

The Municipal Tax Sharing (Potash) Regulations, 2017

being

[Chapter M-34 Reg 1](#) (effective December 7, 2017) as amended
by Saskatchewan Regulations [92/2018](#) and [8/2021](#).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER M-34 REG 1
The Municipal Tax Sharing (Potash) Act

Title

1 These regulations may be cited as *The Municipal Tax Sharing (Potash) Regulations, 2017*.

Definitions

2(1) In these regulations:

“**Act**” means *The Municipal Tax Sharing (Potash) Act*;

“**area of influence**” means the area in square kilometres in Saskatchewan that lies within the circumference of a circle having as its centre the geographic centre of the section on which a potash head frame and mine shaft, or load out and production facility, is located and having a radius of 32.2 kilometres;

“**eligible municipality**” means:

(a) a rural municipality in which all or a portion of the municipality falls within an area of influence; and

(b) an urban municipality with a population of less than 5000, any portion of which is within an area of influence;

“**head frame**” means a piece of mine resource production equipment used to lift items from the subsurface or to send items down to the subsurface;

“**load out**” means a building with storage tanks inside to hold potash before it is loaded into railway cars;

“**mine shaft**” means a vertical or sloping passageway made in the earth for finding or mining ore and ventilating underground excavations;

“**production facility**” means a large group of buildings used for the production of potash from raw ore or the solution brought up from the subsurface in solution mines;

“**unit**” means the total area for each individual municipality that is found within one or more areas of influence of a potash mine or potash mines.

(2) For the purposes of clause 3(2)(c) of the Act, “**the Saskatchewan Potash Producers Association**” includes, if the Saskatchewan Potash Producers Association is dissolved, any successor corporation, other corporation or individual that satisfies the minister that it, or that individual, has been assigned the powers and responsibilities of the Saskatchewan Potash Producers Association.

Divisions within an area of influence

3(1) Each area of influence for any potash mine as determined according to the definition of “area of influence” must consist of 2 distinct portions calculated as follows:

(a) that portion in square kilometres in Saskatchewan that lies within the circumference of a circle having as its centre the geographic centre of the section on which the potash head frame and mine shaft, or load out and production facility, is located and having a radius of 16.1 kilometres from that centre;

(b) that portion in square kilometres in Saskatchewan outside of the area described in clause (a), but within the circumference of a circle having the same centre as described in clause (a), but having a radius of 32.2 kilometres from that centre.

(2) If, because of the close proximity of potash mines, there is an overlap of areas within the 16.1 kilometre radius or within the 32.2 kilometre radius, the area in each case must only be counted once as a unit in calculating the points for both urban and rural municipalities.

15 Dec 2017 cM-34 Reg 1 s3; 14 Dec 2018 SR
92/2018 s4.

Application of subsection 3(2)

3.1(1) Subsection 3(2) does not apply to a new mine that becomes subject to the Act after January 1, 2021.

(2) Subsection 3(2) does not apply on and after January 1, 2026.

5 Feb 2021 SR 8/2021 s4.

Head frame and mine shaft on separate sections of land

3.2(1) If an operational head frame and mine shaft is located on 1 section of land and its associated load out and production facilities or other ancillary components are located on other sections of land:

(a) the property assessments for each facility or component will be included for tax sharing purposes in accordance with section 6; and

(b) the geographic centre of the section on which the potash ore producing head frame and mine shaft is located will be used to determine the area of influence.

(2) Potash assessments located on land in Section 13, Township 17, Range 32, West of the 1st Meridian are exempt from subsection (1) until January 1, 2026.

5 Feb 2021 SR 8/2021 s4.

New area of influence in a year with new base date

3.3 For the purposes of clause 8.1(4)(b) of the Act, the mill rate for a new area of influence created in the same year in which there is a new base date is to be determined in the manner described in subsections 8.1(2) and (3) of the Act by calculating the total tax revenues for municipal purposes from the potash mine assessments in the new area of influence that would have been raised in the preceding year if the new area of influence had been subject to municipal potash tax sharing.

5 Feb 2021 SR 8/2021 s4.

Point calculation for rural municipalities in a unit

4(1) The total points for each rural municipality in an area of influence are considered to be a unit and are to be calculated in accordance with the following formula:

$$TP = (RMAa \times 4) + (RMAb \times 1)$$

where:

TP is the total of all points for the rural municipality;

RMAa is the rural municipality's area mentioned in clause 3(1)(a);

RMAb is the rural municipality's area mentioned in clause 3(1)(b).

(2) The total of the points for all units in an area of influence is the total rural points for that area of influence.

(3) Notwithstanding subsections (1) and (2), when a new potash mine enters into production, only the rural municipality's area in which the mine is located in and mentioned in clause 3(1)(a) is to be used in calculating the rural municipality's total points respecting that new potash mine, and the calculation pursuant to subsection (1) is to be made in accordance with the following rules:

(a) for the first year the mine assessment is included with the municipal potash tax sharing calculations, RMAa in the formula mentioned in subsection (1) is to be multiplied by 6;

(b) for the second year the mine assessment is included with the municipal potash tax sharing calculations, RMAa in the formula mentioned in subsection (1) is to be multiplied by 5;

(c) for the third and subsequent years the mine assessment is included with the municipal potash tax sharing calculations, RMAa in the formula mentioned in subsection (1) is to be multiplied by 4.

15 Dec 2017 cM-34 Reg 1 s4.

Point calculation for urban municipalities in a unit

5(1) The board shall record the name of each urban municipality in an area of influence together with its population:

(a) as recorded by Statistics Canada from the most recent Canadian Census; or

(b) as established by the urban municipality in a manner approved by the board.

(2) The total points for an urban municipality in the area of influence must be calculated in accordance with the following formula:

$$P = (A \times 1) + (B \times .5) + (C \times -.5) + (D \times -1)$$

where:

P is the points for the urban municipality;

A is the first 1000 of the urban municipality's population or portion of that 1000;

B is the next 1500 population of the urban municipality's population or portion of the next 1500;

C is the next 1500 population of the urban municipality's population or portion of the next 1500;

D is the next 1000 population of the urban municipality's population or portion of the next 1000.

(3) The total points for the urban municipality is the amount P calculated accordance with subsection (2) multiplied by:

(a) 4 if all or a portion of the urban municipality is located within the 16.1 kilometre radius of the section on which the potash head frame and mine shaft, or load out and production facility, is located; or

(b) 1 if all of the urban municipality is located outside the 16.1 kilometre radius but fully or partially within the 32.2 kilometre radius of the section on which the potash head frame and mine shaft, or load out and production facility, is located.

(4) The total of the points for all the urban municipalities in an area of influence represents the total urban points for that area of influence.

15 Dec 2017 cM-34 Reg 1 s5; 14 Dec 2018 SR
92/2018 s5; 5 Feb 2021 SR 8/2021 s5.

Method of raising funds for distribution

6(1) In each year, the administrator of each rural municipality having a potash mine in production shall levy a mill rate for municipal taxation purposes as set by the board or by the Lieutenant Governor in Council pursuant to the Act on the assessment of that potash mine.

(2) After the amount of tax mentioned in subsection (1) is collected and after allowing for statutory municipal discounts, the administrator shall remit the amount to the board:

(a) by September 30 of the year in which the taxes are levied; or

(b) immediately on its receipt by the rural municipality if received on or after September 30.

(3) The amounts received by the board pursuant to subsection (2) constitute the funds available for distribution for the year and for expenditures pursuant to section 11.

(4) In each year, the board shall not make expenditures pursuant to section 11 from the amounts deposited pursuant to subsection (2) in excess of 0.5% of those amounts to a maximum of \$35,000.

15 Dec 2017 cM-34 Reg 1 s6; 14 Dec 2018 SR 92/2018 s6; 5 Feb 2021 SR 8/2021 s6.

Distribution of funds

7(1) For each year, the funds available for distribution to municipalities in each area of influence, less any amounts expended pursuant to section 11, must be disbursed to the municipalities in the area of influence in the following manner:

- (a) 90% to the rural municipalities in the area of influence;
- (b) 10% to the urban municipalities in the area of influence.

(2) For each year, the amount payable to each rural municipality in an area of influence must be calculated in accordance with the following formula:

$$\text{RMAMT} = \frac{\text{RF}}{\text{TRP}} \times \text{RMP}$$

where:

RMAMT is the amount payable to the rural municipality;

RF is the rural funds available for all rural municipalities in the area of influence as determined pursuant to clause (1)(a);

TRP is the total of all rural points for the area of influence in accordance with subsection 4(2);

RMP is the value of total points for the rural municipality as determined pursuant to subsections 4(1) and (3).

(3) **Repealed.** 14 Dec 2018 SR 92/2018 s7.

(4) For each year, the amount payable to each urban municipality in an area of influence must be calculated in accordance with the following formula:

$$\text{UMAMT} = \frac{\text{UF}}{\text{TUP}} \times \text{UMP}$$

where:

UMAMT is the amount payable to the urban municipality;

UF is the urban funds available for all urban municipalities in the area of influence as determined pursuant to clause (1)(b);

TUP is the total of all urban points for the area of influence in accordance with subsections 5(2) and (3);

UMP is the value of total points for the urban municipality as determined pursuant to subsections 5(2) and (3).

15 Dec 2017 cM-34 Reg 1 s7; 14 Dec 2018 SR 92/2018 s7.

Expanded rural municipalities

8(1) Notwithstanding any other provision of these regulations, if there is a restructuring of an eligible urban municipality that dissolves the eligible urban municipality and the area of that former eligible urban municipality is included in a rural municipality, the rural municipality is entitled to the sum of:

- (a) the amount otherwise prescribed for the rural municipality pursuant to these regulations; and
 - (b) subject to subsections (2) to (4), the amount that otherwise would have been paid to the eligible urban municipality had the eligible urban municipality not been dissolved.
- (2) The amount payable to a rural municipality pursuant to clause (1)(b) must be paid from the 10% share to be disbursed to urban municipalities pursuant to clause 7(1)(b).
- (3) The amount payable to a rural municipality pursuant to clause (1)(b) must be paid for a 3-year period, subject to the following:
- (a) if the eligible urban municipality is dissolved before October 1 in a year, the first year of the 3-year period is the year of dissolution;
 - (b) if the eligible urban municipality is dissolved on or after October 1 in a year, the first year of the 3-year period is the year following the year of dissolution.
- (4) On the expiration of the 3-year period determined in accordance with subsection (3), the rural municipality is entitled only to any amount prescribed for the rural municipality in sections 4 and 7 and is no longer entitled to the amount mentioned in clause (1)(b).

5 Feb 2021 SR 8/2021 s7.

Restructured rural municipalities

9(1) Notwithstanding any other provision of these regulations, if there is an amalgamation or restructuring of municipalities that combines part or all of one or more eligible rural municipalities, the resulting new rural municipality is entitled to the amount otherwise prescribed for rural municipalities pursuant to these regulations, calculated using the area of the new rural municipality that is within a mine's area of influence.

(2) For the purposes of subsection 2(2) of the Act, the actual municipal mill rate for each eligible rural municipality that is part of a new municipality mentioned in subsection (1) is calculated based on information for those rural municipalities as of January 1 in the year before the year in which the amalgamation took place.

5 Feb 2021 SR 8/2021 s8.

10 Repealed. 5 Feb 2021 SR 8/2021 s9.

Mine closure

10.1(1) A mine is exempt from the operation of the Act in the tax year following a 3-year period in which no ore has been produced from the subsurface.

(2) Notwithstanding subsection (1), if a mine has not produced ore from the subsurface for a 3-year period but has production and load facilities or other ancillary components associated to an operational mine pursuant to section 3.2, it is not exempt from the operation of the Act.

(3) If a mine becomes exempt in accordance with this section in a revaluation year, the assessment and associated property taxes are not to be considered for the application of subsection 8.1(2) of the Act.

(4) Subsection (1) does not apply to the mine located on land in Section 13, Township 17, Range 32, West of the 1st Meridian until January 1, 2026.

5 Feb 2021 SR 8/2021 s10.

Administration

11(1) The board shall appoint a secretary-treasurer to hold office during the pleasure of the board.

(2) The secretary-treasurer shall perform the administrative duties that are required by the board.

(3) The board shall ensure that it has a bond or policy of guarantee from a corporation empowered to grant securities, bonds or policies or from a self-insurance plan within Saskatchewan for the integrity and faithful accounting of the secretary-treasurer in the amount of \$20,000.

(4) The board may provide out of the moneys deposited pursuant to section 6 the following:

(a) amounts to pay the remuneration or honorarium to the secretary-treasurer in the amount that is set by the board;

(b) amounts to pay for the purchase of office supplies that are necessary for the proper administration of the Act; and

(c) amounts to pay for other expenses that are authorized by the board, including the payment of remuneration and expenses of board members.

(5) All payments and disbursements must be made by the board by cheque or electronically and must be authorized by the chairperson or vice-chairperson of the board and the secretary-treasurer.

(6) The board shall maintain a record of authorization for each transaction.

(7) Any moneys from time to time to the credit of the board in the bank or credit union account set up for the purposes of clause 6(3)(b) may, pending disbursement, be invested in short term securities.

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(8) The secretary-treasurer may carry out investments made pursuant to subsection (7) and the redemption or renewal of those investments in any security or class of securities authorized for investment of moneys in the general revenue fund pursuant to *The Financial Administration Act, 1993*.

(9) The certificates or other evidence of short-term investments must, during their currency, be retained by the bank or credit union for the credit of the board.

(10) The interest earned on any short-term investments made pursuant to subsection (7) must be deposited to the credit of the board in the account in which moneys are deposited pursuant to section 6.

(11) The board shall inform individual potash mines of the mill rate set by the board for that year by May 1.

15 Dec 2017 cM-34 Reg 1 s11; 14 Dec 2018 SR
92/2018 s8; 5 Feb 2021 SR 8/2021 s11.

Sask Reg 318/68 repealed

12 Saskatchewan Regulations 318/68 are repealed.

15 Dec 2017 cM-34 Reg 1 s12.

Coming into force

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

15 Dec 2017 cM-34 Reg 1 s13.