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PART III/PARTIE III

UNREVISED REGULATIONS OF SASKATCHEWAN/ RÈGLEMENTS PAS RÉVISÉS DE LA SASKATCHEWAN

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PART III**UNREVISED REGULATIONS OF SASKATCHEWAN****SASKATCHEWAN REGULATIONS 55/2003***The Provincial Lands Act*

Sections 22 and 80.8

Order in Council 482/2003, dated June 17, 2003

(Filed June 17, 2003)

Title

1 These regulations may be cited as *The Provincial Lands Amendment Regulations, 2003 (No. 2)*.

Sask. Reg. 145/68 amended

2 The Provincial Lands Regulations, being Saskatchewan Regulations 145/68, are amended in the manner set forth in these regulations.

Part I, Introductory amended

3 **Section 1 of the Introductory portion of Part I is amended by adding** “, Food and Rural Revitalization” **after** “Department of Agriculture”.

Part III, section 7 amended

4 **Subsection 7(5) of Part III is repealed.**

Coming into force

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

SASKATCHEWAN REGULATIONS 58/2003*The Crown Minerals Act*

Section 22

Order in Council 485/2003, dated June 17, 2003

(Filed June 17, 2003)

Title

1 These regulations may be cited as *The Alkali Mining Amendment Regulations, 2003*.

Sask. Reg. 444/67 amended

2 “The Alkali Mining Regulations”, being Saskatchewan Regulations 444/67, are amended in the manner set forth in these regulations.

Section 18 amended

3 **Section 18 is amended:**

(a) **by adding the following clauses after clause (c):**

“(c.1) ‘**capital asset**’ means tangible property installed at a producer’s operation that:

(i) is used in a production process that produces sodium sulphate or uses sodium sulphate as a feedstock in the production of another product; and

(ii) has a useful life of more than one year;

but does not include land or mineral rights;

“(c.2) **‘efficiency capital’** means new capital assets installed at a producer’s operation that are installed for the purpose of producing a significant improvement in the efficiency of a production process used at the producer’s operation, but does not include sustaining capital or capital assets that are installed for the purpose of producing products that are new to that operation”; **and**

(b) by adding the following clause after clause (h):

“(h.1) **‘sustaining capital’** means capital assets that replace capital assets whose useful life has expired, if:

(i) the replacement of the capital assets whose useful life has expired is necessary to maintain the ongoing viability of the operation; and

(ii) the new capital assets do not improve the efficiency of a production process beyond the improvement that can be expected from the replacement of capital assets whose useful life has expired with new equivalent assets”.

New section 18.1

4 Section 18.1 is repealed and the following substituted:

“Royalty calculation

18.1 Subject to sections 18.2 to 18.5, every producer shall pay to the Crown, respecting each of the producer’s operations, a royalty on the value of anhydrous sodium sulphate sold or otherwise disposed of during a year, calculated in accordance with the following formula:

$$\text{Royalty} = P \times Q \times R \times S \times C - RC$$

where:

P is the average annual selling price;

Q is the number of tonnes of anhydrous sodium sulphate sold or otherwise disposed of by the producer and its affiliates from the operation during the year;

R is 4%;

S is a scaling factor that is determined by the amount of anhydrous sodium sulphate sold or otherwise disposed of by the producer and its affiliates from the operation during the year as follows:

- (a) 0.7 on the first 18,000 tonnes;
- (b) 1.0 on the next 18,000 tonnes;
- (c) 1.3 on the next 14,000 tonnes; and
- (d) 1.5 on the tonnes in excess of 50,000 tonnes;

C is the ratio of:

- (a) the difference between:
 - (i) the number of tonnes of anhydrous sodium sulphate produced from Crown lands that was sold or otherwise disposed of by the producer and its affiliates from the operation during the year; and
 - (ii) the number of tonnes of anhydrous sodium sulphate mentioned in subclause (i) for which a royalty is not payable in that year by reason of a royalty-free period granted to the producer pursuant to section 18.4;

to:

- (b) the total number of tonnes of anhydrous sodium sulphate produced that was sold or otherwise disposed of by the producer and its affiliates from the operation during the year; and

RC is the royalty credit claimed in accordance with sections 18.41 and 18.42 by the producer during that year”.

Section 18.4 amended

5 Section 18.4 is amended:

- (a) **by striking out “two years” and substituting “24 months”;**
- (b) **by renumbering it as subsection 18.4(1); and**
- (c) **by adding the following subsection after subsection (1):**

“(2) The 24-month period mentioned in subsection (1):

- (a) commences on the day that the minister’s written approval is granted; and
- (b) ends on the anniversary of the day mentioned in clause (a) that falls in the twenty-fourth month after the day the minister’s written approval was granted”.

New sections 18.41 and 18.42

6 The following sections are added after section 18.4:

“Royalty credit

18.41(1) Subject to subsection (2) the producer may deduct from sodium sulphate royalties otherwise payable for the year a royalty credit equal to the sum of:

- (a) 40% of the costs of efficiency capital incurred by the producer in the year, including the following costs if the costs were submitted for approval between April 1, 2001 and March 31, 2006 and received the prior written approval of the Minister:
 - (i) the development costs of the new or improved production process that is installed at the producer’s operation;
 - (ii) the purchase costs of the capital assets; and
 - (iii) the costs of transporting the capital assets to the producer’s operation and installing them; and

(b) amounts calculated in previous years pursuant to clause (a) that have not yet been deducted from sodium sulphate royalties.

(2) The royalty credit claimed in a year shall not exceed the amount that reduces sodium sulphate royalties payable for the year to zero.

“Transfer of royalty-free period and royalty credits

18.42(1) If a producer, as vendor, sells, transfers or disposes of an operation to another person, as purchaser, who is or becomes a producer, the following are transferred from the vendor to the purchaser for application against sodium sulphate royalties payable at the operation purchased:

(a) any royalty-free period granted to the vendor with respect to that operation pursuant to section 18.4;

(b) all royalty credits calculated pursuant to section 18.41 with respect to that operation that have not yet been deducted from sodium sulphate royalties.

(2) The royalty-free period transferred to the purchaser of the operation pursuant to subsection (1) ends at the earlier of:

(a) the date that the 24-month period granted to the vendor pursuant to section 18.4 ends, as prescribed in clause 18.4(2)(b); and

(b) the date that the operation has produced and consumed 15,000 tonnes of anhydrous sodium sulphate or finished product equivalent as prescribed by clauses 18.4(1)(a) to (c)”.

Section 18.6 amended

7 Section 18.6 is amended:

(a) in the portion preceding clause (a) by striking out “Within 30 days after the last day of each year” and substituting “On or before the last day of the month following the end of each year”; and

(b) in clause (a) by striking out “within 30 days after the last day of the year” and substituting “on or before the last day of the month following the end of the year”.

Section 18.7 amended

8(1) Subsection 18.7(1) is amended in the portion preceding clause (a) by striking out “Within 30 days after the last day of each year,” and substituting “On or before the last day of the month following the end of each year,”.

(2) The following subsection is added after subsection 18.7(1):

“(1.1) Within 30 days after receipt of the producer’s final royalty return for the year, the Minister shall pay interest to a producer at the rate set out in subsection (2):

(a) for the period from April 1 to June 30 in the year, on the amount, if any, by which the amount remitted respecting the first quarter of the year exceeds 30% of the royalty payable for the year;

(b) for the period from July 1 to September 30 in the year, on the amount, if any, by which the amount remitted respecting the first two quarters of the year exceeds 57.5% of the royalty payable for the year;

(c) for the period from October 1 to December 31 in the year, on the amount, if any, by which the amount remitted respecting the first three quarters of the year exceeds 82.5% of the royalty payable for the year; and

(d) for the period commencing on January 1 in the year following, and ending on the earlier of the following, the amount, if any, by which the total of the quarterly instalments paid pursuant to section 18.5 for the year exceeds 105% of the royalty payable for the year:

(i) the day on which the producer's statement, submitted pursuant to section 18.6, is received by the Minister;

(ii) the last day of the month following the end of the year".

(3) Subsection 18.7(2) is repealed and the following substituted:

"(2) For the purposes of subsections (1) and (1.1), the annual rate of interest to be used is the product of:

(a) 1.2; and

(b) the Bank of Canada bank rate as of December 31 of the preceding year".

Coming into force

9 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 January 1, 2003.

