

2009

CHAPTER M-28.1

An Act respecting Grants to Municipalities, making consequential amendments to other Acts and repealing
The Municipal Revenue Sharing Act

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(Assented to May 14, 2009)

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 Municipal Grants Act*.

Interpretation

2 In this Act:

- (a) “**fiscal year**” means the period commencing on April 1 in one year and ending on March 31 in the following year;
- (b) “**minister**” means the member of the Executive Council to whom for the time being the administration of this Act is assigned;
- (c) “**ministry**” means the ministry over which the minister presides;
- (d) “**municipality**” means a municipality as defined in *The Municipalities Act*, a city as defined in *The Cities Act* or a northern municipality as defined in *The Northern Municipalities Act* and includes the City of Lloydminster and the City of Flin Flon, Manitoba with respect to the boundary area as defined in *The Flin Flon Extension of Boundaries Act, 1952*;

- (e) “**prescribed**” means prescribed in the regulations;
- (f) “**recipient**” means a municipality, a person, an agency, an organization, an association, an institution or a body within or outside Saskatchewan that receives a grant pursuant to section 3 or 4.

Grants to municipalities

3 The minister may make grants to a municipality in accordance with the regulations for any prescribed program or prescribed purpose.

Grants for municipal purposes or municipal programs

4 The minister may make grants in accordance with the regulations to any person, agency, organization, association, institution or body within or outside Saskatchewan for any prescribed municipal purpose or prescribed municipal program.

Payment of grants

5 Any grant paid pursuant to this Act is subject to any or all of the following:

- (a) any terms and conditions imposed by the minister;
- (b) any terms and conditions contained in an agreement pertaining to the grant between the minister and the recipient;
- (c) any prescribed terms and conditions.

Hold back of grants

6(1) The minister may refuse to pay a grant, or may suspend or adjust a grant, if the minister is satisfied that:

- (a) the recipient has failed to comply with this Act, the regulations, any other Act or regulations to which the recipient is subject or the terms and conditions of a grant; or
- (b) it is in the public interest to do so.

(2) If the minister refuses to pay a grant, or suspends or adjusts a grant, pursuant to this section, the minister may establish conditions that the recipient must meet in order for the minister to pay the grant or remove the suspension or adjustment of the grant.

Overpayment of grants

7(1) The minister may declare any or all grant payments made to a recipient pursuant to this Act to be an overpayment if the minister is satisfied that:

- (a) the recipient has failed to comply with this Act, the regulations or any other Act or regulations to which the recipient is subject or the terms and conditions of a grant; or
- (b) it is in the public interest to do so.

(2) Before declaring a payment to be an overpayment pursuant to this section, the minister shall:

- (a) provide the recipient with written notice of the minister's intention to act pursuant to this section together with reasons; and
- (b) provide the recipient with an opportunity to make written representations to the minister as to why the declaration should not be made.

(3) If the minister declares a 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 recipient in any manner authorized pursuant to *The Financial Administration Act, 1993* or in any other manner authorized by law.

Regulations

8(1) The Lieutenant Governor in Council may make regulations:

- (a) defining any word or expression used in this Act but not defined in this Act;
- (b) prescribing programs or purposes for the purposes of section 3;
- (c) prescribing municipal programs or municipal purposes for the purposes of section 4;
- (d) for the purposes of sections 3 and 4:
 - (i) prescribing a formula for the calculation of a grant and how the formula is to be applied;
 - (ii) respecting how a grant is to be paid; or
 - (iii) prescribing the minimum or maximum amount of any grant payable pursuant to this Act;
- (e) respecting terms and conditions that are to govern or to be included in a grant made pursuant to this Act;
- (f) prescribing any matter or thing required or authorized by this Act to be prescribed in the regulations;
- (g) respecting any matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act.

(2) Any regulation made pursuant to this Act may be made retroactive to a day not earlier than April 1, 2009.

R.S.S. 1978 (Supp.), c.M-32.1 repealed

9 *The Municipal Revenue Sharing Act* is repealed.

S.S. 1986, c.A-28.1, section 18 amended

10 Clause 18.04(5)(a) of *The Assessment Management Agency Act* is repealed and the following substituted:

“(a) withhold the amount due to the agency from any moneys payable to the municipality by the minister”.

S.S. 1983, c.N-5.1 amended

11(1) *The Northern Municipalities Act* is amended in the manner set forth in this section.

(2) Section 2 is amended:

(a) by adding the following clause after clause (o):

“(o.1) ‘**northern municipal trust account**’ means the Northern Municipal Trust Account continued pursuant to section 287.2”; **and**

(b) by repealing clause (ee).

(3) Clause 20(c) is amended by striking out “revenue sharing account” and substituting “northern municipal trust account”.

(4) Subsection 39(1) is amended by striking out “revenue sharing account” and substituting “northern municipal trust account”.

(5) Part XII is repealed and the following substituted:

“PART XII
Northern Municipal Trust Account
“DIVISION 1
Preliminary Matters

“**Interpretation**

287 In this Part:

(a) ‘**board**’ means the Northern Municipal Trust Account Management Board continued pursuant to subsection 289.2(1);

(b) ‘**cabin owners’ association**’ means an association of cabin owners in a recreational subdivision that meets the requirements of subsection 287.1(1).

“**Cabin owners’ association**

287.1(1) A cabin owners’ association must:

(a) be incorporated as a membership corporation pursuant to *The Non-profit Corporations Act, 1995*; and

(b) meet any criteria specified by the minister.

(2) The board of a cabin owners' association of a recreational subdivision may:

- (a) act in an advisory capacity to the minister with respect to the affairs of the recreational subdivision; and
- (b) recommend to the minister any measures that may tend to the betterment of the finances and welfare of the recreational subdivision and its inhabitants.

**“DIVISION 2
Northern Municipal Trust Account**

“Account continued

287.2(1) The Northern Revenue Sharing Trust Account is continued as the Northern Municipal Trust Account.

(2) The purpose of the northern municipal trust account is to provide for the administration of funds and property held by the minister for the following purposes:

- (a) the benefit of northern municipalities generally;
- (b) the administration of the district as a northern municipality;
- (c) the disbursement of revenues derived from collection of taxes and other revenues on behalf of northern hamlets and the district, including northern settlements and recreational subdivisions.

(3) The northern municipal trust account consists of any property that is or becomes vested in the minister on behalf of northern hamlets and the district, including northern settlements and recreational subdivisions, by virtue of this or any other Act and any proceeds derived from the disposition of any such property and includes:

- (a) the funds standing to the credit of the account as at the day before the coming into force of this section;
- (b) municipal revenues relating to the district and northern hamlets, including:
 - (i) revenue from property taxes;
 - (ii) revenue from special assessments;
 - (iii) grants in lieu of taxes;
- (c) municipal revenues relating to the district including:
 - (i) payments of sewer and water user fees;
 - (ii) grants made by the minister to northern settlements;

- (iii) grants received from the federal and provincial governments for municipal purposes;
 - (iv) any interest earned on funds of the account and any investments made pursuant to section 291;
 - (d) any revenues or classes of revenues relating to the disposition of Crown land in the district that are prescribed as payable to the account;
 - (e) moneys advanced by the Minister of Finance pursuant to subsection (6) or (7); and
 - (f) any other prescribed revenues.
- (4) The minister shall administer the northern municipal trust account in accordance with this Act and the regulations.
- (5) All funds that are required to be included in the northern municipal trust account are to be deposited in a bank or credit union to the credit of the northern municipal trust account as they are received.
- (6) The Minister of Finance shall advance to the northern municipal trust account all moneys appropriated by the Legislature for the purposes of northern municipal operating grants.
- (7) The Minister of Finance may advance to the northern municipal trust account all moneys appropriated by the Legislature for the purpose of issuing grants pursuant to any northern grants program.

“DIVISION 3

Expenditures from the Northern Municipal Trust Account

“Administration of the district

288 Out of the moneys in the northern municipal trust account other than moneys derived from revenues described in section 288.1, the minister may pay:

- (a) for the expenses incurred in administering the northern municipal trust account; and
- (b) any other amounts that the minister considers necessary and appropriate, including amounts required for the administration and operation of the district in accordance with this Act.

“Expenditures on behalf of northern hamlets and areas in the district

288.1(1) Subject to subsection (3), if revenues are collected with respect to a northern hamlet, northern settlement or recreational subdivision and paid into the northern municipal trust account, the minister shall:

- (a) in the case of a northern hamlet, pay the amount of the revenues to the northern hamlet in the month following their collection; or
- (b) in the case of a northern settlement or recreational subdivision, after consultation with the local advisory committee or cabin owners’ association, expend the amount of those revenues on behalf of the northern settlement or recreational subdivision.

(2) The minister may, after consultation with the local advisory committee or cabin owners' association, dispose of any property of the northern settlement or recreational subdivision for the benefit of the northern settlement or the recreational subdivision.

(3) If revenues described in subsection (1) are derived from the sale of Crown land within the boundaries of a northern settlement or a recreational subdivision, the revenues are to be expended on capital works in the northern settlement or recreational subdivision.

“Grants generally

288.2(1) Subject to the other provisions of this Part and to the regulations:

(a) the minister may make grants to northern municipalities and northern settlements out of the funds available for that purpose; and

(b) notwithstanding *The Flin Flon Extension of Boundaries Act, 1952*, the minister may make capital and operating grants to the City of Flin Flon, Manitoba for the Flin Flon boundary area out of the funds in the northern municipal trust account.

(2) The minister, in making a grant pursuant to subsection (1), may impose any condition that the minister considers necessary or appropriate.

(3) A statement of the expenditures made pursuant to subsection (1) is to be included in the annual report of the ministry.

“Hold back of grants

289(1) The minister may refuse to pay a grant, or may suspend or adjust a grant, if the minister is satisfied that:

(a) the northern municipality has failed to comply with this Act, the regulations, any other Act or regulations to which the northern municipality is subject or any condition imposed pursuant to subsection 288.2(2); or

(b) it is in the public interest to do so.

(2) Before refusing to pay a grant or suspending or adjusting a grant pursuant to this section, the minister shall:

(a) provide the northern municipality with written notice of the minister's intention to act pursuant to this section together with reasons; and

(b) provide the northern municipality with an opportunity to make written representations to the minister as to why the minister should not take that action.

(3) If the minister refuses to pay a grant, or suspends or adjusts a grant, pursuant to this section, the minister may establish conditions that the northern municipality must meet in order for the minister to pay the grant or remove the suspension or adjustment of the grant.

“Overpayments of grants

289.1(1) The minister may declare any or all grant payments made to a northern municipality pursuant to this Act to be an overpayment if the minister is satisfied that:

- (a) the northern municipality has failed to comply with this Act, the regulations, any other Act or regulations to which the northern municipality is subject or any condition imposed pursuant to subsection 288.2(2); or
- (b) it is in the public interest to do so.

(2) Before declaring a payment to be an overpayment pursuant to this section, the minister shall:

- (a) provide the northern municipality with written notice of the minister’s intention to act pursuant to this section together with reasons; and
- (b) provide the northern municipality with an opportunity to make written representations to the minister as to why the declaration should not be made.

(3) If the minister declares a 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 northern municipality in any manner authorized pursuant to *The Financial Administration Act, 1993* or in any other manner authorized by law.

**“DIVISION 4
Management Board**

“Board continued

289.2(1) The Northern Revenue Sharing Trust Account Management Board is continued as the Northern Municipal Trust Account Management Board.

(2) Subject to subsection (3), the Lieutenant Governor in Council shall appoint as members of the board the number of persons that the Lieutenant Governor in Council considers appropriate.

(3) Every member of the board must be a councillor, mayor or administrator of a northern municipality or a member of a local advisory committee.

(4) The board shall make recommendations to the minister with respect to:

- (a) the allocation of northern municipal operating grants and northern grants to be made from the northern municipal trust account in accordance with this Act and the regulations;
- (b) any proposed change to this Act or the regulations concerning the northern municipal trust account;
- (c) the development and implementation of other northern municipal funding programs; and
- (d) the draft budget and financial statement of the northern municipal trust account.

(5) For the purpose of making a recommendation pursuant to clause (4)(b), the board may carry out any review of this Act and the regulations that the board considers necessary.

(6) Before making any recommendation mentioned in subsection (4), the board shall consider any advice that may be provided by the ministry with respect to the northern municipal trust account.

“Term

290(1) Subject to subsection (2), a member of the board appointed pursuant to section 289.2:

- (a) holds office for a term not exceeding three years and until a successor is appointed; and
- (b) is eligible for reappointment.

(2) If a member of the board dies, resigns or ceases to hold the office of councillor, mayor or administrator of a northern municipality or member of a local advisory committee, the person ceases to be a member of the board on the following applicable date:

- (a) the date of death;
- (b) the date the resignation is received by the board or the minister or the date specified in the resignation;
- (c) the date the member ceases to hold the office of councillor, mayor or administrator of a northern municipality or member of a local advisory committee.

(3) Where the office of a person appointed pursuant to section 289.2 becomes vacant, the Lieutenant Governor in Council may, in accordance with subsections 289.2(2) and (3):

- (a) appoint a person for the remainder of the term of the person who ceased to hold office; or
- (b) appoint a person for the term mentioned in subsection (1).

“Remuneration and reimbursement

290.1(1) The members of the board are entitled to:

- (a) remuneration for their services at the rates approved by the Lieutenant Governor in Council; and
- (b) reimbursement for travel and sustenance expenses incurred in the performance of their responsibilities at the rates paid to members of the public service of Saskatchewan.

(2) The minister shall pay the board members' remuneration and expenses mentioned in subsection (1) out of the moneys in the northern municipal trust account as authorized by clause 288(a).

**“DIVISION 5
Financial and Reporting Requirements**

“Fiscal year

290.2 The fiscal year of the northern municipal trust account is the calendar year.

“Investments

291 The minister may invest any part of the northern municipal trust account in accordance with the regulations.

“Audit

291.1 The Provincial Auditor or any other auditor or firm of auditors that the Lieutenant Governor in Council may appoint shall audit the accounts and financial statements of the northern municipal trust account:

- (a) annually; and
- (b) at any other times that the Lieutenant Governor in Council may require.

“Financial statement

291.2(1) In each fiscal year, the ministry shall, in accordance with *The Tabling of Documents Act, 1991*, submit to the minister a financial statement showing the business of the northern municipal trust account for the preceding fiscal year in any form that may be required by Treasury Board.

(2) The minister shall, in accordance with *The Tabling of Documents Act, 1991*, lay before the Legislative Assembly each financial statement received by the minister pursuant to this section”.

Coming into force

12(1) Subject to subsection (2), this Act comes into force on April 1, 2009.

(2) If this Act is assented to after April 1, 2009, this Act comes into force on assent but is retroactive and is deemed to have been in force on and from April 1, 2009.