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## PART II/PARTIE II

### REVISED REGULATIONS OF SASKATCHEWAN/ RÈGLEMENTS RÉVISÉS DE LA SASKATCHEWAN

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**REVISED REGULATIONS OF SASKATCHEWAN**

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**CHAPTER E-0.2 REG 16***The Education Act, 1995*

Section 370

and

*The Government Organization Act*

Sections 19 and 24

Order in Council 159/2006, dated March 7, 2006

(Filed March 8, 2006)

## PART I

**Interpretation and Application****Title**

- 1 These regulations may be cited as *The 2005-2006 School Grant Regulations*.

**Interpretation**

- 2 In these regulations:

- (a) “**Act**” means *The Education Act, 1995*;
- (b) “**approved**” means approved by the minister;
- (c) “**basic grant**” means the difference between a school division’s or the conseil scolaire’s total recognized expenditure and total recognized revenue;
- (d) “**basic program**” means the sum of the expenditures set out for a school division or the conseil scolaire in subsection 8(1);
- (e) “**city francophone education area**” means a francophone education area that includes a city within the francophone education area’s boundaries;
- (f) “**city school division**” means a school division that includes a city within the school division’s boundaries;
- (g) “**enrolment**” or “**enrolled**” means:
  - (i) in the case of kindergarten pupils in a kindergarten program commencing for the first time in the fall of any year, 40% of the number of kindergarten pupils reported to the minister in the Principal’s September Statistical Report; and
  - (ii) in the case of pupils reported in the Principal’s September Statistical Report, other than high-cost disabled pupils and the kindergarten pupils described in subclause (i), the recognized enrolment with respect to the school year for which the recognition applies;
- (h) “**equalization factor**” means a mill rate of 16.2 mills for the purposes of clause 310(4)(a) of the Act;

- (i) **“full-time equivalent pupils”** means the number of pupils determined in accordance with section 5;
- (j) **“high-cost disabled pupil”** means a high-cost disabled pupil (level 1) or a high-cost disabled pupil (level 2);
- (k) **“high-cost disabled pupil (level 1)”** means a pupil who is described in section 48 of *The Education Regulations, 1986*:
- (i) who meets the criteria set out in clause 49(c), (e) or (f) of those regulations; or
  - (ii) if determined by the special education office of the department, who meets the criteria set out in clause 49(a) or (b) of those regulations;
- (l) **“high-cost disabled pupil (level 2)”** means a pupil who is described in section 48 of *The Education Regulations, 1986*:
- (i) who meets the criteria set out in clause 49(h) of those regulations; or
  - (ii) if determined by the special education office of the department, who meets the criteria set out in clause 49(a) or (b) of those regulations;
- (m) **“home attendance area”** means the area from which a pupil attends a certain school, as determined by the board of education that is fiscally responsible for the provision of educational services for the pupil or by the conseil scolaire;
- (n) **“home-based education pupil”** means a pupil who is receiving instruction in a registered home-based education program;
- (o) **“language program”** means:
- (i) with respect to a school division, a course of educational instruction conducted in a language other than English and includes English as a second language;
  - (ii) with respect to the conseil scolaire, a course of educational instruction for English as a second language;
- (p) **“nearest school”** means the closest school that is in the same category of school, using the following categories:
- (i) public school;
  - (ii) Roman Catholic separate school;
  - (iii) Protestant separate school;
  - (iv) fransaskois school;
- (q) **“non-city francophone education area”** means a francophone education area that does not include a city within the boundaries of the francophone education area;
- (r) **“non-city school division”** means a school division that does not include a city within the boundaries of the school division;

- (s) **“northern factor”** means the factor set out in section 14 by which certain expenditures are to be multiplied for the purpose of making certain calculations for northern school divisions in accordance with these regulations;
- (t) **“northern school division”** means a school division located in the Northern Saskatchewan Administration District;
- (u) **“parent-management board”** means a recognized agency that is incorporated pursuant to *The Non-profit Corporations Act, 1995*;
- (v) **“recognized”** means:
- (i) recognized by the minister; or
  - (ii) stated by these regulations to be recognized;
- (w) **“Saskatchewan resident”** means a person who resides permanently in Saskatchewan, but does not include a person who, in the minister’s opinion, has no significant tie to Saskatchewan other than the fact that he or she attends school in Saskatchewan;
- (x) **“table”** means a table set out in the Appendix.

**Application**

**3** These regulations apply only to grants made pursuant to sections 310 to 315 of the Act with respect to the period commencing on April 1, 2005 and ending on March 31, 2006.

**PART II**

**Recognized Enrolment and Enrolment-based Expenditures**

**Deemed enrolment of high-cost disabled pupils**

**4** For the purposes of determining enrolment, a high-cost disabled pupil is deemed to be enrolled:

- (a) in the Elementary Level from three years of age up to and including 10 years seven months of age;
- (b) in the Middle Level from 10 years eight months of age up to and including 14 years seven months of age; and
- (c) in the Secondary Level from 14 years eight months of age up to but not including 22 years of age.

**Number of full-time equivalent pupils**

**5(1)** For the purposes of this section, **“ratio of instructional time”** means the ratio of instructional time devoted to instruction to the total available instructional time per week for the pupil.

**(2)** The number of full-time equivalent pupils in a program is equal to the number of pupils enrolled in the program:

- (a) if:
  - (i) the pupils are enrolled in kindergarten to grade 12 and the program is not a language program; and
  - (ii) the ratio of instructional time is equal to or greater than 0.75;

- (b) if:
    - (i) the pupils are enrolled in kindergarten to grade 6 and the program is a language program; and
    - (ii) the ratio of instructional time is equal to or greater than 0.75; and
  - (c) if:
    - (i) the pupils are enrolled in grades 7 to 12 and the program is a language program; and
    - (ii) the ratio of instructional time is equal to or greater than 0.6.
- (3) In any case other than one described in subsection (2), the number of full-time equivalent pupils in a program is the number FTE calculated in accordance with the following formula:

$$\text{FTE} = \text{NP} \times \text{IT}$$

where:

NP is the number of pupils enrolled in the program; and

IT is the ratio of instructional time.

**Enrolment factor**

6(1) Unless otherwise determined by the minister, the number of pupils recognized in each category of recognized enrolment is the number determined in accordance with this section.

(2) The minister shall add to the appropriate Elementary Level, Middle Level and Secondary Level enrolments the number of pupils reported to the minister on the Principal's September Statistical Report in "other" or "special" Elementary Level, Middle Level and Secondary Level programs.

(3) The number of recognized high-cost disabled pupils is the number of pupils determined by the special education office of the department for recognition in each category of recognized enrolment.

**Pupils deemed not enrolled**

7 A pupil is deemed not to have been enrolled for the purpose of determining the enrolment pursuant to section 6 if:

- (a) a board of education or the conseil scolaire:
  - (i) enrolls a pupil who is not a Saskatchewan resident; and
  - (ii) does not charge a tuition fee for that pupil; and
- (b) there is no recognized exchange program or reciprocal student exchange between the receiving school division or the conseil scolaire in Saskatchewan and that pupil's home jurisdiction.

**Recognized expenditures**

8(1) Subject to subsections (2) to (7), recognized enrolment-based expenditures of a school division or the conseil scolaire consist of the amounts calculated at the basic rate per pupil enrolled as set out in Table 2 with respect to expenditures for the following:

- (a) administration;
  - (b) instruction;
  - (c) plant operation and maintenance;
  - (d) non-capital furniture and equipment;
  - (e) non-capital renovations and repairs;
  - (f) current interest expenses;
  - (g) bank charges;
  - (h) special events transportation.
- (2) With respect to expenditures for programs for high-cost disabled pupils (level 1) and high-cost disabled pupils (level 2), the recognized enrolment-based expenditures in a school division or the conseil scolaire are to be increased by the recognized incremental rates per pupil enrolled as set out in Table 3.
- (3) With respect to expenditures for an approved language program, the recognized enrolment-based expenditures of a school division are to be increased by:
- (a) the appropriate amount set out in Table 6 for each full-time equivalent pupil; and
  - (b) an amount for the purchase of instructional resource material needed for implementation of the program, calculated on the basis of the appropriate rate set out in Table 6.
- (4) With respect to expenditures for an approved language program, the recognized enrolment-based expenditures of the conseil scolaire are to be increased by:
- (a) the appropriate amount set out in Table 7 for each full-time equivalent pupil; and
  - (b) an amount for the purchase of instructional resource material needed for implementation of the program, calculated on the basis of the appropriate rate set out in Table 7.
- (5) For each pupil reported on the Home-Based Education Pupil Statistical Report, the minister shall recognize 50% of the appropriate basic rate per pupil enrolled as set out in Table 2.
- (6) With respect to core curriculum actualization, the recognized enrolment-based expenditures of a school division or of the conseil scolaire are to be increased by \$32 per pupil.

(7) With respect to the implementation of School<sup>PLUS</sup>, the recognized enrolment-based expenditures of a school division or of the conseil scolaire are to be increased by:

- (a) in the case of an approved community school, \$75 per pupil; and
- (b) in all other cases, \$90 per pupil.

**Isolated school factor**

9(1) In the case of a non-city school division or a fransaskois school in which the total number of pupils enrolled in kindergarten or in any grade in any school in the division or in the fransaskois school is 12 or less, the basic program is increased by an amount equal to the sum of the amounts calculated for each school in accordance with subsections (3) to (6).

(2) If a city school division operates one or more schools outside the city in which the school division is located, this section applies with respect to those schools.

(3) Subject to subsection (6), the amount for each school is determined in accordance with the formula:

$$\text{BPI} = A \times B \times \text{LF}$$

where:

BPI is the basic program increase;

A, in the case of kindergarten or any grade, is the amount per pupil as specified in Table 1;

B is the number of pupils enrolled in kindergarten or any grade; and

LF is the locational factor for the school or level as determined in accordance with subsection (4) or (5).

(4) Locational factors for the purposes of subsection (3) are to be calculated in accordance with the following formulas:

(a) for kindergarten or any grade in the Elementary Level:

$$\text{LFE} = 0.0275 (D1 - 20) + 0.0225 (D2 - 20)$$

where:

LFE is the locational factor for kindergarten or any grade in the Elementary Level;

D1 is the distance to the nearest school, to a maximum distance of 40 kilometres, that:

- (i) has pupils enrolled in kindergarten or any grade in the Elementary Level; and
- (ii) is not a school described in subsection (5);



D2 is the distance to the second nearest school, to a maximum distance of 40 kilometres, that:

- (i) has pupils enrolled in kindergarten or any grade in the Elementary Level; and
- (ii) is not a school described in subsection (5);

D1-20 is deemed to be zero, if it is a negative number; and

D2-20 is deemed to be zero, if it is a negative number;

(b) for any grade in the Middle Level:

$$\text{LFM} = 0.0275 (D1 - 30) + 0.0225 (D2 - 30)$$

where:

LFM is the locational factor for any grade in the Middle Level;

D1 is the distance to the nearest school, to a maximum distance of 50 kilometres, that:

- (i) has pupils enrolled in any grade in the Middle Level; and
- (ii) is not a school described in subsection (5);

D2 is the distance to the second nearest school, to a maximum distance of 50 kilometres, that:

- (i) has pupils enrolled in any grade in the Middle Level; and
- (ii) is not a school described in subsection (5);

D1-30 is deemed to be zero, if it is a negative number; and

D2-30 is deemed to be zero, if it is a negative number;

(c) for any grade in the Secondary Level:

$$\text{LFS} = 0.0275 (D1 - 30) + 0.0225 (D2 - 30)$$

where:

LFS is the locational factor for any grade in the Secondary Level;

D1 is the distance to the nearest school, to a maximum distance of 50 kilometres, that:

- (i) has pupils enrolled in any grade in the Secondary Level; and
- (ii) is not a school described in subsection (5);

D2 is the distance to the second nearest school, to a maximum distance of 50 kilometres, that:

- (i) has pupils enrolled in any grade in the Secondary Level; and
- (ii) is not a school described in subsection (5);

D1-30 is deemed to be zero, if it is a negative number; and

D2-30 is deemed to be zero, if it is a negative number.

(5) Notwithstanding subsection (4), if the school for which the isolated school factor is being calculated is a school located on a Hutterite colony, the locational factor is 0.5.

(6) Notwithstanding subsections (1) to (5), the maximum isolated school factor with respect to any school is the amount ISF calculated in accordance with the following formula:

$$\text{ISF} = \text{RE} \times \$3,500$$

where RE is the recognized enrolment in the school.

(7) Notwithstanding any other provision of this section, the maximum isolated school factor to which a school division or the conseil scolaire is entitled is 25% of the total amount to which the school division or the conseil scolaire is entitled pursuant to subsections 8(1), (6) and (7).

**Declining enrolment**

**10(1)** Subject to subsection (2), the minister shall take into account the declining enrolment of a school division or the conseil scolaire by increasing the basic program by an amount calculated on the basis of the sum of:

- (a) 65% of the percentage drop in enrolment between September 30, 2004 and September 30, 2003; and
- (b) 35% of the percentage drop in enrolment between September 30, 2003 and September 30, 2002.

(2) When including or excluding enrolments for the purpose of arriving at the amount of decline in enrolment pursuant to this section, the minister may take into account any special factors that the minister considers appropriate, including a major shift in attendance of pupils or the withdrawal of a significant number of pupils sponsored by another department or agency, and make adjustments to the recalculation on that basis.

(3) Comprehensive school pupils for whom services are directly purchased from a comprehensive school operated by a joint board are to be included in their home school division or the conseil scolaire for the purposes of calculations pursuant to this section.

**Technology factor**

**11** The minister shall increase the recognized expenditures for all school divisions and the conseil scolaire for the purposes of technology enhancement in accordance with the following per pupil rates:

- (a) \$60 in the case of a school division in Regina or Saskatoon;
- (b) \$118 in the case of the conseil scolaire and all school divisions other than those mentioned in clause (a).

**Shared services**

12(1) If a school division, other than a school division in Regina or Saskatoon, participates in a shared services program, the minister shall increase the basic program of the school division by the amount I calculated in accordance with the following formula:

$$I = \text{NSD} \times \text{PR}$$

where:

NSD is the number of pupils in the shared services area, excluding pupils who are the responsibility of the Government of Canada; and

PR is the per pupil rate of:

- (a) \$118 if the shared services area is 22 000 square kilometres or less; and
- (b) \$138 if the shared services area is more than 22 000 square kilometres.

(2) If the conseil scolaire participates in a shared services program, the minister shall increase the basic program of the conseil scolaire by \$181 per pupil.

**Diversity factor**

13(1) For the purposes of the diversity factor, the minister shall increase the recognized expenditures of a school division or the conseil scolaire by \$304 per pupil.

(2) If the total recognized expenditures of a school division or the conseil scolaire pursuant to section 12 and subsection (1) are less than the total recognized expenditures of the school division or the conseil scolaire for the diversity factor, shared services and an Integrated Services Program pursuant to *The 2002-2003 School Grant Regulations*, the minister shall recognize the higher of the two amounts.

(3) If subsection (2) applies, the amount the minister recognizes pursuant to subsection (2) must be reduced by any amount allowed pursuant to section 12.

**Application of northern factor**

14 In the case of a northern school division, all recognized expenditures mentioned in this Part are to be multiplied by 1.33.

**Francophone allowance**

15 For the purpose of a francophone allowance, all recognized expenditures of the conseil scolaire pursuant to subsections 8(1), (6) and (7) and section 11 are to be multiplied by 1.33.

PART III  
**Recognized Transportation, Board and Room  
 and Facility Rental Expenditures**

**Recognized transportation expenditures**

**16(1)** Recognized transportation expenditures of school divisions and of the conseil scolaire are to be calculated pursuant to sections 17 to 20.

(2) For the purposes of sections 17 to 20, the minister may recognize transportation expenditures for pupils enrolled in approved pre-kindergarten programs.

**Recognized transportation expenditures - cities and specialized transportation**

**17(1)** For recognized pupils transported by means other than regular transportation in all school divisions and the division scolaire francophone, transportation allowances equal:

(a) in the case of pupils for whom approved transportation is provided for a full school year, the total actual aggregate costs of transportation to a maximum of the amount specified in item 1 of Table 4 per pupil per year; and

(b) in the case of pupils for whom approved transportation is provided for less than a full school year, the total actual aggregate costs of transportation per pupil per day to a maximum of the amount specified in item 1 of Table 4.

(2) For pupils who are transported by means of regular transportation in city school divisions, in city francophone education areas or in other approved school divisions in which transportation expenditures are declared by the minister to be eligible for grant support, transportation allowances equal the amount I calculated in accordance with the following formula:

$$I = (E - TF) \times PR$$

where:

E is the enrolment of the school division or city francophone education area, excluding pupils mentioned in subsection (4);

TF is the number of tuition fee pupils; and

PR is the per pupil rate of:

(a) \$84 for pupils in Regina and Saskatoon;

(b) \$64 for pupils in cities with a population of 12,000 to 50,000; and

(c) \$44 for pupils in Meadow Lake and cities with a population under 12,000.

(3) For francophone pupils and French immersion pupils who are transported by means of regular transportation in city school divisions, in city francophone education areas or in other approved school divisions in which transportation expenditures are declared by the minister to be eligible for grant support, transportation allowances equal the amount I calculated in accordance with the following formula:

$$I = F \times \$600$$

where F is the number of francophone pupils or French immersion pupils who are transported by means of regular transportation.

(4) For pupils who live outside city boundaries who are transported by means of regular rural transportation service in city school divisions or city francophone education areas, transportation allowances are calculated in accordance with subsection 18(2).

**Recognized transportation expenditures - non-cities**

18(1) For transportation in approved non-city school divisions and non-city francophone education areas, other than northern school divisions, transportation allowances equal the amounts calculated pursuant to this section.

(2) For pupils transported by means of regular rural transportation service, transportation allowances equal the amount TA calculated in accordance with the following formula:

$$TA = \left[ (A \times E) + \left( K \times RK \times \frac{D}{186} \right) \right]$$

where:

A is the amount specified in item 2 of Table 4 for each pupil for whom regular rural transportation service is provided each year;

E is the number of pupils for whom regular rural transportation service is provided;

K is the number of kilometres travelled by the regular rural transportation service for the transportation of pupils in one day;

RK is the recognized amount per kilometre of daily regular rural transportation service travel as specified in item 2 of Table 4; and

D is the number of days, to a maximum of 190 days, during the school year on which the school division arranges regular rural transportation service for pupils.

(3) For pupils transported by a supplemental means of transportation in addition to regular rural transportation service, or for pupils transported solely by a means of transportation other than regular rural transportation, transportation allowances to parents equal the total actual costs of transportation to a maximum of the amount per vehicle per kilometre of approved travel as specified in item 2 of Table 4.

**Recognized transportation expenditures – northern school divisions**

19(1) For local transportation in northern school divisions, transportation allowances equal the amounts calculated pursuant to this section.

(2) For pupils transported by means of regular rural transportation service, transportation allowances equal the amount TA calculated in accordance with the following formula:

$$TA = \left[ (A \times E) + \left( K \times RK \times \frac{D}{186} \right) \right] \times NF$$

where:

A is the amount specified in item 3 of Table 4 for each pupil for whom regular rural transportation service is provided each year;

E is the number of pupils for whom regular rural transportation service is provided;

K is the number of kilometres travelled by the regular rural transportation service for the transportation of pupils in one day;

RK is the recognized amount per kilometre of daily regular rural transportation service travel as specified in item 3 of Table 4;

D is the number of days, to a maximum of 190 days, during the school year on which the school division arranges regular rural transportation service for pupils; and

NF is the northern factor.

(3) For pupils transported by a supplemental means of transportation in addition to regular rural transportation service, transportation allowances to parents equal the total actual costs of transportation to a maximum of the product of:

(a) the amount per vehicle per kilometre of approved travel as specified in item 3 of Table 4; and

(b) the northern factor.

(4) For pupils transported solely by a means of transportation other than regular rural transportation, transportation allowances to parents equal the total actual costs of transportation to a maximum of the product of:

(a) the amount per vehicle per kilometre of approved travel as specified in item 3 of Table 4; and

(b) the northern factor.

**Other than local transportation – northern school divisions**

**20** For transportation, other than local transportation, in northern school divisions in which transportation expenditures are declared by the minister to be eligible for grant support, transportation allowances equal:

- (a) for high-cost disabled pupils boarding away from home, the total actual approved travel costs to and from the home and the place of boarding; and
- (b) for pupils other than high-cost disabled pupils boarding away from home, the total actual approved travel costs to a maximum of:
  - (i) with respect to pupils travelling by land, the product of:
    - (A) the amount per pupil per kilometre of approved travel by land as specified in item 4 of Table 4 for each kilometre of approved travel that each pupil travels on land; and
    - (B) the northern factor; and
  - (ii) with respect to pupils travelling by air, the amount per pupil per kilometre of approved air travel specified in item 4 of Table 4 for each kilometre of approved travel that each pupil travels by air.

**Recognized room and board expenditures**

**21** If a school division or the conseil scolaire pays a room and board allowance for a pupil who resides elsewhere than at home and who receives educational services outside that pupil's home attendance area, the recognized expenditure with respect to that allowance consists of amounts calculated on the basis of:

- (a) for school divisions, other than northern school divisions, and for the conseil scolaire, the total actual costs of room and board to a maximum of the amount set out in Table 5 for the specified type of pupil, per pupil per month; and
- (b) for northern school divisions, the total actual costs of room and board to a maximum of the product of:
  - (i) the amount for the specified type of pupil per month set out in Table 5 for each month during which expenditure is made for room and board for a pupil residing elsewhere than at home; and
  - (ii) the northern factor.

**Recognized facility rental expenditures**

**22** Recognized expenditures to rent facilities for school activities consist of amounts calculated on the basis of:

- (a) for school divisions, other than northern school divisions, and for the conseil scolaire, the total actual approved rental costs to a maximum of:
  - (i) for classroom rentals, the amount set out in Table 8 per approved classroom per month for each approved classroom rented each month; and
  - (ii) for gymnasias and halls, for each school, the lesser of the two amounts calculated on the basis of the alternative rates set out in Table 8; and

- (b) for northern school divisions, the total actual approved rental costs to a maximum of the product of:
  - (i) an amount calculated as specified in subclause (a)(i) plus an amount calculated as specified in subclause (a)(ii); and
  - (ii) the northern factor.

#### PART IV

### Recognized Educational Service Expenditures

#### Recognized expenditures

**23** Recognized educational service expenditures of a school division or the conseil scolaire consist of:

- (a) the total actual costs of employing substitute teachers for a maximum of seven consecutive days when the regular teacher is granted leave with full pay to attend a seminar or workshop that has received the prior approval of the minister;
- (b) the purchase of technical aids for high-cost disabled pupils if the purchase has received the prior approval of the minister;
- (c) the actual cost of tuition fees if a pupil in grades 9 to 12 is enrolled in the Saskatchewan Government Correspondence School, unless the pupil is a home-based education pupil;
- (d) 50% of the actual cost of tuition fees if a pupil in grades 9 to 12 who is a home-based education pupil is enrolled in the Saskatchewan Government Correspondence School;
- (e) in the case of the South Island Correspondence School, the actual cost of tuition fees if:
  - (i) a pupil in kindergarten to grade 8 is enrolled in the South Island Correspondence School; and
  - (ii) the enrolment is approved by the minister but is not recognized pursuant to subsection 8(1);
- (f) subject to clause (h), payments to other school divisions or the conseil scolaire, approved agencies or individuals, other than historical high schools as defined in *The Independent Schools Regulations*, for the purchase of educational services in the amount equal to the least of the following:
  - (i) the actual cost to purchase the educational services;
  - (ii) the sum of:
    - (A) the application of the basic rate set out in Table 2 to the actual number of pupils for whom educational services are purchased, multiplied, in the case of payments to the conseil scolaire, by the francophone allowance set out in section 15;



- (B) the application of the appropriate incremental rate set out in Table 3 to the actual number of high-cost disabled pupils for whom educational services are purchased; and
- (C) the application of the rates set out in subsections 8(6) and (7) and section 11 to the actual number of pupils for whom educational services are purchased, multiplied, in the case of payments to the conseil scolaire, by the francophone allowance set out in section 15;
- (iii) the amount of revenue reported by the school division providing the educational services or the conseil scolaire, with respect to the provision of those services;
- (g) payments to historical high schools, as defined in *The Independent Schools Regulations*, that meet the requirements of subsection 35(2), for the purchase of educational services in an amount equal to the application of the basic rate set out in Table 2 to the actual number of pupils for whom educational services are purchased; and
- (h) payments by a northern school division to other northern school divisions or approved educational institutions in the Northern Saskatchewan Administration District with respect to the purchase of educational services in the amount RE calculated in accordance with the following formula:

$$RE = F \times NF$$

where:

F is the amount calculated in accordance with clause (f) with respect to the educational services; and

NF is the northern factor.

## PART V Additional Recognized Expenditures

### Substitute or temporary teachers costs for sick leave

**24** Recognized expenditure costs for substitute or temporary teachers consist of:

- (a) in the case of a school division, that portion of the school division's 2003-2004 school year costs of employing substitute or temporary teachers in place of regular teachers who were absent on sick leave that is in excess of the amount calculated as 0.4 mills on the approved total 2004 equalized assessment of the school division; and

(b) in the case of the conseil scolaire or a comprehensive school that is operated by a joint board, that portion of the 2003-2004 school year costs of employing substitute or temporary teachers in place of regular teachers who were absent on sick leave that is in excess of the amount calculated as the product of:

- (i) the 2004 expenditures of the conseil scolaire or the 2004 expenditures of the comprehensive school, as the case may require;
- (ii) 0.4; and
- (iii) the equalization factor for 2004-2005.

**Additional recognized expenditures**

**25(1)** The minister may recognize any expenditures, in addition to those described in Parts II, III and IV, that the minister considers to be necessary operating expenditures of a school division.

(2) In determining the recognized local expenditures of the conseil scolaire for the purposes of an operating grant to the conseil scolaire, the minister:

- (a) shall recognize the expenditures described in Parts II, III and IV, subject to any modification that the minister considers necessary or appropriate; and
- (b) may recognize any additional expenditures that the minister considers to be necessary operating expenditures of the conseil scolaire.

(3) If a community school, a pre-kindergarten or an Indian and Métis Education Development project has been approved, the minister may recognize an amount for the operation of the programs.

## PART VI Recognized Revenue

**Recognized local revenue**

**26(1)** Recognized local revenue is to be determined in accordance with this Part.

(2) The assessment to be used in the calculation of grants for a year is the amount determined jointly by the minister and the school division, but if the final equalized assessment differs from the estimated equalized assessment, the appropriate adjustment is to be added to or recovered from the subsequent year's grant.

(3) Revenue from trailer fees and from grants in lieu of taxes is to be converted to an equivalent assessment, and those assessments are to be added to the equalized assessment of the school division.

**Fee revenue**

**27(1)** Fee revenues received by a school division, other than a northern school division, from other school divisions, the conseil scolaire, individuals, governments or institutions for the provision of educational services for pupils are recognized in an amount equal to the sum of:

- (a) the application of the basic rate set out in Table 2 to the actual number of pupils for whom educational services are provided;

- (b) the application of the incremental rates set out in Table 3 to the actual number of high-cost disabled pupils for whom educational services are provided; and
  - (c) the application of the rates set out in subsections 8(6) and (7) and section 11 to the actual number of pupils for whom educational services are provided.
- (2) Fee revenues received by a northern school division from other school divisions, the conseil scolaire, individuals, governments or institutions for the provision of educational services for pupils are recognized in an amount equal to the product of:
- (a) an amount equal to the amount determined in subsection (1); and
  - (b) the northern factor.
- (3) Fee revenues received by the conseil scolaire from school divisions, individuals, governments or institutions for the provision of educational services for pupils are recognized in an amount equal to the sum of:
- (a) the application of the basic rate set out in Table 2 to the actual number of pupils for whom educational services are provided, multiplied by the francophone allowance set out in section 15;
  - (b) the application of the incremental rates set out in Table 3 to the actual number of high-cost disabled pupils for whom educational services are provided; and
  - (c) the application of the rates set out in subsections 8(6) and (7) and section 11 to the actual number of pupils for whom educational services are provided, multiplied by the francophone allowance set out in section 15.

**Other recognized revenues**

- 28(1)** The minister may recognize any revenues, in addition to those described in sections 26 and 27, that the minister considers appropriate.
- (2) In determining the recognized local revenue of the conseil scolaire for the purposes of an operating grant to the conseil scolaire, the minister:
- (a) shall recognize the revenues described in section 27, subject to any modification that the minister considers necessary or appropriate; and
  - (b) may recognize any additional revenues that the minister considers appropriate.

PART VII  
**Capital Expenditures**

**Recognized capital expenditures**

**29** Recognized capital expenditures of a school division consist of:

(a) with respect to expenditures for recognized debt retirement for school facilities and, in the case of a school division located in the Northern Saskatchewan Administration District, teachers' residences, the sum of:

- (i) actual payments of principal and interest for approved capital loans and debentures; and
- (ii) actual payments made to other school divisions in lieu of direct debt retirement;

less any payments received for capital debt retirement from other school divisions, the Government of Canada, Indian bands or other institutions;

(b) the replenishment of any cash reserve funds recognized:

- (i) in equal annual instalments, including principal and interest, for a term agreed on by a board of education and the minister if those cash reserve funds are used by the board of education with the minister's approval for approved capital projects; and
- (ii) at an interest rate approved at the time the funding arrangement is completed; and

(c) the payment of capital grants recognized in accordance with the following payment schedule:

- (i) if the provincial share is to be paid out within one year after the date of project commencement and is less than or equal to \$50,000, one payment on confirmation of substantial completion;
- (ii) if the provincial share is to be paid out within one year after the date of project commencement and is greater than \$50,000, two payments:
  - (A) the first payment, equal to one-half of the provincial share, on notice of contract award; and
  - (B) the second payment on confirmation of substantial completion;
- (iii) if the provincial share is to be paid out over two or more consecutive years, payments in instalments, to a maximum of the approved amounts in any fiscal year, based on evidence acceptable to the minister that:
  - (A) sufficient progress has been made; and
  - (B) previous payments have been expended.

PART VIII  
**Capital Funding**

**Interpretation of Part**

**30(1)** In this Part:

- (a) **“ability to pay factor”** means the difference between one and the ratio of a school division’s basic grant to its net recognized expenditure;
- (b) **“actual usable area”** means the entire area of floor space in a school, in square metres, excluding any area of floor space used for:
  - (i) walls;
  - (ii) internal circulation in the school, including corridors, hallways, mudrooms, vestibules and foyers;
  - (iii) mechanical and boiler rooms;
  - (iv) janitorial and building maintenance areas;
  - (v) student washrooms;
  - (vi) gymnasium service areas, which include areas of floor space used for those purposes set out in the Saskatchewan Learning School Facilities Funding Guidelines;
  - (vii) servery areas as defined in the Saskatchewan Learning School Facilities Funding Guidelines;
- (c) **“approved construction area”** means the sum, in square metres, of the recognized area of new floor space for a construction project and the recognized area of renovated floor space for a construction project;
- (d) **“average provincial mill”** means the mathematical average of the value of one mill from all school divisions offering K-12 curricula for the 2003 assessment year;
- (e) **“base share”** means the numerical value BS calculated in accordance with the following formula:

$$BS = (0.657562 + UF) \times [(0.5 \times APF) + 0.25]$$

where:

UF is the utilization factor calculated pursuant to these regulations; and

APF is the ability to pay factor calculated pursuant to these regulations;

- (f) **“capital surplus”** means:
  - (i) surplus money from previous capital projects; and
  - (ii) interest earned on surplus money from previous capital projects;

- (g) **“debenture and loan interest”** means:
- (i) any revenue earned as interest on moneys received from the sale of debentures, before the issuance of the final approval of the capital project, that may be recognized by the minister; and
  - (ii) any revenue earned as interest on loans;
- (h) **“downpayment”** means the value of a school division’s contribution to capital project funding as determined by the department before public tender and is the product of:
- (i) the difference between:
    - (A) the total project cost with federal goods and services tax added; and
    - (B) the sum of:
      - (I) all applicable federal tax rebates;
      - (II) all third party funding;
      - (III) debenture and loan interest;
      - (IV) unused capital surplus; and
      - (V) provincial capital reserves held by that school division; and
  - (ii) the school division share percentage;
- (i) **“maximum provincial contribution”** means the maximum value, in the minister’s discretion, of provincial funding for a capital project and is the difference between:
- (i) the total project cost; and
  - (ii) the sum of:
    - (A) the school division’s downpayment;
    - (B) all applicable federal tax rebates;
    - (C) all third party funding;
    - (D) debenture and loan interest;
    - (E) unused capital surplus; and
    - (F) provincial capital reserves held by the school division;

(j) “**mill factor**” means the numerical value ML calculated in accordance with the following formula:

$$ML = \frac{\log (BM \div APM)}{C} \times BS$$

where:

BM is the value of the particular school division’s 2003 mill;

APM is the average 2003 provincial mill;

C is the numerical value required to produce the required range of school division share percentages; and

BS is the base share for the school division, calculated pursuant to these regulations;

(k) “**net recognized expenditure**” means the difference between a school division’s total recognized expenditure and tuition fee revenue;

(l) “**provincial capital reserves**” means the money derived from the following sources to be applied to the provincial share of an approved project:

- (i) net proceeds from rental revenue;
- (ii) net proceeds from the sale of school properties;
- (iii) recognized provincial share of federal tuition fees;
- (iv) interest earned on any of the sources listed in subclauses (i) to (iii);

(m) “**recognized usable area**” means the recognized area of floor space in a school, in square metres, as determined in accordance with the Saskatchewan Learning School Facilities Funding Guidelines;

(n) “**school division share percentage**” means the level of school division contribution for funding capital construction and is the sum of:

- (i) the base share; and
- (ii) the mill factor;

(o) “**target school**” means the specific school for which a capital funding request is made by a school division;

(p) “**total actual usable area**” means the sum of:

- (i) the actual usable area in a target school; and
- (ii) the sum of the actual usable areas for all schools currently in operation that are located:
  - (A) within a 30-kilometre radius of a target school; and
  - (B) in the same school division as the target school;

- (q) **“total construction cost”** means the board of education’s choice of publicly tendered offers to construct a capital project, but excluding consultants’ fees and associated provincial sales taxes on those fees, department construction allowances, miscellaneous costs, site purchase costs, and the federal goods and services tax;
- (r) **“total construction estimate”** means the sum of all proposed construction estimates, but excluding consultants’ fees and associated provincial sales taxes on those fees, department construction allowances, miscellaneous costs, site purchase costs, and the federal goods and services tax;
- (s) **“total project cost”** means the total construction cost plus consultants’ fees and associated provincial sales taxes on those fees, department construction allowances, miscellaneous costs, site purchase costs, and all applicable provincial taxes, but excluding the federal goods and services tax;
- (t) **“total recognized usable area”** means the sum of:
- (i) the recognized usable area for a target school; and
  - (ii) the sum of the recognized usable areas for all schools currently in operation that are located:
    - (A) within a 30-kilometre radius of a target school; and
    - (B) in the same school division as a target school.
- (2) This Part applies, with any necessary modification, to capital grants to the conseil scolaire.

**Utilization factor**

- 31(1) Subject to subsection (2), the utilization factor for a target school is the amount calculated as the difference between:
- (a) 0.8; and
  - (b) the quotient obtained when the total recognized usable area is divided by the total actual usable area.
- (2) The utilization factor is to be deemed to be zero if:
- (a) the utilization factor, as calculated pursuant to subsection (1), yields a negative or zero value; or
  - (b) the capital project:
    - (i) has a total approved cost of less than \$100,000; and
    - (ii) does not involve the addition of new general instructional areas or the conversion of existing general instructional areas to new program instructional areas.



**Building grants**

**32(1)** For the purposes of this section:

- (a) the amount of a downpayment paid by a school division for an approved project is to be determined by the regulations in effect for the year in which initial funding approval for the project is given; and
  - (b) if the minister approves funding for a project over more than one fiscal year, the school division share percentage applicable to each fiscal year in which funding is approved continues to be the share percentage in effect for the school division for the fiscal year in which initial funding approval for the project is given.
- (2) Subject to subsections (3) to (8), the downpayment is the difference between:
- (a) the total project cost with federal goods and services tax added; and
  - (b) the sum of:
    - (i) the maximum provincial contribution;
    - (ii) all applicable federal tax rebates;
    - (iii) all third party funding;
    - (iv) debenture and loan interest;
    - (v) unused capital surplus; and
    - (vi) provincial capital reserves held by that school division.
- (3) The minimum value of the downpayment of the school division is the lesser of:
- (a) 0.1 mill applied to the total equalized assessment of the school division for 2003; and
  - (b) for:
    - (i) roof projects, \$5,000;
    - (ii) fuel tank removal, \$5,000 per tank; or
    - (iii) all other capital projects, \$50,000.
- (4) If an approved project requires the transfer of relocatable classrooms within the geographic boundaries of a school division, the maximum provincial contribution is \$5,000 per relocatable classroom.
- (5) If the approved project consists of facility planning, structural or technical studies or demographic analysis not connected with a stage 1 planning approval, the school division downpayment will be equal to 50% of the difference between:
- (a) the total project cost with federal goods and services taxes added; and
  - (b) the sum of:
    - (i) all applicable third party funding; and
    - (ii) the federal goods and services tax rebate.

- (6) For the purposes of subsection (5):
- (a) “**stage 1 planning approval**”, as distinct from a stage 2 construction approval, means the minister’s approval for a school division to commission preliminary architectural or engineering studies, demographic analysis or facility audits to better determine the cost and scope of work for a proposed capital project with an estimated total construction cost exceeding \$500,000;
  - (b) “**stage 2 construction approval**” means the minister’s approval for a school division to commission construction tender documents for a proposed capital project with an estimated total construction cost exceeding \$500,000 after the minister has:
    - (i) issued a stage 1 planning approval for the proposed capital project; and
    - (ii) approved the school division’s planning and cost estimate report for the proposed capital project.
- (7) There is no minimum value for the downpayment of the school division:
- (a) for the purposes of accessibility modifications; or
  - (b) for installation of telecommunications or computer cable networks.
- (8) Subject to subsection (9), the maximum provincial contribution will be revised to reflect the total project cost with federal goods and services tax added.
- (9) The minister may withhold, in whole or in part, any additional provincial contribution pursuant to subsection (8) if the scope of the project exceeds:
- (a) the approved construction area for that project; or
  - (b) the current approved construction cost guidelines as set out in the Saskatchewan Learning School Facilities Funding Guidelines.
- (10) If the maximum provincial contribution is revised pursuant to subsection (8) or (9), the downpayment to be paid by the school division will be recalculated in accordance with this section.

**Transferred school**

**33(1)** This section applies to a school:

- (a) that on or after July 1, 2003 and on or before July 1, 2004:
  - (i) was transferred by the minister from one school division to another pursuant to section 118 of the Act; or
  - (ii) became part of a new school division established pursuant to section 41 of the Act; and
- (b) with respect to which initial approval for a capital project is given in 2005-2006.

(2) Notwithstanding any other provision of this Part, the school division share percentage with respect to an approved capital project in any school described in subsection (1) is the lesser of:

- (a) the 2005-2006 share percentage for the school division in which the school is currently located; and
- (b) the share percentage in effect for the school division from which the school was transferred at the time of the transfer.

**Northern teacherage allowances**

**34** Northern teacherage allowances are payable to a northern school division to a maximum amount equal to the difference between:

- (a) the previous year's actual teacherage expenditure; and
- (b) the previous year's actual teacherage expenditure divided by the northern factor.

**Historical high schools cash reserves and conseil scolaire**

**35(1)** Subject to subsection (2), the minister may pay a grant to a historical high school, as defined in *The Independent Schools Regulations*, other than Caronport High School and Rivier Academy, for capital construction in an amount equal to 20% of the recognized costs of the facilities, including architect's fees.

(2) A historical high school, as defined in *The Independent Schools Regulations*, other than Caronport High School and Rivier Academy, is eligible for a grant pursuant to this section only if the historical high school:

- (a) meets the requirements of the minister, the Act and the regulations with respect to courses of study, qualifications of teachers, operating schedules and supervision;
- (b) furnishes the minister with any information that the minister may require with respect to finances, structure and administration of the school; and
- (c) with respect to capital projects, submits preliminary drawings and cost estimates of proposed projects to the minister.

**PART IX**  
**Miscellaneous**

**Independent schools**

**36(1)** Subject to subsections (2) to (4), grants to assist in the operation of a historical high school, as defined in *The Independent Schools Regulations*, are payable for each pupil enrolled in grades 9 to 12 in the school who is a Saskatchewan resident, but who is not sponsored by a board of education, in an amount equal to the appropriate basic rates set out in Table 2 for the school division in which the historical high school is located.

(2) Grants are payable to a historical high school pursuant to subsection (1) only if the historical high school meets the criteria set out in subsection 35(2).

(3) Caronport High School and Rivier Academy are not eligible for grants pursuant to this section.

(4) Grants to assist in the operation of Ranch Ehrlo Society, incorporated pursuant to *The Non-profit Corporations Act, 1995*, are payable with respect to the provision of educational services to recognized pupils by the Society in an amount recognized by the minister.

**Grants to parent-management boards**

**37** Grants are payable to parent-management boards for approved classes established for the instruction of pre-school and school-aged high-cost disabled pupils in an amount equal to the sum of:

- (a) the basic rates and recognized incremental rates per pupil per year set out in Tables 2 and 3 for each pupil enrolled; and
- (b) expenditures for transportation calculated pursuant to sections 17 to 20.

**Grant in lieu of actual tax in excess of equalization factor**

**38** A grant in the amount of \$862,389 is payable to the conseil scolaire in lieu of actual tax in excess of the equalization factor.

**Additional grant payment**

**39** In addition to any other expenditure recognized by the minister pursuant to these regulations, the minister may make a grant to a school division or the conseil scolaire equal to the recognized amount in the following categories:

- (a) redundancy pay costs for teachers;
- (b) Supplemental Unemployment Benefits Plan payments;
- (c) teacher salary increases if those costs cannot be included on a global basis in the Foundation Operating Grant Pool;
- (d) secondments to the Department of Learning;
- (e) substitute teacher costs for internship seminars;
- (f) special education ACCESS secondments;
- (g) on-line course development for distance education;
- (h) any other recognized amount for which the minister determines that all school divisions and the conseil scolaire are to be eligible for grant payments.

**PART X**

**Repeal and Coming into force**

**R.R.S. c.E-0.2 Reg 15 repealed**

**40** *The 2004-2005 School Grant Regulations* are repealed.

**Coming into force**

**41** These regulations come into force on the day on which they are filed with the Registrar of Regulations, but are retroactive and are deemed to have been in force on and from April 1, 2005.

**Appendix**TABLE 1  
[Subsection 9(3)]**Isolated School Factors**

<i>Number of pupils in kindergarten or in any grade</i>	<i>Rate per pupil</i>
1	\$ 7,100
2	6,400
3	5,700
4	5,000
5	4,300
6	3,600
7	3,100
8	2,600
9	2,100
10	1,600
11	1,100
12	600
13 or more	0

TABLE 2  
[Subsections 8(1) and 36(1)]**Basic Rates Per Pupil Enrolled**

<i>Type of pupil</i>	<i>Rate for Regina and Saskatoon School Divisions</i>	<i>Rate for other school divisions and for the conseil scolaire</i>
Kindergarten	\$2,397	\$2,478
Elementary Level	4,683	4,820
Middle Level	4,917	5,070
Secondary Level	5,448	5,618

TABLE 3  
[Subsection 8(2)]**Recognized Incremental Rates Per Pupil Enrolled**

<i>Type of pupil</i>	<i>Rate per pupil enrolled</i>
High-cost disabled (level 1)	\$ 6,300
High-cost disabled (level 2)	12,610

TABLE 4  
[Sections 17 to 20]

**Pupil Transportation Rates**

1. All school divisions and the division scolaire francophone that are transporting pupils by means other than regular transportation:	
(a) recognized per pupil per year	\$2,650.00
(b) recognized per pupil per day	14.25
2. Approved non-city school divisions or non-city francophone education areas and other approved francophone education areas:	
(a) recognized per pupil per year	175.00
(b) recognized per kilometre of daily regular rural transportation service travel	175.00
(c) recognized payment to parents per vehicle per kilometre of approved travel if one or two pupils are being transported	0.30
(d) recognized payment to parents per vehicle per kilometre of approved travel if more than two pupils are being transported	0.60
3. Local transportation in northern school divisions:	
(a) recognized per pupil per year	175.00
(b) recognized per kilometre of daily regular rural transportation service travel	175.00
(c) recognized payment to parents per vehicle per kilometre of approved travel if one or two pupils are transported	0.30
(d) recognized payment to parents per vehicle per kilometre of approved travel if more than two pupils are transported	0.60
4. Other than local transportation in northern school divisions:	
(a) recognized payment to parents per vehicle per kilometre of approved travel by land	0.30
(b) recognized per pupil per kilometre of approved travel by air	1.00

TABLE 5  
[Section 21]

**Room and Board Rates**

<i>Type of pupil</i>	<i>Rate per month</i>
High-cost disabled	\$441
Other than high-cost disabled	319

TABLE 6  
[Subsection 8(3)]

**Approved Language Program and Implementation – School Division**

<i>Recognized rate per full-time equivalent</i>	<i>Percentage of time used in second language instruction</i>	<i>Implementation year grant per pupil</i>
\$246	0 – 24	\$ 51
348	25 – 49	99
455	50 – 100 (Type B)	158
571	75 – 100 (Type A)	220

TABLE 7  
[Subsection 8(4)]

**Approved Language Program and Implementation – conseil scolaire**

<i>Recognized rate per full-time equivalent</i>	<i>Percentage of time used in French language instruction</i>	<i>Implementation year grant per pupil</i>
\$455	50 – 74	\$158
571	75 – 100	220

TABLE 8  
[Section 22]

**Maximum Recognized Rental for Facilities**

<i>Facility</i>	<i>School division or the conseil scolaire rates</i>
Classrooms	\$ 307/month
Gymnasias and halls	55/pupil/year or 9,311/year

**SASKATCHEWAN REGULATIONS 14/2006***The Crown Minerals Act*

## Section 22

Order in Council 156/2006, dated March 7, 2006

(Filed March 8, 2006)

**Title**

**1** These regulations may be cited as *The Crown Oil and Gas Royalty Amendment Regulations, 2006*.

**R.R.S. c.C-50.2 Reg 9 amended**

**2** *The Crown Oil and Gas Royalty Regulations* are amended in the manner set forth in these regulations.

**Section 2 amended**

**3(1) Clause 2(a.1) is repealed.**

**(2) Subclause 2(f.1)(ii) is amended by striking out** “for the purposes of these regulations” **and substituting** “for the purposes of these regulations or that is approved pursuant to section 34.1”.

**Section 7.2 amended**

**4 Subsection 7.2(1) is amended by striking out** “2007” **and substituting** “2012”.

**New section 26**

**5 Section 26 is repealed and the following substituted:**

**“Interpretation**

**26(1)** In this Part, respecting all EOR projects:

(a) **‘administrative cost allowance’** for any royalty year respecting an EOR project means:

(i) an amount equal to 10% of the direct EOR operating costs of the EOR project for the royalty year; or

(ii) any other amount that may be established by order of the minister as the administrative cost allowance;

(b) **‘Crown-acquired lands’** means Crown-acquired lands within the meaning of *The Freehold Oil and Gas Production Tax Act*;

(c) **‘current investment’** for any royalty year respecting an EOR project means:

(i) for the royalty year in which the EOR project commences operation, the amount of investment in the EOR project that is made or incurred during that royalty year or any prior royalty year; and

(ii) for any subsequent royalty year, the amount of any investment in the EOR project that is made or incurred during that royalty year;

(d) **‘direct EOR operating costs’** for any royalty year respecting an EOR project means the amount by which the total direct operating costs of the EOR project for the royalty year exceed the direct non-EOR operating costs of the EOR project for the royalty year;



- (e) **‘direct non-EOR operating costs’** for any royalty year respecting an EOR project means the amount equal to the product of:
- (i) the production of oil that is not EOR oil, measured in cubic metres, produced from or allocated to the EOR project during the royalty year; and
  - (ii) the direct non-EOR operating costs factor of the EOR project for the royalty year;
- (f) **‘direct non-EOR operating costs factor’** for any royalty year respecting an EOR project means:
- (i) \$22 per cubic metre; or
  - (ii) any other amount that may be established by order of the minister;
- (g) **‘disposition’** with respect to a project asset means the sale or other disposition of the project asset, or any other transaction or event as a result of which the project asset ceases to be used for or in connection with the EOR project with respect to which it is a project asset, and includes any cessation of use of the project asset for or in connection with that EOR project on or as a result of the cessation of operation of that EOR project, but does not include any temporary cessation of use for the purpose only of performing required repairs or maintenance;
- (h) **‘gross EOR Crown revenues’** for any month or royalty year respecting an EOR project means that proportion of the gross EOR revenues of the EOR project for the month or royalty year, as the case may be, that is allocated to the Crown lands respecting the EOR project pursuant to section 27;
- (i) **‘gross EOR revenues’** respecting an EOR project means:
- (i) for any month, the product obtained when the production of EOR oil, measured in cubic metres, produced from or allocated to the EOR project during the month is multiplied by the well-head value determined in accordance with section 16 for that month; and
  - (ii) for any royalty year, the sum of the amounts determined for the EOR project in accordance with subclause (i) for each month in the royalty year;
- (j) **‘post-payout ratio’** for any royalty year respecting an EOR project means the amount by which 1.0 exceeds the pre-payout ratio for the royalty year;
- (k) **‘proceeds of disposition’** with respect to a disposition of a project asset respecting an EOR project means an amount equal to the greater of:
- (i) the aggregate of all amounts received or to become receivable as or on account of the disposition of the project asset, whether as or on account of its sale price or otherwise; and
  - (ii) the fair market value of the project asset at the time of disposition;

- (l) **'project asset'** means any asset with respect to which an amount has been included as an investment in an EOR project;
- (m) **'royalty year'** with respect to an EOR project means the calendar year or any other period not exceeding 53 weeks that is approved by the minister;
- (n) **'total direct operating costs'** for any royalty year respecting an EOR project means the costs and expenses of an operating nature that are made or incurred respecting the EOR project during the royalty year and that are directly related or attributable to the EOR project or to the production of oil from the EOR project, including the costs and expenses made or incurred respecting lifting and treating the oil produced from or allocated to the EOR project and injecting any substance into a wellbore for the purpose of assisting in the production of oil from the EOR project, but does not include any cost or expenditure that may be categorized as either an investment or an operating cost, or that is incurred respecting:
- (i) an investment in the EOR project;
  - (ii) any income taxes, profit taxes or other similar taxes;
  - (iii) any royalty or any other payment that is paid to any person respecting any interest held by or on behalf of that person in the lands respecting the EOR project or the production of oil from the EOR project or any revenue derived from the production of the oil;
  - (iv) any overhead or administrative expense, or any amount paid or payable as, on account of or instead of payment of, or in satisfaction of, interest; or
  - (v) any transportation expenses that may be deducted in calculating the well-head value for the purpose of determining the gross EOR revenues of an EOR project;
- (o) **'total EOR operating costs'** for any royalty year respecting an EOR project means the sum of the direct EOR operating costs and the administrative cost allowance of the EOR project for the royalty year.
- (2) In this Part, respecting an EOR project that commenced operation before April 1, 2005:
- (a) **'closing investment balance'** for any royalty year respecting the EOR project means the amount, if any, by which the total investment balance exceeds the investment allowance of the EOR project for the royalty year;
  - (b) **'closing operating loss balance'** for any royalty year respecting the EOR project means the amount, if any, by which the total operating loss balance exceeds the operating loss allowance of the EOR project for the royalty year;
  - (c) **'Crown EOR income subject to royalty'** for any royalty year respecting the EOR project means the amount, if any, by which that portion of the EOR operating income of the EOR project for the royalty year that is allocated to the Crown lands respecting the EOR project pursuant to section 27 exceeds that portion of the net royalty payments of the EOR project for the royalty year that is allocated to the Crown lands respecting the EOR project pursuant to section 27;

(d) **'current EOR operating losses'** for any royalty year respecting the EOR project means the amount, if any, by which the sum of the total EOR operating costs and the royalty deduction exceeds the sum of the gross EOR revenues and recovered investment respecting the EOR project for the royalty year;

(e) **'current EOR operating profits'** for any royalty year respecting the EOR project means the amount, if any, by which the sum of the gross EOR revenues and recovered investment exceeds the sum of the total EOR operating costs and the royalty deduction respecting the EOR project for the royalty year;

(f) **'EOR operating income'** for any royalty year respecting the EOR project means the amount, if any, by which the sum of the gross EOR revenues and the recovered investment exceeds the total EOR operating costs for the royalty year;

(g) **'escalated investment balance'** for any royalty year respecting the EOR project means the amount determined by increasing the opening investment balance by the escalation factor;

(h) **'escalated operating loss balance'** for any royalty year respecting the EOR project means the amount determined by increasing the opening operating loss balance by the escalation factor;

(i) **'escalation factor'** for any royalty year respecting the EOR project means:

(i) 10% or any other percentage that may be established by order of the minister as the escalation factor of EOR projects for the royalty year; or

(ii) if the royalty year is less than 12 months in duration, or if the EOR project ceases to operate for a portion of the royalty year, excluding any temporary cessation of operation for the purpose of performing repairs or maintenance, that proportion of the escalation factor otherwise in effect for the royalty year that the number of days in the royalty year bears to 365;

(j) **'investment'** respecting the EOR project means:

(i) that portion, approved by the minister, of the costs and expenditures of a capital or developmental nature that is made or incurred respecting the EOR project and is required for the purpose of producing EOR oil from the EOR project; and

(ii) the cost of any substances, other than water, that are injected into the reservoir for the purpose of enhancing the recovery of oil;

in each case without deducting any amount credited, granted or paid to any person pursuant to any oil incentive program maintained or administered by the Government of Canada or the Government of Saskatchewan, other than credits applied towards the remission of royalties and taxes pursuant to *The Petroleum Research Incentive Regulations* that relate to the EOR project;

(k) **‘investment allowance’** for any royalty year for the EOR project means an amount equal to the lesser of:

- (i) the total investment balance of the EOR project for the royalty year; and
- (ii) the net EOR operating profits of the EOR project for the royalty year;

(l) **‘net EOR operating profits’** for any royalty year respecting the EOR project means the amount, if any, by which the current EOR operating profits exceed the operating loss allowance respecting the royalty year;

(m) **‘net royalty lease’** means a lease mentioned in section 39 of ‘The Petroleum and Natural Gas Regulations, 1969’, being Saskatchewan Regulations 8/69, and includes any other arrangement pursuant to which any person is required to pay to the Crown respecting oil that is produced from or allocated to Crown lands or Crown-acquired lands, an amount greater than the amount that would have been payable had the oil been produced pursuant to a lease granted pursuant to Part V of ‘The Petroleum and Natural Gas Regulations, 1969’, being Saskatchewan Regulations 8/69;

(n) **‘net royalty payment’** means the amount by which the payments required to be made to the Crown pursuant to a net royalty lease respecting oil produced from or allocated to Crown lands or Crown-acquired lands exceeds the amount that would have been payable had the oil been produced under a lease granted pursuant to Part V of ‘The Petroleum and Natural Gas Regulations, 1969’, being Saskatchewan Regulations 8/69;

(o) **‘opening investment balance’** for any royalty year respecting the EOR project means:

- (i) for the royalty year in which the EOR project commences operation, nil; and
- (ii) for any subsequent royalty year, an amount equal to the closing investment balance of the EOR project for the preceding royalty year;

(p) **‘opening operating loss balance’** for any royalty year respecting the EOR project means:

- (i) for the royalty year in which the EOR project commences operation, nil; and
- (ii) for any subsequent royalty year, an amount equal to the closing operating loss balance of the EOR project for the preceding royalty year;

(q) **‘operating loss allowance’** for any royalty year respecting the EOR project means an amount equal to the lesser of:

- (i) the total operating loss balance of the EOR project for the royalty year; and
- (ii) the current EOR operating profits of the EOR project for the royalty year;

(r) **'pre-payout ratio'** for any royalty year respecting the EOR project means:

(i) respecting any royalty year for which the net EOR operating profits are greater than nil, the quotient obtained when the investment allowance is divided by the net EOR operating profits respecting the royalty year; and

(ii) respecting any royalty year for which the net EOR operating profits are nil, 1.0;

(s) **'recovered investment'** for any royalty year respecting the EOR project means an amount equal to the lesser of:

(i) the amount by which the aggregate of the proceeds of disposition arising on all dispositions during that royalty year of project assets respecting the EOR project exceeds the sum of the escalated investment balance and the current investment for the royalty year; and

(ii) the amount by which the aggregate of all investment allowances respecting the EOR project for all royalty years ending after December 31, 1981 and before the particular royalty year exceeds the aggregate of all recovered investments respecting the EOR project for all royalty years ending after December 31, 1981 and before the particular royalty year;

(t) **'royalty deduction'** means, for any royalty year for the EOR project, unless the EOR project is an EOR project to which *The Weyburn Unit CO<sub>2</sub> Crown Oil Royalty Regulations* apply, an amount equal to the sum of:

(i) the amount by which the amount that is not the least or greatest of the following amounts exceeds the amount equal to the product of the SRC and the gross EOR Crown revenues for the EOR project for the royalty year:

(A) 1% of the gross EOR Crown revenues of the EOR project for the royalty year;

(B) 5% of the gross EOR Crown revenues of the EOR project for the royalty year;

(C) 10% of the Crown EOR income subject to royalty of the EOR project for the royalty year;

(ii) any net royalty payments made to the Crown for the royalty year respecting any EOR oil produced from the EOR project and allocated to the lands that are subject to a net royalty lease;

(iii) the amount by which the amount that is not the least or greatest of the amounts set out in paragraphs (A), (B) and (C) exceeds the amount set out in paragraph (D), where 'gross EOR Crown-acquired revenues' and 'Crown-acquired EOR income subject to tax' have the meanings provided in Part IV of *The Freehold Oil and Gas Production Tax Regulations, 1995*:

(A) 1% of the gross EOR Crown-acquired revenues of the EOR project for the royalty year;

(B) 5% of the gross EOR Crown-acquired revenues of the EOR project for the royalty year;

(C) 10% of the Crown-acquired EOR income subject to tax of the EOR project for the royalty year;

(D) the amount equal to the product of the SRC and the gross EOR Crown-acquired revenues of the EOR project for the royalty year; and

(iv) any royalties paid for the royalty year to a person, other than the Crown, who is a beneficial owner of oil and gas rights within the meaning of section 28 of *The Freehold Oil and Gas Production Tax Act* respecting any EOR oil produced from or allocated to the lands subject to those oil and gas rights, but where those royalties are paid pursuant to an agreement or arrangement that was made before 1986, and that agreement or arrangement has been amended to increase the royalties payable after December 31, 1985, the increase must be approved by the minister;

(u) '**total investment balance**' for any royalty year respecting the EOR project means the amount, if any, by which the sum of the escalated investment balance and the current investment exceeds the aggregate of the proceeds of disposition arising on all dispositions during that royalty year of project assets respecting the EOR project;

(v) '**total operating loss balance**' for any royalty year respecting the EOR project means the sum of the escalated operating loss balance and the current EOR operating losses respecting the royalty year.

(3) In this Part, respecting EOR projects that commenced operation on or after April 1, 2005:

(a) '**CCT allowance**' for any royalty year respecting the EOR project means the product of:

(i) the gross EOR revenues of the EOR project for the royalty year; and

(ii) either:

(A) if the minister has not established an amount for the royalty year pursuant to paragraph (B), 2%; or

(B) an amount, expressed as a percentage, that may be established by order of the minister in recognition of the Corporation Capital Tax surcharge rate applicable to the gross EOR revenues of the EOR project for the royalty year;

(b) **'closing unrecovered costs'** for any royalty year respecting the EOR project means the amount by which the total unrecovered costs exceeds the cost recovery allowance of the EOR project for the royalty year;

(c) **'cost recovery allowance'** for any royalty year respecting the EOR project means the lesser of:

(i) the total unrecovered costs of the EOR project for the royalty year; and

(ii) the EOR operating income of the EOR project for the royalty year;

(d) **'EOR operating income'** for any royalty year respecting the EOR project means the sum of the operating revenue and the recovered investment of the EOR project for the royalty year;

(e) **'escalated unrecovered costs'** for any royalty year respecting the EOR project means the product of:

(i) the opening unrecovered costs of the EOR project for the royalty year; and

(ii) the escalation factor of the EOR project for the royalty year;

(f) **'escalation factor'** for any royalty year respecting the EOR project means:

(i) 5% or any other percentage that may be established by order of the minister as the escalation factor of the EOR project for the royalty year; or

(ii) if the royalty year is less than 12 months in duration, or if the EOR project ceases to operate for a portion of the royalty year, excluding any temporary cessation of operation for the purpose of performing repairs or maintenance, that proportion of the escalation factor otherwise in effect for the royalty year that the number of days in the royalty year bears to 365;

(g) **'investment'** respecting the EOR project means:

- (i) that portion, approved by the minister, of the costs and expenditures of a capital or developmental nature that is made or incurred respecting the EOR project and is required for the purpose of producing EOR oil from the EOR project; and
- (ii) the cost of any substances, other than water, that are injected into the reservoir for the purpose of enhancing the recovery of oil;

in each case without deducting any amount credited, granted or paid to any person pursuant to any oil incentive program maintained or administered by the Government of Canada or the Government of Saskatchewan;

(h) **'opening unrecovered costs'** for any royalty year respecting the EOR project means:

- (i) for the royalty year in which the EOR project commences operation, nil; and
- (ii) for any subsequent royalty year, an amount equal to the closing unrecovered costs of the EOR project for the preceding royalty year;

(i) **'operating loss'** for any royalty year respecting the EOR project means the amount by which the sum of the total EOR operating costs and the CCT allowance exceeds the gross EOR revenues of the EOR project for the royalty year;

(j) **'operating revenue'** for any royalty year respecting the EOR project means the amount by which the gross EOR revenues exceeds the sum of the total EOR operating costs and the CCT allowance of the EOR project for the royalty year;

(k) **'pre-payout ratio'** for any royalty year respecting the EOR project means:

- (i) respecting any royalty year for which the closing unrecovered costs are nil, the quotient obtained when the cost recovery allowance is divided by the EOR operating income of the EOR project for the royalty year; and
- (ii) respecting any royalty year for which the closing unrecovered costs are greater than nil, 1.0;

(l) **'recovered investment'** for any royalty year respecting the EOR project means an amount equal to the lesser of:

- (i) the amount by which the aggregate of the proceeds of disposition arising on all dispositions during that royalty year of project assets respecting the EOR project exceeds the sum of the following amounts respecting the EOR project for the royalty year:
  - (A) escalated unrecovered costs;
  - (B) operating loss;
  - (C) current investment; and



(ii) the amount by which the aggregate of all cost recovery allowances respecting the EOR project for all royalty years before the particular royalty year exceeds the sum of the aggregate of the recovered investments and the operating losses respecting the EOR project for all royalty years before the particular royalty year;

(m) **‘total unrecovered costs’** for any royalty year respecting the EOR project means the amount by which the sum of the following amounts respecting the EOR project for the royalty year exceeds the aggregate of the proceeds of disposition of the EOR project for the royalty year:

- (i) escalated unrecovered costs;
- (ii) operating loss;
- (iii) current investment”.

Section 28 amended

**6 Clause 28(a) is amended:**

**(a) in subclause (ii) by striking out** “for an EOR project other than a CO<sub>2</sub> enhanced recovery project or a project to which section 34 applies” **and substituting** “for an EOR project that commenced operation before April 1, 2005, other than an EOR project to which *The Weyburn Unit CO<sub>2</sub> Crown Oil Royalty Regulations* apply or an EOR project to which section 34 applies”;

**(b) in subclause (iii):**

**(i) in the portion preceding paragraph (A) by striking out** “for a CO<sub>2</sub> enhanced oil recovery project” **and substituting** “for an EOR project that commenced operation on or after April 1, 2005, other than an EOR project to which section 34 or 34.1 applies,”; **and**

**(ii) in paragraph (B) by striking out** “Crown EOR income subject to royalty of the project for the royalty year” **and substituting** “EOR operating income allocated to the Crown lands respecting the EOR project for the royalty year pursuant to section 27”; **and**

**(c) by adding the following subclause after subclause (iii):**

“(iv) the Crown royalty rate for an EOR project to which section 34.1 applies is equal to the fraction, expressed as a percentage, the numerator of which is the aggregate of paragraphs (A), (B) and (C) and the denominator of which is the gross EOR Crown revenues of the EOR project for the royalty year:

- (A) the product obtained when the pre-payout ratio of the EOR project for the royalty year is multiplied by 1% of the gross EOR Crown revenues of the EOR project for the royalty year;

(B) the product obtained when the post-payout ratio of the EOR project for the royalty year is multiplied by the aggregate of the fourth tier oil royalty amounts determined every month in the royalty year in accordance with section 15 respecting EOR oil produced from or allocated to Crown lands for all oil wells that are part of the EOR project; and

(C) the product obtained when 20% is multiplied by the portion of recovered investment allocated to the Crown lands respecting the EOR project for the royalty year pursuant to section 27”.

**Section 30 amended**

**7 Clauses 30(e) and (i) are repealed.**

**New section 34.1**

**8 The following section is added after section 34:**

**“Fourth tier oil - EOR projects**

**34.1** For the purpose of subclause 2(f.1)(ii) and with the agreement of the operator of an EOR project, the minister may approve as fourth tier oil the portion of EOR oil produced from the EOR project during a royalty year equal to the product of:

- (a) the post-payout ratio of the EOR project for the royalty year; and
- (b) the total amount of EOR oil produced from the EOR project during the royalty year”.

**Section 42 amended**

**9 Subclause 42(f.1)(i) is amended in the portion preceding paragraph (A) by striking out “rounded to the nearest cent” and substituting “or dollars per gigajoule”.**

**New section 44.3**

**10 Section 44.3 is repealed and the following substituted:**

**“Calculation of OGP**

**44.3** The OGP is to be calculated for every month for each operator or special operator in accordance with the following formula:

$$\text{OGP} = \frac{S - T}{V + F}$$

where:

S is the total gross value of gas sales for the month where the gross value of each gas sale is determined by multiplying the gross price of each sale, other than sales excluded pursuant to section 44.2, by the amount of gas delivered to the purchaser at the point of sale;

T is the transportation allowance for the month;

V is the volume of gas related to the sales included in S; and

F is any volume of gas delivered to the arm’s-length carrier or carriers of the gas to compensate for fuel and line loss respecting any gas sales included in S where the value was not included in the transportation allowance for the month”.

**New section 46****11 Section 46 is repealed and substituted with the following:****“Well-head value of gas**

**46** For the purpose of section 45, the operator’s or special operator’s well-head value of each category of gas is the amount, if any, by which the following amount exceeds the gas cost allowance:

- (a) if the operator or special operator has received minister’s approval to use the PGP pursuant to section 44.1, the PGP;
- (b) if the operator or special operator has not received minister’s approval to use the PGP pursuant to section 44.1 and if clause (c) does not apply, the OGP; or
- (c) if the department has not received the required sales information related to the gas pursuant to subsection 44.2(1) at the time or times required by the department, a fair value determined by the minister to be used until the required sales information is received by the department”.

**New sections 54.1 and 54.2****12 The following sections are added before section 55:****“Forms prescribed**

**54.1(1)** The certificate set out in Form A of the Appendix is prescribed for the purpose of clause 16.01(1)(a) of *The Crown Minerals Act*.

(2) The notice of intention set out in Form B of the Appendix is prescribed for the purpose of subsection 16.02(2) of *The Crown Minerals Act*.

(3) The third-party demand set out in Form C of the Appendix is prescribed for the purpose of subsection 16.02(3) of *The Crown Minerals Act*.

**“Forms to apply to collection of certain amounts mentioned in section 16.03 of Act**

**54.2** The Forms prescribed in section 54.1 apply, with any necessary modification to the collection of any rent, fees, dues or other charges, other than royalties, owing pursuant to the Act or these regulations”.

**New Appendix****13 The following Appendix is added after section 54.2:****“Appendix****“FORM A**[*Subsection 54.1(1)*]**CERTIFICATE**

Pursuant to clause 16.01(1)(a) of *The Crown Minerals Act*, I hereby certify that

\_\_\_\_\_

*(name of person liable to pay or remit royalty)*

owes the sum of \$ \_\_\_\_\_ to the Crown pursuant to *The Crown Minerals Act*, and that the amount has remained unpaid for at least 30 days since it became owing, and is determined as follows:

*[Here specify the amount of royalty owing, including any penalty or interest owing with respect to that amount, and the property and period in relation to which the amounts are due.]*

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Minister of Industry and Resources

No. \_\_\_\_\_ filed with the Local Registrar  
at the Judicial Centre of \_\_\_\_\_,  
this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Local Registrar

“FORM B  
[Subsection 54.1(2)]

NOTICE OF INTENTION

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(name and address of person named in certificate)*

TAKE NOTICE THAT:

1. A certificate pursuant to clause 16.01(1)(a) of *The Crown Minerals Act* has been filed with the Local Registrar in the Court of Queen’s Bench for the Judicial Centre of \_\_\_\_\_, a copy of which is attached to this notice.
2. The certificate mentioned in paragraph 1 has the same force and effect as if it were a judgment obtained in the Court of Queen’s Bench for the recovery of the sum in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.
3. The minister intends to serve a demand for payment on \_\_\_\_\_

*(third party)*

requiring that all or any part of the money payable by the Third Party to you be paid to the minister immediately on it becoming payable.

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Minister of Industry and Resources

“FORM C  
[Subsection 54.1(3)]

**THIRD-PARTY DEMAND**

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(name and address of third party)*

RE: \_\_\_\_\_

*(the person liable to pay or remit royalty)*

*(name of person named in the certificate)*

**TAKE NOTICE THAT:**

1. Pursuant to clause 16.01(1)(a) of *The Crown Minerals Act*, a certificate has been filed with the Local Registrar of the court of Queen’s Bench for the Judicial Centre of \_\_\_\_\_ certifying that the person liable to pay or remit a royalty owes the Crown certain amounts as payment of royalties, penalties or interest pursuant to *The Crown Minerals Act* in the amount of \$ \_\_\_\_\_ .  
That certificate has the same force and effect as if it were a judgment obtained in the Court of Queen’s Bench for the recovery of a sum in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.
2. It is believed that you are, or are about to become, indebted to or liable to pay money to \_\_\_\_\_ , the person liable to pay or remit a royalty, being the person named in the certificate.
3. Pursuant to section 16.02 of *The Crown Minerals Act*, you are directed to pay to the Minister of Industry and Resources the lesser of:
  - (a) \$ \_\_\_\_\_ ; and
  - (b) all of the moneys owing by you to the person liable to pay or remit a royalty.

If, at the time of receipt of this third-party demand, you are not indebted to the person liable to pay or remit a royalty, then as soon as you become indebted to the person liable to pay or remit a royalty, you must pay to the minister the amount of the indebtedness until the sum specified is fully paid and satisfied.

4. Unless revoked by the minister, this third-party demand remains in force for six months after the day on which it was served.
5. Payment to the minister for money received pursuant to this third-party demand discharges your liability to the person liable to pay or remit a royalty to the extent of the amount paid.
6. If, contrary to this direction, you fail to honour this third-party demand or should you discharge your obligation to the person liable to pay or remit a royalty, you will be held liable to the Crown to the extent of the lesser of:
  - (a) the amount of liability discharged to the person liable to pay or remit a royalty; and
  - (b) the amount specified in the third-party demand.

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Minister of Industry and Resources ”.

**Coming into force**

14(1) Subject to subsection (2), these regulations come into force on the day on which they are filed with the Registrar of Regulations but are retroactive and are deemed to have been in force on and from April 1, 2005.

(2) Sections 12 and 13 come into force on the day on which these regulations are filed with the Registrar of Regulations.

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## SASKATCHEWAN REGULATIONS 15/2006

### *The Freehold Oil and Gas Production Tax Act*

#### Section 32

Order in Council 157/2006, dated March 7, 2006

(Filed March 8, 2006)

**Title**

1 These regulations may be cited as *The Freehold Oil and Gas Production Tax Amendment Regulations, 2006*.

**R.R.S. c.F-22.1 Reg 1 amended**

2 *The Freehold Oil and Gas Production Tax Regulations, 1995* are amended in the manner set forth in these regulations.

**Section 2 amended**

**3(1) Clause 2(b.1) is repealed.**

**(2) Subclause 2(e.1)(ii) is amended by striking out** “for the purposes of these regulations” **and substituting** “for the purposes of these regulations or that is approved pursuant to section 31.1”.

**Section 6.2 amended**

**4 Subsection 6.2(1) is amended by striking out “2007” and substituting “2012”.**

**New section 23**

**5 Section 23 is repealed and the following substituted:**

**“Interpretation**

**23(1)** In this Part, respecting all EOR projects:

- (a) **‘administrative cost allowance’** for any taxation year respecting an EOR project means:
  - (i) an amount equal to 10% of the direct EOR operating costs of the EOR project for the taxation year; or
  - (ii) any other amount that may be established by order of the minister as the administrative cost allowance;
- (b) **‘current investment’** for any taxation year respecting an EOR project means:
  - (i) for the taxation year in which the EOR project commences operation, the amount of investment in the EOR project that is made or incurred during that taxation year or any prior taxation year; and
  - (ii) for any subsequent taxation year, the amount of any investment in the EOR project that is made or incurred during that taxation year;
- (c) **‘direct EOR operating costs’** for any taxation year respecting an EOR project means the amount by which the total direct operating costs of the EOR project for the taxation year exceed the direct non-EOR operating costs of the EOR project for the taxation year;
- (d) **‘direct non-EOR operating costs’** for any taxation year respecting an EOR project means the amount equal to the product of:
  - (i) the production of oil that is not EOR oil, measured in cubic metres, produced from or allocated to the EOR project during the taxation year; and
  - (ii) the direct non-EOR operating costs factor of the EOR project for the taxation year;
- (e) **‘direct non-EOR operating costs factor’** for any taxation year respecting an EOR project means:
  - (i) \$22 per cubic metre; or
  - (ii) any other amount that may be established by order of the minister;



(f) **'disposition'** with respect to a project asset means the sale or other disposition of the project asset, or any other transaction or event as a result of which the project asset ceases to be used for or in connection with the EOR project with respect to which it is a project asset, and includes any cessation of use of the project asset for or in connection with that EOR project on or as a result of the cessation of operation of that EOR project, but does not include any temporary cessation of use for the purpose only of performing required repairs or maintenance;

(g) **'gross EOR Crown-acquired revenues'** for any month or taxation year respecting an EOR project means that proportion of the gross EOR revenues of the EOR project for the month or taxation year, as the case may be, that is allocated to the Crown-acquired lands respecting the EOR project pursuant to section 24;

(h) **'gross EOR freehold revenues'** for any month or taxation year respecting an EOR project means that proportion of the gross EOR revenues of the EOR project for the month or taxation year, as the case may be, that is allocated to the freehold lands, other than Crown-acquired lands, respecting the EOR project pursuant to section 24;

(i) **'gross EOR revenues'** respecting an EOR project means:

(i) for any month, the product obtained when the production of EOR oil, measured in cubic metres, produced from or allocated to the EOR project during the month is multiplied by the well-head value determined in accordance with section 13 for that month; and

(ii) for any taxation year, the sum of the amounts determined for the EOR project in accordance with subclause (i) for each month in the taxation year;

(j) **'post-payout ratio'** for any taxation year respecting an EOR project means the amount by which 1.0 exceeds the pre-payout ratio for the taxation year;

(k) **'proceeds of disposition'** with respect to a disposition of a project asset respecting an EOR project means an amount equal to the greater of:

(i) the aggregate of all amounts received or to become receivable as or on account of the disposition of the project asset, whether as or on account of its sale price or otherwise; and

(ii) the fair market value of the project asset at the time of disposition;

(l) **'project asset'** means any asset with respect to which an amount has been included as an investment in an EOR project;

(m) **'taxation year'** with respect to an EOR project means the calendar year or any other period not exceeding 53 weeks that is approved by the minister;

(n) **‘total direct operating costs’** for any taxation year respecting an EOR project means the costs and expenses of an operating nature that are made or incurred respecting the EOR project during the taxation year and that are directly related or attributable to the EOR project or to the production of oil from the EOR project, including the costs and expenses made or incurred respecting lifting and treating the oil produced from or allocated to the EOR project and injecting any substance into a wellbore for the purpose of assisting in the production of oil from the EOR project, but does not include any cost or expenditure that may be categorized as either an investment or an operating cost, or that is incurred respecting:

- (i) an investment in the EOR project;
- (ii) any income taxes, profit taxes or other similar taxes;
- (iii) any royalty or any other payment that is paid to any person respecting any interest held by or on behalf of that person in the lands respecting the EOR project or the production of oil from the EOR project or any revenue derived from the production of the oil;
- (iv) any overhead or administrative expense, or any amount paid or payable as, on account of or instead of payment of, or in satisfaction of, interest; or
- (v) any transportation expenses that may be deducted in calculating the well-head value for the purpose of determining the gross EOR revenues of an EOR project;

(o) **‘total EOR operating costs’** for any taxation year respecting an EOR project means the sum of the direct EOR operating costs and the administrative cost allowance of the EOR project for the taxation year.

(2) In this Part, respecting an EOR project that commenced operation before April 1, 2005:

- (a) **‘closing investment balance’** for any taxation year respecting the EOR project means the amount, if any, by which the total investment balance exceeds the investment allowance of the EOR project for the taxation year;
- (b) **‘closing operating loss balance’** for any taxation year respecting the EOR project means the amount, if any, by which the total operating loss balance exceeds the operating loss allowance of the EOR project for the taxation year;
- (c) **‘Crown-acquired EOR income subject to tax’** for any taxation year respecting the EOR project means the amount, if any, by which that portion of the EOR operating income of the EOR project for the taxation year that is allocated to the Crown-acquired lands respecting the EOR project pursuant to section 24 exceeds that portion of the net royalty payments of the EOR project for the taxation year that is allocated to the Crown-acquired lands respecting the EOR project pursuant to section 24;

- (d) **‘current EOR operating losses’** for any taxation year respecting the EOR project means the amount, if any, by which the sum of the total EOR operating costs and the royalty deduction exceeds the sum of the gross EOR revenues and recovered investment respecting the EOR project for the taxation year;
- (e) **‘current EOR operating profits’** for any taxation year respecting the EOR project means the amount, if any, by which the sum of the gross EOR revenues and recovered investment exceeds the sum of the total EOR operating costs and the royalty deduction respecting the EOR project for the taxation year;
- (f) **‘EOR operating income’** for any taxation year respecting the EOR project means the amount, if any, by which the sum of the gross EOR revenues and the recovered investment exceeds the total EOR operating costs for the taxation year;
- (g) **‘escalated investment balance’** for any taxation year respecting the EOR project means the amount determined by increasing the opening investment balance by the escalation factor;
- (h) **‘escalated operating loss balance’** for any taxation year respecting the EOR project means the amount determined by increasing the opening operating loss balance by the escalation factor;
- (i) **‘escalation factor’** for any taxation year respecting the EOR project means:
- (i) 10% or any other percentage that may be established by order of the minister as the escalation factor of EOR projects for the taxation year; or
  - (ii) if the taxation year is less than 12 months in duration, or if the EOR project ceases to operate for a portion of the taxation year, excluding any temporary cessation of operation for the purpose of performing repairs or maintenance, that proportion of the escalation factor otherwise in effect for the taxation year that the number of days in the taxation year bears to 365;
- (j) **‘freehold EOR income subject to tax’** for any taxation year respecting the EOR project means the amount, if any, by which that portion of the EOR operating income of the EOR project for the taxation year that is allocated to the freehold lands, other than Crown-acquired lands, respecting the EOR project pursuant to section 24 exceeds the aggregate of the royalties paid for the taxation year to a person, other than the Crown, who is a beneficial owner of oil and gas rights within the meaning of section 28 of the Act respecting any EOR oil produced from or allocated to those oil and gas rights, but where those royalties are paid pursuant to an agreement or arrangement that was made before 1986 and that agreement or arrangement has been amended to increase the royalties payable after December 31, 1985, the increase must be approved by the minister;

(k) **'investment'** respecting the EOR project means:

- (i) that portion, approved by the minister, of the costs and expenditures of a capital or developmental nature that is made or incurred respecting the EOR project and is required for the purpose of producing EOR oil from the EOR project; and
- (ii) the cost of any substances, other than water, that are injected into the reservoir for the purpose of enhancing the recovery of oil;

in each case without deducting any amount credited, granted or paid to any person pursuant to any oil incentive program maintained or administered by the Government of Canada or the Government of Saskatchewan, other than credits applied towards the remission of royalties and taxes pursuant to *The Petroleum Research Incentive Regulations* that relate to the EOR project;

(l) **'investment allowance'** for any taxation year for the EOR project means an amount equal to the lesser of:

- (i) the total investment balance of the EOR project for the taxation year; and
- (ii) the net EOR operating profits of the EOR project for the taxation year;

(m) **'net EOR operating profits'** for any taxation year respecting the EOR project means the amount, if any, by which the current EOR operating profits exceed the operating loss allowance respecting the taxation year;

(n) **'net royalty lease'** means a lease mentioned in section 39 of 'The Petroleum and Natural Gas Regulations, 1969', being Saskatchewan Regulations 8/69, and includes any other arrangement pursuant to which any person is required to pay to the Crown respecting oil that is produced from or allocated to Crown lands or Crown-acquired lands, an amount greater than the amount that would have been payable had the oil been produced pursuant to a lease granted pursuant to Part V of 'The Petroleum and Natural Gas Regulations, 1969', being Saskatchewan Regulations 8/69;

(o) **'net royalty payment'** means the amount by which the payments required to be made to the Crown pursuant to a net royalty lease respecting oil produced from or allocated to Crown lands or Crown-acquired lands exceeds the amount that would have been payable had the oil been produced under a lease granted pursuant to Part V of 'The Petroleum and Natural Gas Regulations, 1969', being Saskatchewan Regulations 8/69;

(p) **'opening investment balance'** for any taxation year respecting the EOR project means:

- (i) for the taxation year in which the EOR project commences operation, nil; and
- (ii) for any subsequent taxation year, an amount equal to the closing investment balance of the EOR project for the preceding taxation year;

(q) **'opening operating loss balance'** for any taxation year respecting the EOR project means:

- (i) for the taxation year in which the EOR project commences operation, nil; and
- (ii) for any subsequent taxation year, an amount equal to the closing operating loss balance of the EOR project for the preceding taxation year;

(r) **'operating loss allowance'** for any taxation year respecting the EOR project means an amount equal to the lesser of:

- (i) the total operating loss balance of the EOR project for the taxation year; and
- (ii) the current EOR operating profits of the EOR project for the taxation year;

(s) **'pre-payout ratio'** for any taxation year respecting the EOR project means:

- (i) respecting any taxation year for which the net EOR operating profits are greater than nil, the quotient obtained when the investment allowance is divided by the net EOR operating profits respecting the taxation year; and
- (ii) respecting any taxation year for which the net EOR operating profits are nil, 1.0;

(t) **'recovered investment'** for any taxation year respecting the EOR project means an amount equal to the lesser of:

- (i) the amount by which the aggregate of the proceeds of disposition arising on all dispositions during that taxation year of project assets respecting the EOR project exceeds the sum of the escalated investment balance and the current investment for the taxation year; and
- (ii) the amount by which the aggregate of all investment allowances respecting the EOR project for all taxation years ending after December 31, 1981 and before the particular taxation year exceeds the aggregate of all recovered investments respecting the EOR project for all taxation years ending after December 31, 1981 and before the particular taxation year;

(u) **‘royalty deduction’** means, for any taxation year for the EOR project, unless the EOR project is an EOR project to which *The Weyburn Unit CO<sub>2</sub> Freehold Oil Production Tax Regulations* apply, an amount equal to the sum of:

(i) the amount by which the amount that is not the least or greatest of the following amounts exceeds the amount equal to the product of the SRC and the gross EOR Crown revenues for the EOR project for the taxation year, where ‘gross EOR Crown revenues’ and ‘Crown EOR income subject to royalty’ have the meanings provided in Part IV of *The Crown Oil and Gas Royalty Regulations*:

(A) 1% of the gross EOR Crown revenues of the EOR project for the taxation year;

(B) 5% of the gross EOR Crown revenues of the EOR project for the taxation year;

(C) 10% of the Crown EOR income subject to royalty of the EOR project for the taxation year;

(ii) any net royalty payments made to the Crown for the taxation year respecting any EOR oil produced from the EOR project and allocated to the lands that are subject to a net royalty lease;

(iii) the amount by which the amount that is not the least or greatest of the amounts set out in paragraphs (A), (B) and (C) exceeds the amount set out in paragraph (D):

(A) 1% of the gross EOR Crown-acquired revenues of the EOR project for the taxation year;

(B) 5% of the gross EOR Crown-acquired revenues of the EOR project for the taxation year;

(C) 10% of the Crown-acquired EOR income subject to tax of the EOR project for the taxation year;

(D) the amount equal to the product of the SRC and the gross EOR Crown-acquired revenues of the EOR project for the taxation year; and

(iv) any royalties paid for the taxation year to a person, other than the Crown, who is a beneficial owner of oil and gas rights respecting any EOR oil produced from or allocated to the lands subject to those oil and gas rights, but where those royalties are paid pursuant to an agreement or arrangement that was made before 1986, and that agreement or arrangement has been amended to increase the royalties payable after December 31, 1985, the increase must be approved by the minister;

- (v) **'total investment balance'** for any taxation year respecting the EOR project means the amount, if any, by which the sum of the escalated investment balance and the current investment exceeds the aggregate of the proceeds of disposition arising on all dispositions during that taxation year of project assets respecting the EOR project;
- (w) **'total operating loss balance'** for any taxation year respecting the EOR project means the sum of the escalated operating loss balance and the current EOR operating losses respecting the taxation year.
- (3) In this Part, respecting EOR projects that commenced operation on or after April 1, 2005:
- (a) **'CCT allowance'** for any taxation year respecting the EOR project means the product of:
- (i) the gross EOR revenues of the EOR project for the taxation year; and
  - (ii) either:
    - (A) if the minister has not established an amount for the taxation year pursuant to paragraph (B), 2%; or
    - (B) an amount, expressed as a percentage, that may be established by order of the minister in recognition of the Corporation Capital Tax surcharge rate applicable to the gross EOR revenues of the EOR project for the taxation year;
- (b) **'closing unrecovered costs'** for any taxation year respecting the EOR project means the amount by which the total unrecovered costs exceeds the cost recovery allowance of the EOR project for the taxation year;
- (c) **'cost recovery allowance'** for any taxation year respecting the EOR project means the lesser of:
- (i) the total unrecovered costs of the EOR project for the taxation year; and
  - (ii) the EOR operating income of the EOR project for the taxation year;
- (d) **'EOR operating income'** for any taxation year respecting the EOR project means the sum of the operating revenue and the recovered investment of the EOR project for the taxation year;
- (e) **'escalated unrecovered costs'** for any taxation year respecting the EOR project means the product of:
- (i) the opening unrecovered costs of the EOR project for the taxation year; and
  - (ii) the escalation factor of the EOR project for the taxation year;

(f) **'escalation factor'** for any taxation year respecting the EOR project means:

(i) 5% or any other percentage that may be established by order of the minister as the escalation factor of the EOR project for the taxation year; or

(ii) if the taxation year is less than 12 months in duration, or if the EOR project ceases to operate for a portion of the taxation year, excluding any temporary cessation of operation for the purpose of performing repairs or maintenance, that proportion of the escalation factor otherwise in effect for the taxation year that the number of days in the taxation year bears to 365;

(g) **'investment'** respecting the EOR project means:

(i) that portion, approved by the minister, of the costs and expenditures of a capital or developmental nature that is made or incurred respecting the EOR project and is required for the purpose of producing EOR oil from the EOR project; and

(ii) the cost of any substances, other than water, that are injected into the reservoir for the purpose of enhancing the recovery of oil;

in each case without deducting any amount credited, granted or paid to any person pursuant to any oil incentive program maintained or administered by the Government of Canada or the Government of Saskatchewan;

(h) **'opening unrecovered costs'** for any taxation year respecting the EOR project means:

(i) for the taxation year in which the EOR project commences operation, nil; and

(ii) for any subsequent taxation year, an amount equal to the closing unrecovered costs of the EOR project for the preceding taxation year;

(i) **'operating loss'** for any taxation year respecting the EOR project means the amount by which the sum of the total EOR operating costs and the CCT allowance exceeds the gross EOR revenues of the EOR project for the taxation year;

(j) **'operating revenue'** for any taxation year respecting the EOR project means the amount by which the gross EOR revenues exceed the sum of the total EOR operating costs and the CCT allowance of the EOR project for the taxation year;

(k) **'pre-payout ratio'** for any taxation year respecting the EOR project means:

(i) respecting any taxation year for which the closing unrecovered costs are nil, the quotient obtained when the cost recovery allowance is divided by the EOR operating income of the EOR project for the taxation year; and

(ii) respecting any taxation year for which the closing unrecovered costs are greater than nil, 1.0;



(l) **‘recovered investment’** for any taxation year respecting the EOR project means an amount equal to the lesser of:

(i) the amount by which the aggregate of the proceeds of disposition arising on all dispositions during that taxation year of project assets respecting the EOR project exceeds the sum of the following amounts respecting the EOR project for the taxation year:

- (A) escalated unrecovered costs;
- (B) operating loss;
- (C) current investment; and

(ii) the amount by which the aggregate of all cost recovery allowances respecting the EOR project for all taxation years before the particular taxation year exceeds the sum of the aggregate of the recovered investments and the operating losses respecting the EOR project for all taxation years before the particular taxation year;

(m) **‘total unrecovered costs’** for any taxation year respecting the EOR project means the amount by which the sum of the following amounts respecting the EOR project for the taxation year exceeds the aggregate of the proceeds of disposition of the EOR project for the taxation year:

- (i) escalated unrecovered costs;
- (ii) operating loss;
- (iii) current investment”.

Section 25 amended

**6 Clause 25(a) is amended:**

**(a) in subclause (ii) by striking out** “for an EOR project other than a CO<sub>2</sub> enhanced oil recovery project or a project to which section 31 applies” **and substituting** “for an EOR project that commenced operation before April 1, 2005, other than an EOR project to which *The Weyburn Unit CO<sub>2</sub> Freehold Oil Production Tax Regulations* apply or an EOR project to which section 31 applies”;

**(b) in subclause (iii) by striking out** “for an EOR project other than a CO<sub>2</sub> enhanced oil recovery project or a project to which section 31 applies” **and substituting** “for an EOR project that commenced operation before April 1, 2005, other than an EOR project to which *The Weyburn Unit CO<sub>2</sub> Freehold Oil Production Tax Regulations* apply or an EOR project to which section 31 applies”;

(c) in subclause (iv):

**(i) in the portion preceding paragraph (A) by striking out** “for a CO<sub>2</sub> enhanced oil recovery project” **and substituting** “for an EOR project that commenced operation on or after April 1, 2005, other than an EOR project to which section 31 or 31.1 applies.”; **and**

**(ii) in paragraph (B) by striking out “Crown-acquired EOR income subject to tax of the project for the taxation year” and substituting “EOR operating income allocated to the Crown-acquired lands respecting the EOR project for the taxation year pursuant to section 24”;**

**(d) in subclause (v):**

**(i) by striking out “for a CO<sub>2</sub> enhanced oil recovery project” and substituting “for an EOR project that commenced operation on or after April 1, 2005, other than an EOR project to which section 31 or 31.1 applies”; and**

**(ii) by striking out “freehold EOR income subject to tax of the project for the taxation year” and substituting “EOR operating income allocated to the freehold lands respecting the EOR project other than Crown-acquired lands for the taxation year pursuant to section 24”; and**

**(e) by adding the following subclauses after subclause (v):**

“(vi) the tax rate for an EOR project to which section 31.1 applies respecting EOR oil produced from or allocated to Crown-acquired lands is equal to the fraction, expressed as a percentage, the numerator of which is the aggregate of paragraphs (A), (B) and (C) and the denominator of which is the gross EOR Crown-acquired revenues of the EOR project for the taxation year:

(A) the product obtained when the pre-payout ratio of the EOR project for the taxation year is multiplied by 1% of the gross EOR Crown-acquired revenues of the EOR project for the taxation year;

(B) the product obtained when the post-payout ratio of the EOR project for the taxation year is multiplied by the aggregate of the fourth tier oil production tax amounts determined every month in the taxation year in accordance with section 12 respecting EOR oil produced from or allocated to the Crown-acquired lands for all oil wells; and

(C) the product obtained when 20% is multiplied by the portion of recovered investment allocated to the Crown-acquired lands respecting the EOR project for the taxation year pursuant to section 24;

“(vii) the tax rate for an EOR project to which section 31.1 applies respecting EOR oil produced from or allocated to freehold lands other than Crown-acquired lands is equal to the fraction, expressed as a percentage, the numerator of which is the aggregate of paragraphs (A) and (B) and the denominator of which is the gross EOR freehold revenues of the EOR project for the taxation year:

(A) the product obtained when the post-payout ratio of the EOR project for the taxation year is multiplied by the aggregate of the fourth tier oil production tax amounts determined every month in the taxation year in accordance with section 12 respecting EOR oil produced from or allocated to freehold lands other than Crown-acquired lands for all oil wells; and

(B) the product obtained when 8% is multiplied by the portion of recovered investment allocated to the freehold lands other than Crown-acquired lands respecting the EOR project for the taxation year pursuant to section 24”.

**Section 27 amended**

**7 Clauses 27(e), (j) and (k) are repealed.**

**New section 31.1**

**8 The following section is added after section 31:**

**“Fourth tier oil - EOR projects**

**31.1** For the purpose of subclause 2(e.1)(ii) and with the agreement of the operator of an EOR project, the minister may approve as fourth tier oil the portion of EOR oil produced from the EOR project during a taxation year equal to the product of:

- (a) the post-payout ratio of the EOR project for the taxation year; and
- (b) the total amount of EOR oil produced from the EOR project during the taxation year”.

**Section 41 amended**

**9 Subclause 41(f.1)(i) is amended in the portion preceding paragraph (A) by striking out “rounded to the nearest cent” and substituting “or dollars per gigajoule”.**

**New section 43.3**

**10 Section 43.3 is repealed and the following substituted:**

**“Calculation of OGP**

**43.3** The OGP is to be calculated for every month for each operator or special operator in accordance with the following formula:

$$\text{OGP} = \frac{S - T}{V + F}$$

where:

S is the total gross value of gas sales for the month where the gross value of each gas sale is determined by multiplying the gross price of each sale, other than sales excluded pursuant to section 43.2, by the amount of gas delivered to the purchaser at the point of sale;

T is the transportation allowance for the month;

V is the volume of gas related to the sales included in S; and

F is any volume of gas delivered to the arm’s-length carrier or carriers of the gas to compensate for fuel and line loss respecting any gas sales included in S where the value was not included in the transportation allowance for the month”.

**New section 45****11 Section 45 is repealed and the following substituted:****“Well-head value of gas**

**45** For the purpose of section 44, the operator’s or special operator’s well-head value of each category of gas is the amount, if any, by which the following amount exceeds the gas cost allowance:

- (a) if the operator or special operator has received minister’s approval to use the PGP pursuant to section 43.1, the PGP;
- (b) if the operator or special operator has not received minister’s approval to use the PGP pursuant to section 43.1 and if clause (c) does not apply, the OGP;  
or
- (c) if the department has not received the required sales information related to the gas pursuant to subsection 43.2(1) at the time or times required by the department, a fair value determined by the minister to be used until the required sales information is received by the department”.

Appendix amended

**12 The Appendix is amended by repealing Forms A to C and substituting the following:**

“FORM A  
[Subsection 64.1(1)]

**CERTIFICATE**

Pursuant to clause 10.1(1)(a) of *The Freehold Oil and Gas Production Tax Act*, I hereby certify that

\_\_\_\_\_  
(name of person liable to pay or remit tax)

owes the sum of \$ \_\_\_\_\_ to the Crown pursuant to Part II of *The Freehold Oil and Gas Production Tax Act*, and that the amount has remained unpaid for at least 30 days since it became owing, and is determined as follows:

*[Here specify the amount of tax owing, including any penalty or interest owing with respect to that amount, and the property and period in relation to which the amounts are due.]*

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_ .

\_\_\_\_\_  
Minister of Industry and Resources

No. \_\_\_\_\_ filed with the Local Registrar  
at the Judicial Centre of \_\_\_\_\_,  
this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_ .

\_\_\_\_\_  
Local Registrar

**“FORM B**  
**[Subsection 64.1(2)]**

**NOTICE OF INTENTION**

TO: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*(name and address of person named in certificate)*

**TAKE NOTICE THAT:**

1. A certificate pursuant to clause 10.1(1)(a) of *The Freehold Oil and Gas Production Tax Act* has been filed with the Local Registrar in the Court of Queen’s Bench for the Judicial Centre of \_\_\_\_\_, a copy of which is attached to this notice.
2. The certificate mentioned in paragraph 1 has the same force and effect as if it were a judgment obtained in the Court of Queen’s Bench for the recovery of the sum in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.
3. The minister intends to serve a demand for payment on \_\_\_\_\_  
*(third party)*  
 requiring that all or any part of the money payable by the Third Party to you be paid to the minister immediately on it becoming payable.

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
 Minister of Industry and Resources

“FORM C  
[Subsection 64.1(3)]

**THIRD-PARTY DEMAND**

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(name and address of third party)*

RE: \_\_\_\_\_

*(the person liable to pay or remit tax)*

*(name of person named in the certificate)*

**TAKE NOTICE THAT:**

1. Pursuant to clause 10.1(1)(a) of *The Freehold Oil and Gas Production Tax Act*, a certificate has been filed with the Local Registrar of the court of Queen’s Bench for the Judicial Centre of \_\_\_\_\_ certifying that the person liable to pay or remit a tax owes the Crown certain amounts as payment of taxes, penalties or interest pursuant to Part II *The Freehold Oil and Gas Production Tax Act* in the amount of \$ \_\_\_\_\_ .

That certificate has the same force and effect as if it were a judgment obtained in the Court of Queen’s Bench for the recovery of a sum in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.

2. It is believed that you are, or are about to become, indebted to or liable to pay money to \_\_\_\_\_ , the person liable to pay or remit tax, being the person named in the certificate.
3. Pursuant to section 10.2 of *The Freehold Oil and Gas Production Tax Act*, you are directed to pay to the Minister of Industry and Resources the lesser of:
  - (a) \$ \_\_\_\_\_ ; and
  - (b) all of the moneys owing by you to the person liable to pay or remit tax.

If, at the time of receipt of this third-party demand, you are not indebted to the person liable to pay or remit tax, you must pay to the minister the amount of the indebtedness until the sum specified is fully paid and satisfied.

4. Unless revoked by the minister, this third-party demand remains in force for six months after the day on which it was served.

5. Payment to the minister for money received pursuant to this third-party demand discharges your liability to the person liable to pay or remit tax to the extent of the amount paid.
6. If, contrary to this direction, you fail to honour this third-party demand or should you discharge your obligation to the person liable to pay or remit tax, you will be held liable to the Crown to the extent of the lesser of:
  - (a) the amount of liability discharged to the person liable to pay or remit a royalty; and
  - (b) the amount specified in the third-party demand.

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Minister of Industry and Resources ”.

**Coming into force**

**13(1)** Subject to subsection (2), these regulations come into force on the day on which they are filed with the Registrar of Regulations but are retroactive and are deemed to have been in force on and from April 1, 2005.

(2) Section 12 comes into force on the day on which these regulations are filed with the Registrar of Regulations.



**SASKATCHEWAN REGULATIONS 16/2006***The Freehold Oil and Gas Production Tax Act*

Section 32.8

Order in Council 158/2006, dated March 7, 2006

(Filed March 8, 2006)

**Title**

**1** These regulations may be cited as *The Recovered Crude Oil Tax Amendment Regulations, 2006*.

**R.R.S. c.F-22.1 Reg 3 amended**

**2** *The Recovered Crude Oil Tax Regulations* are amended in the manner set forth in these regulations.

**Section 14 amended**

**3** **Subsection 14(1) is amended by striking out “March 31, 2007” and substituting “March 31, 2012”.**

**New section 21.1**

**4** **The following section is added after section 21:**

**“Forms prescribed**

**21.1(1)** The certificate set out in Form A of the Appendix is prescribed for the purpose of clause 32.5(1)(a) of the Act.

(2) The notice of intention set out in Form B of the Appendix is prescribed for the purpose of subsection 32.51(2) of the Act.

(3) The third-party demand set out in Form C of the Appendix is prescribed for the purpose of subsection 32.51(3) of the Act”.

## New Appendix

**5 The following Appendix is added after section 23:****“Appendix****“FORM A**[*Subsection 21.1(1)*]**CERTIFICATE**

Pursuant to clause 32.5(1)(a) of *The Freehold Oil and Gas Production Tax Act*, I hereby certify that

\_\_\_\_\_

(name of person liable to pay or remit tax)

owes the sum of \$ \_\_\_\_\_ to the Crown pursuant to Part III of *The Freehold Oil and Gas Production Tax Act*, and that the amount has remained unpaid for at least 30 days since it became owing, and is determined as follows:

[Here specify the amount of tax owing, including any penalty or interest owing with respect to that amount, and the property and period in relation to which the amounts are due.]

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Minister of Industry and Resources

No. \_\_\_\_\_ filed with the Local Registrar  
at the Judicial Centre of \_\_\_\_\_,  
this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Local Registrar

“FORM B  
[Subsection 21.1(2)]

NOTICE OF INTENTION

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(name and address of person named in certificate)*

TAKE NOTICE THAT:

1. A certificate pursuant to clause 32.5(1)(a) of *The Freehold Oil and Gas Production Tax Act* has been filed with the Local Registrar in the Court of Queen’s Bench for the Judicial Centre of \_\_\_\_\_, a copy of which is attached to this notice.
2. The certificate mentioned in paragraph 1 has the same force and effect as if it were a judgment obtained in the Court of Queen’s Bench for the recovery of the sum in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.
3. The minister intends to serve a demand for payment on \_\_\_\_\_  
*(third party)*  
requiring that all or any part of the money payable by the Third Party to you be paid to the minister immediately on it becoming payable.

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Minister of Industry and Resources

“FORM C  
[Subsection 21.1(3)]

**THIRD-PARTY DEMAND**

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(name and address of third party)*

RE: \_\_\_\_\_

*(the person liable to pay or remit tax)  
(name of person named in the certificate)*

**TAKE NOTICE THAT:**

1. Pursuant to clause 32.5(1)(a) of *The Freehold Oil and Gas Production Tax Act*, a certificate has been filed with the Local Registrar of the court of Queen’s Bench for the Judicial Centre of \_\_\_\_\_ certifying that the person liable to pay or remit a tax owes the Crown certain amounts as payment of taxes, penalties or interest pursuant to Part III *The Freehold Oil and Gas Production Tax Act* in the amount of \$ \_\_\_\_\_ .

That certificate has the same force and effect as if it were a judgment obtained in the Court of Queen’s Bench for the recovery of a sum in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.

2. It is believed that you are, or are about to become, indebted to or liable to pay money to \_\_\_\_\_, the person liable to pay or remit tax, being the person named in the certificate.
3. Pursuant to section 32.51 of *The Freehold Oil and Gas Production Tax Act*, you are directed to pay to the Minister of Industry and Resources the lesser of:
  - (a) \$ \_\_\_\_\_ ; and
  - (b) all of the moneys owing by you to the person liable to pay or remit tax.

If, at the time of receipt of this third-party demand, you are not indebted to the person liable to pay or remit tax, then as soon as you become indebted to the person liable to pay or remit tax, you must pay to the minister the amount of the indebtedness until the sum specified is fully paid and satisfied.

4. Unless revoked by the minister, this third-party demand remains in force for six months after the day on which it was served.

5. Payment to the minister for money received pursuant to this third-party demand discharges your liability to the person liable to pay or remit tax to the extent of the amount paid.
6. If, contrary to this direction, you fail to honour this third-party demand or should you discharge your obligation to the person liable to pay or remit tax, you will be held liable to the Crown to the extent of the lesser of:
  - (a) the amount of liability discharged to the person liable to pay or remit a royalty; and
  - (b) the amount specified in the third-party demand.

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Minister of Industry and Resources ”.

**Coming into force**

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

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## SASKATCHEWAN REGULATIONS 17/2006

### *The Agri-Food Act, 2004*

Sections 7, 8 and 43

Order in Council 160/2006, dated March 7, 2006

(Filed March 8, 2006)

**Title**

**1** These regulations may be cited as *The Sheep Development Plan Amendment Regulations, 2006*.

**R.R.S. c.A-15.2 Reg 3 amended**

**2** *The Sheep Development Plan Regulations, 1996* are amended in the manner set forth in these regulations.

**Section 2 amended**

**3 Section 2 is amended:**

**(a) in clause (a) by striking out “*The Agri-Food Act*” and substituting “*The Agri-Food Act, 2004*”;**

**(b) by repealing clause (d);**

**(c) by adding the following clause before clause (e):**

“(d.1) ‘**lamb**’ means a lamb, from birth to first set of adult teeth, of any variety, grade or class and includes:

- (i) a live lamb;
- (ii) a lamb carcass; and
- (iii) a part of a lamb carcass”;

**(d) by repealing clause (j) following clause (i); and****(e) by repealing clause (j) following clause (k) and substituting the following:**

“(l) ‘**sheep**’ means a sheep of any variety, grade or class and includes:

- (i) a live sheep;
- (ii) a sheep carcass;
- (iii) a part of a sheep carcass; and
- (iv) a lamb”.

**Section 5 repealed****4 Section 5 is repealed.****Section 7 amended****5 Subsection 7(3) is repealed and the following substituted:**

“(3) The board consists of five directors elected in accordance with sections 23 to 29 and one individual who is not a producer who may be appointed by the board for a term determined by the board”.

**Section 8 amended****6(1) Subsection 8(1) is repealed and the following substituted:**

“(1) Subject to the other provisions of these regulations, the board may exercise the following powers that are set out in subsection 8(1) of the Act:

- (a) the power to carry out educational, research and developmental programs related to sheep production and marketing;
- (b) the power to require any or all persons engaged in the production, marketing or production and marketing of sheep to register with the board;
- (c) the power to set and collect registration fees and charges for services rendered by the board from any person engaged in the production, marketing or production and marketing of sheep;
- (d) the power to set and collect a levy from any person engaged in the production, marketing or production and marketing of sheep;
- (e) the power to categorize into groups persons engaged in the production, marketing or production and marketing of sheep for the purpose of setting and collecting the fees, charges or levies mentioned in clauses (c) and (d);

- (f) the power to set and collect penalties from any person who:
  - (i) is engaged in the production, marketing or production and marketing of sheep; and
  - (ii) contravenes an order of the board;
- (g) the power to recover any unpaid fees, charges, levies or penalties mentioned in clause (c), (d) or (f) by an action in a court of competent jurisdiction;
- (h) the power to require any person engaged in the production, marketing or production and marketing of sheep to furnish the board with any information or records relating to that production or marketing that the board considers necessary;
- (i) the power to market, grade or insure sheep, either as principal or agent;
- (j) the power to:
  - (i) employ any officers and employees that it considers necessary to administer the plan; and
  - (ii) determine the duties, conditions of employment and remuneration of its officers and employees;
- (k) the power to establish or support a group insurance plan, a pension plan, or any other employee benefit programs for its officers and employees mentioned in clause (j) and their dependants;
- (l) the power to use any moneys received by the board to carry out the purposes of the plan and to pay the expenses of the board;
- (m) the power to borrow, raise or secure the payment of moneys in any manner that the board considers appropriate for the purpose of administering the plan;
- (n) the power to draw, make, accept, endorse, execute, issue, hypothecate or assign promissory notes, bills of exchange or other negotiable or transferable instruments;
- (o) subject to subsection (1.1), the power to make grants or loans to any person, organization, agency, institution or body within or outside Saskatchewan, for the purposes of the plan;
- (p) subject to subsection (1.1), the power to give financial guarantees respecting the indebtedness of any person if the board considers it necessary or advisable for the purposes of the plan;
- (q) the power to purchase, take on lease or exchange or otherwise acquire real and personal property related to the business of the board, and to insure, sell or otherwise dispose of any of its property;
- (r) the power to grant a mortgage or security interest in any of the board's real or personal property;

- (s) subject to section 35 of the Act, the power to enter into any agreement with any person, agency, organization, institution or body within or outside Saskatchewan for any purpose related to the exercise of any of the powers or the carrying out of any of the duties of the board in relation to the plan;
- (t) the power to:
  - (i) require any person who owes money to a producer with respect to the sale by the producer of sheep to pay the money to the board; and
  - (ii) distribute the money paid to the board pursuant to subclause (i), in the manner determined by the board, to the producer to whom the money is owing;
- (u) the power to:
  - (i) purchase or acquire by any other means, in the open market or otherwise, any securities of any corporation; and
  - (ii) hold membership in any corporation;
- (v) the power to:
  - (i) hold, sell, transfer, or otherwise deal with any of the securities mentioned in clause (u); and
  - (ii) exercise any rights, including the right to vote, as:
    - (A) an owner of the securities mentioned in clause (u); or
    - (B) a member;
- (w) the power to register a business name pursuant to *The Business Names Registration Act*;
- (x) the power to prescribe the manner in which remuneration and reimbursement for expenses of the members of the board are to be determined and paid.

“(1.1) Neither the sum of the loans nor the sum of the financial guarantees mentioned in clauses (1)(o) and (p) shall exceed 10% each of the board’s current assets as reported in the audited financial statement in the board’s most recent annual report at the time the loan or financial guarantee is made or given”.

**(2) Subsection 8(3) is repealed.**

**Section 9 amended**

**7(1) Subsection 9(4) is repealed.**

**(2) Subsection 9(5) is amended by adding “and, on request, to any registered producer or any sheep buyer” after “annual general meeting”.**



**New section 14****8 Section 14 is repealed and the following substituted:****“Fiscal year**

**14** The fiscal year of the board is the period commencing on October 1 in one year and ending on September 30 in the following year”.

**Section 18 amended****9 Subsection 18(1) is repealed and the following substituted:**

“(1) Every producer who is identified by the board as having produced or sold sheep in the previous 24 months, as evidenced by submission of the check-off to the board, shall submit annually the registration form required by the board”.

**Section 20 repealed****10 Section 20 is repealed.****Section 21 amended**

**11(1) Subsection 21(1) is amended by striking out “, registered dealer or registered processor” and substituting “or registered dealer”.**

**(2) Subsection 21(5) is amended by striking out “, dealer or processor” and substituting “or dealer”.**

**(3) Subsection 21(8) is amended by striking out “, dealer or processor” and substituting “or dealer”.**

**Section 22 amended****12(1) Subsection 22(2) is repealed and the following substituted:**

“(2) The board shall, at its head office:

(a) number consecutively all orders that have been approved by the council pursuant to section 12 of the Act or made by the council pursuant to section 22 of the Act; and

(b) retain the orders mentioned in subsection (1) and make them available for inspection by any producer or person engaged in the production, marketing or production and marketing of sheep”.

**(2) Subsection 22(5) is repealed.****Section 24 amended****13 Subsection 24(1) is repealed and the following substituted:**

“(1) For the purposes of electing the directors of the board, Saskatchewan is divided into five regions.

“(1.1) The board shall, by board order, determine the specifications of the regions and provide a map of the regions.

“(1.2) Before it makes an order pursuant to subsection (1.1), the board shall consider the number of producers in each region and the production numbers in each region”.

**Section 25 amended****14(1) Subsection 25(1) is repealed and the following substituted:**

“(1) A director of the board holds office for a term of two years from the date he or she takes office”.

**(2) Subsection 25(4) is repealed and the following substituted:**

“(4) The office of a director becomes vacant if the director:

- (a) ceases to qualify as a registered producer in the region he or she represents;
- (b) resigns from office;
- (c) is absent from two consecutive meetings of the board without being excused by a resolution of the board; or
- (d) fails to fulfil his or her duties as established by the board and approved by the council”.

**Section 27 amended****15 Subsection 27(9) is repealed and the following substituted:**

“(9) A director takes office on January 1 following the announcement by the returning officer mentioned in subsection (8)”.

**Appendix repealed****16 The Appendix is repealed.****Coming into force**

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

**SASKATCHEWAN REGULATIONS 18/2006***The Saskatchewan Medical Care Insurance Act*

Sections 14 and 48

Order in Council 161/2006, dated March 7, 2006

(Filed March 8, 2006)

**Title**

**1** These regulations may be cited as *The Saskatchewan Medical Care Insurance Payment Amendment Regulations, 2006*.

**R.R.S. c.S-29 Reg 19, section 3 amended**

**2** Clause 3(c) of *The Saskatchewan Medical Care Insurance Payment Regulations, 1994* is amended:

- (a) by striking out “and” after subclause (iv);
- (b) in subclause (v) by adding “and ending on March 31, 2005” after “commencing on June 1, 2003”;
- (c) by adding “and” after subclause (v); and
- (d) by adding the following subclause after subclause (v):
  - “(vi) for services provided in the period commencing on April 1, 2005, the schedule adopted by the department for payment of optometrist services and entitled “Saskatchewan Health Payment Schedule for Insured Services Provided by an Optometrist, April 1, 2005”.

**Coming into force**

**3** These regulations come into force on the day on which they are filed with the Registrar of Regulations but are retroactive and are deemed to have been in force on and from April 1, 2005.

