for relatives

83(1) Notwithstanding section 82 and subject to subsection (3), section 77, subsections 79(1), 80(1) and 81(1) do not apply to a land holding transferred to:

(a) a spouse;

(b) a parent, grandparent, son, daughter, grandson, granddaughter, brother, sister, nephew or niece; or

(c) a spouse of any of the persons described in clause (b);

if the transferor, during any five years prior to the date of transfer, was a resident person and acquired the land holding while he or she was a resident person.

(2) For the purpose of subsection (1), in the case of a devise or in the case of a succession pursuant to *The Intestate Succession Act*, the deceased is deemed to be the transferor.

(3) For the purposes of clause 77(b) and subsections 79(1), 80(1) and 81(1), where a non-resident person or a Canadian resident acquires a land holding pursuant to this section, the land holding is to be included in the person's or resident's aggregate land holding and is to reduce the land holding that the person or resident is permitted to acquire pursuant to clause 77(b) or subsection 79(1), 80(1) or 81(1).

Non-agricultural corporation land holding reduced

84(1) Subject to subsection (2) and sections 85 and 88, no non-agricultural corporation shall have or acquire an aggregate land holding in excess of 10 acres.

(2) No non-agricultural corporation in which the majority of voting shares are legally or beneficially owned by resident persons or agricultural corporations shall:

(a) have an aggregate land holding in excess of 320 acres; or

(b) acquire a land holding that results in the non-agricultural corporation having an

aggregate land holding in excess of 320 acres.

(3) Notwithstanding subsection (1), the board may:

(a) give written consent to a non-agricultural corporation to have or acquire a land holding in excess of that permitted by subsection (1) or (2); and

(b) where it gives its consent pursuant to clause (a), impose any terms and conditions on that consent that it considers appropriate.

(4) Notwithstanding subsection (1), a corporation holding a valid licence pursuant to *The Trust and Loan Corporations Act*, acting on behalf of a resident person as trustee or otherwise, may have or acquire a land holding.

(5) A corporation holding a land holding in trust pursuant to the provisions of subsection (4) shall state, in a disclosure statement delivered to the board pursuant to section 90, the names and addresses of any persons on whose behalf it holds the land holding.

Non-agricultural corporation to dispose of excess land holding

- 85(1) Subject to subsections 84(3) and 91(1) and (2), a non-agricultural corporation that:
 - (a) on March 31, 1974, had an aggregate land holding in excess of 10 acres; or
 - (b) on May 5, 1980, had an aggregate land holding in excess of 10 acres but not more than 160 acres;

shall dispose of the excess land holding by January 1, 1994.

- (2) Where an agricultural corporation becomes a non-agricultural corporation, the corporation has:
 - (a) one year from the date of becoming a non-agricultural corporation; or
 - (b) any time other than that mentioned in clause (a) that the board may allow;

to reduce its aggregate land holding to an aggregate land holding permitted pursuant to section 84. (3) Where a non-agricultural corporation acquires a land holding by devise that results in the non-agricultural corporation having an aggregate land holding in excess of that permitted pursuant to section 84, the corporation has five years from the day on which it acquires the land holding to reduce its aggregate land holding to an aggregate land holding that is permitted pursuant to section 84.

Limited partnership land holding prohibited

86(1) Subject to subsection (2) and section 87, no non-resident person or non-agricultural corporation shall have or acquire a land holding described in subclause 76(e)(v).

- (2) A non-agricultural corporation may apply to the board for an exemption from subsection (1).
- (3) On an application pursuant to subsection (2), the board may:
 - (a) grant the exemption; or
 - (b) refuse the exemption.

(4) Where the board grants the exemption pursuant to subsection (3), it may impose any terms and conditions that it considers appropriate on the exemption.

Exemption, disposal

87(1) Subject to subsection (4), subsection 86(1) does not apply to a non-resident person or a non-agricultural corporation that holds a land holding described in subclause 76(e)(v) on May 24, 1983 that it held prior to May 24, 1983.

(2) Where a non-resident person has a land holding in contravention of subsection 86(1) that he or she held as a resident person on May 24, 1983, the non-resident person has five years from the date that he or she becomes a non-resident person to comply with subsection 86(1).

(3) Where a non-agricultural corporation has a land holding in contravention of subsection 86(1) that the non-agricultural corporation held as an agricultural corporation on May 24, 1983, the non-agricultural corporation has:

(a) one year from the day it becomes a non-agricultural corporation; or

(b) any time other than that mentioned in clause (a) that the board may allow;

to comply with subsection 86(1).

(4) A non-agricultural corporation that holds a land holding described in subclause 76(e)(v) on May 24, 1983 shall dispose of that land holding by January 1, 1994.

Special exemption for acquisition of land by creditors

88(1) Subject to subsection (2), a non-resident person or a non-agricultural corporation may acquire a land holding by the:

(a) realization;

(b) quit claim;

(c) settlement; or

(d) other disposition:

of his, her or its security that results in the non-resident person or the non-agricultural corporation having a land holding in excess of that permitted pursuant to section 77, subsection 79(1), 80(1) or 81(1) or section 84, as the case may be.

(2) After a period of two years from the date of acquisition of the land holding, a land holding mentioned in subsection (1) is to be included in the non-resident person's or non-agricultural corporation's aggregate land holding for the purposes of section 77, subsection 79(1), 80(1) or 81(1) or section 84, as the case may be.

(3) Notwithstanding subsection (2), where farm land is the subject of a lease pursuant to sections 27.1 to 27.9, the period mentioned in subsection (2) does not commence until the right to lease expires or the lease is terminated.

(4) The board may:

(a) extend the two-year period mentioned in subsection (2); and

(b) where it extends the period pursuant to clause (a), impose any terms and conditions that it considers appropriate on the extension.

Acquisition by certain persons prohibited

89(1) No person shall acquire a land holding on behalf of a non-resident person or a non-agricultural corporation where that acquisition of the land holding by the non-resident person or non-agricultural corporation would be in contravention of this Part.

(2) Where, in the opinion of the board, a person is in violation of subsection (1), the board may issue an order pursuant to section 94 to that person.

(3) For the purposes of this section, `land holding' includes farm land or any interest in farm land held by way of security for a debt or other obligation.

Disclosure of land holdings by non-agricultural corporations

90(1) The board may direct a non-agricultural corporation that has an aggregate land holding in excess of 10 acres to deliver to the board a disclosure statement in the form prescribed in the regulations within 60 days following that request.

(2) A non-agricultural corporation that fails to deliver to the board a disclosure statement as required by this section is guilty of an offence and is liable on summary conviction to a fine of not more than \$1,000.

Exemptions

91(1) Notwithstanding any other provision of this Part, a non-resident person or a non-agricultural corporation may apply to the board for an exemption from this Part.

(2) On an application pursuant to this section and if the board is satisfied that it is appropriate to do so, the board may grant the exemption applied for.

(3) Where the board grants an exemption pursuant to subsection (2), it may impose any terms and conditions that it considers appropriate on the exemption.

Compliance required

92 Where the board has imposed terms or conditions pursuant to this Part on an exemption, consent or other order:

(a) no person who is the subject of the exemption, consent or order shall fail to comply with those terms and conditions; and

(b) if the person mentioned in clause (a) fails to comply with the terms and conditions, the exemption, consent or order is deemed to be cancelled.

Offences and penalties

93(1) An individual who contravenes any provision of this Part or the regulations for which no

penalty is prescribed is guilty of an offence and is liable on summary conviction to:

- (a) a fine of not more than \$10,000;
- (b) imprisonment for a term of not more than six months; or

(c) both the fine mentioned in clause (a) and imprisonment mentioned in clause (b).
(2) A corporation that contravenes any provision of this Part or the regulations for which no penalty is prescribed is guilty of an offence and is liable on summary conviction to a fine of not more than \$100,000.

(3) Where a corporation has committed an offence against this Part, every officer, director or agent of the corporation who directed, authorized, assented to or acquiesced or participated in the commission of the offence is guilty of an offence and is liable on summary conviction to:

(a) a fine of not more than \$10,000;

(b) imprisonment for a term of not more than six months; or

(c) both the fine mentioned in clause (a) and imprisonment mentioned in clause (b); whether or not the corporation has been prosecuted or convicted.

(4) No prosecution for an offence pursuant to this Part is to be commenced after two years from the day of the commission of the alleged offence.

Enforcement of limitation of land holding

94(1) A person having a land holding in contravention of this Part shall immediately reduce his, her or its aggregate land holding to an aggregate land holding permitted pursuant to this Part.(2) The board:

(a) may issue an order to any person having a land holding in contravention of this Part requiring that person to reduce his, her or its aggregate land holding to an aggregate land holding permitted pursuant to this Part; and

(b) where it issues an order pursuant to clause (a), shall serve the order on the person to whom the order is issued.

(3) The board may, where it is satisfied that a person intends to obtain a land holding in contravention of this Part, issue an order to the person prohibiting the person from obtaining the land holding.

(4) For the purpose of enforcing an order of the board pursuant to subsection (2) and (3), the board may apply to a judge of the court for an order directing compliance with this Part.

(5) On an application by the board pursuant to subsection (4), the court may grant the order enforcing compliance with this Part and may make one or more of the following orders:

(a) an order declaring null and void any instrument or document by which a land holding is or may be acquired in contravention of this Part;

(b) an order in the nature of an injunction prohibiting any transaction through which a land holding may be acquired in contravention of this Part;

(c) an order directing the registrar of land titles to refuse registration of any instrument;

(d) an order for the sale of the land holding held in contravention of this Part and the distribution of the proceeds from the sale to those persons that may be entitled to the proceeds;

(e) an order directing the registrar of land titles to cancel a certificate of title of any person and to issue a new certificate of title in the name of the persons that may be entitled to them;(f) an order to return any consideration given under an instrument or a document made in contravention of this Part;

 $(\mathbf{g})~$ an order for possession of the land holding to be given to the persons that may be entitled to it;

(h) an order respecting costs;

(i) any other order that may be necessary to give effect to the provisions of this Part or that to it seems just.

Investigation

95(1) Where the board has reason to believe that a person has or intends to obtain a land holding in contravention of this Part, the board, or a person authorized by the board, may conduct an investigation into the matter.

(2) For the purposes of an investigation pursuant to this section, the board or the person authorized by the board, as the case may be, has all of the powers of commissioners pursuant to *The Public Inquiries Act*.

(3) Where it appears to the board that a person may have or intends to obtain a land holding in contravention of this Part, the board shall submit a written report of the result of its investigation to the minister.

Investigation regeneral matters

96 Subject to the approval of the Lieutenant Governor in Council, the minister may direct the board to investigate any matter regarding farm ownership, and on the completion of its investigation the board shall submit a written report to the minister.

Appeal

97(1) A person dissatisfied with an order of the board pursuant to section 94 may appeal to a judge of the court who, on hearing the appeal, may:

- (a) dismiss the appeal;
- (b) allow the appeal;
- (c) allow the appeal subject to terms and conditions;
- (d) vary the order appealed against;
- (e) refer the matter back to the board for further consideration;
- (f) award costs of the appeal;
- (g) make any other order that to the judge seems just.
- (2) An appeal pursuant to this section shall be by notice of motion.

(3) A person making an appeal pursuant to this section shall serve a copy of the appeal on the board not less than 10 days before the day on which the motion is returnable.

Stay of operation of certain decisions of the board

98(1) Subject to subsection (2), the taking of an appeal pursuant to section 97 does not stay the operation of the decision of the board.

- $(2)\;$ The judge may, on an appeal pursuant to section 97:
 - (a) stay the operation of the decision of the board; and

(b) if he or she stays the operation of the decision, prescribe terms and conditions to which the stay is to be subject.

Municipalities allowed to hold land

99 This Part does not apply to corporations created or continued pursuant to *The Rural Municipality Act, 1989* or *The Urban Municipality Act, 1984*.

Regulations

100 The Lieutenant Governor in Council may make regulations:

(a) defining, enlarging or restricting the meaning of any word or expression used in this Part;(b) exempting persons or categories of persons or land holdings or classes of land holdings from this Part or any of the provisions of this Part prescribing any terms and conditions to which an exemption may be subject and requiring compliance with those terms and conditions;

(c) designating the kinds and types of shares in a corporation that shall constitute a land holding for the purposes of subclause 76(e)(iv);

(d) prescribing, with respect to a land holding mentioned in subclause 76(e)(iv):

(i) the manner in which the assessed value for municipal taxation purposes of the land holding shall be calculated for the purposes of section 77;

(ii) the manner in which the size of the land holding shall be calculated for the purposes of sections 79, 80, 81 and 84;

(e) prescribing the forms to be used and the information to be required in disclosure statements pursuant to section 90".

Section 101 amended

13 Section 101 is amended by striking out "the ownership board, an officer, employee or adviser of the ownership board,".

New section 107

14 Section 107 is repealed and the following substituted:

Fiscal year

"107 The fiscal year of the board and the Farm Tenure Arbitration Board is the period commencing on April 1 in one year and ending on March 31 in the following year".

Section 108 amended

15 Section 108 is amended by repealing subsection (2).

Section 109 amended

16 Section 109 is amended by repealing clause (d.1) and substituting the following:

"(d.1) establishing classes of mediation services, and prescribing and requiring the payment of fees to be paid by a person for mediation services or any class of mediation services".

Transitional

17 Section 26 of *The Saskatchewan Farm Security Act*, as amended by section 5 of this Act, applies to all actions, as defined in Part II of *The Saskatchewan Farm Security Act*, in which a final order for foreclosure has not been granted on the day that section 5 comes into force.

Coming into force

18 This Act or any provision of this Act comes into force on a day or days to be fixed by proclamation of the Lieutenant Governor.