

# Sales Policy

## Agricultural Crown Land

February 2022

### A. Purpose

To sell agricultural Crown land to Canadian citizens or permanent residents of Canada through a variety of methods.

### B. Eligibility

Purchasers must meet the ownership requirements of *The Saskatchewan Farm Security Act*. Additional eligibility requirements may apply depending on the method of sale.

### C. Land Not Eligible for Sale

The following conditions may preclude the sale of land:

1. The land is designated under *The Wildlife Habitat Protection Act* with a high ecological value.
2. The land is identified as being of a fragile nature and sensitive to environmental disturbance.
3. The land lies above subsurface minerals, oil and gas, sand and gravel, or lands which are, or may be subject to, exploration for these resources in the foreseeable future.
4. The land has commercially harvestable timber stands or will have harvestable timber in the foreseeable future.
5. The land has significance related to the heritage of the province and its people.
6. The land forms the bed or bank of a surveyed water body that cannot be classified as permanently dry.
7. The land, if sold, would fragment, and decrease the value of other adjoining Crown land or limit access to other Crown land.
8. The land may be required for a future public use.
9. The minister has determined the land should not be sold.
10. The land contains an interprovincial pipeline, subject to the *Canadian Energy Regulator Act*.
11. The land has a written professional opinion from Ministry of Highways based on a desktop audit where the Ministry of Highways identifies the land is of high or moderate potential for aggregate development.

### D. Conditions for Sale of *The Wildlife Habitat Protection Act* Land

1. Lands contained in *The Wildlife Habitat and Ecological Lands Designation Regulations* (WHELDR) that have been identified as having low ecological value may be eligible for sale subject to:
  - A sales eligibility check; and
  - The successful removal of the land from WHELDR.

2. Lands contained in WHELDR that have been identified as having moderate ecological value may be eligible for sale subject to:
  - A sales eligibility check;
  - The successful registration of a Crown Conservation Easement on the land to protect its ecological value; and
  - The successful removal of the land from WHELDR.
3. Lands contained in WHELDR that have been identified as having high ecological value will not be sold.

#### **E. Sale of Native Prairie on Pastures**

Land containing native prairie on former federal pastures or former Saskatchewan Pastures Program pastures will be sold with a Crown Conservation Easement.

#### **F. Auction Sales**

1. Terms and conditions
  - Auction sale information will be available on [saskatchewan.ca/crownlands](https://saskatchewan.ca/crownlands) and advertised as deemed appropriate by the Ministry of Agriculture (the ministry).
  - Auction bidders are responsible for meeting any requirements of *The Saskatchewan Farm Security Act* and any requirements of the auction vendor (vendor).
  - The land will be sold to the highest bidder who meets or exceeds the reserve value. Results of the sale will be posted on the auction website indicating sold status and sale value.
  - The successful bidder will be contacted by the vendor to finalize the sale. The successful bidder or designate(s), including corporations must sign an Agreement for Sale.
  - Within five business days after being declared the high bidder, the buyer shall submit a non-refundable deposit in trust to the ministry in the amount of 20 per cent of the purchase price (the “deposit”).
  - Payment can be made by certified cheque, bank draft, credit card, online banking or direct deposit.
    - Certified Cheque and Bank Draft: The payee is the ‘Ministry of Agriculture’, and the auction listing number should be included in the Re: line of the cheque.
    - Online Banking: The ministry is enrolled for the Corporate Creditor Bill Payment Services with RBC, BMO and Credit Unions. The ministry is set up as ‘Agriculture Lands – Government of Saskatchewan’ or ‘Agriculture Lands’. To set up the Ministry of Agriculture as a payee, use the auction listing number as the account/client number in the ‘Add a New Payee’ box.
    - Direct Deposit: This option is only available for law firms acting on behalf of the purchaser. For law offices using direct deposit, please notify the Accounting and Administration Unit (306-787-7191 or [billinginquiry@gov.sk.ca](mailto:billinginquiry@gov.sk.ca)) prior to the transaction. This will ensure the deposit is applied to the correct customer account. Confirmation of the deposit, including the deposit number or transaction confirmation number should be directed to the Accounting and Administration Unit.

Please use RBC Account Number 00081505015.

- The successful bidder is encouraged to pay the purchase price within 40 days of the effective date of the sales agreement. The ministry will charge interest on amounts owing after 40 days. The successful bidder has up to one year from the effective date of the sales agreement to pay the purchase price.
- The ministry reserves the right to determine alternate methods of disposition if no successful bid is received, including but not limited to: being listed for sale in a secondary auction via the vendor; being listed for sale in a first come-first served 'Buy Now' eCatalogue sale via the vendor; permitted and leased or summer fallowed at ministry expense.
- The bidder is solely responsible to determine the value and condition of land being sold, value and condition of improvements, land quality, land use and any other information pertaining to auctioned land.

## 2. General

- The Sale Agreement may be in the name of the successful bidder or designate(s), including corporations; provided the successful bidder submits the request in writing at the time of preparation at no charge.
- Third party witnesses are required. Witnesses to the purchaser's signature should not be related.
- The successful bidder may have Information Services Corporation (ISC) transfer of ownership documents made in another name at the time of preparation at no charge. The person(s) or corporation to whom the transfer is being made, must meet the requirements of *The Saskatchewan Farm Security Act* and complete a 'Farmland Ownership Declaration'.

## G. Sales to Lessee

### 1. Eligibility

- Lessees with a long-term agricultural lease in acceptable standing may apply to purchase any, or all, of their leased land.

### 2. Determination of sale price

- The lessee chooses to have the land appraised by an accredited appraiser.
  - The appraiser must be selected from the list of accredited rural appraisers contained in the appraisal package provided to the lessee. The appraiser shall complete the appraisal package. The lessee shall pay for the appraisal and provide a copy to the ministry.
  - The appraiser shall be required to complete a field inspection of the land. Prior to inspecting the land, the appraiser shall meet with the lessee and the ministry to discuss the valuation of the land. The appraiser shall complete the appraisal package and provide copies to the lessee and the ministry.
  - A second appraisal may be requested and paid for by the requesting party, where either the lessee or the ministry is concerned over the value indicated by the appraisal. The appraiser shall be selected from the ministry's list of accredited rural appraisers. An average of the two appraisals will be used to determine the purchase

- price of the land.
    - The cost of the first appraisal obtained by the applicant shall be deducted from the purchase price.
  - The lessee chooses to have the land be valued by the ministry. The completion of this valuation shall be at the ministry's discretion.
    - No fee is charged for the land valuation if the lessee chooses to purchase the land. If the lessee does not proceed with the purchase, the charge for completing the land valuation will be added to their account. The ministry's land valuation fee shall be determined as follows:
      - \$300 for the first parcel;
      - \$100 for each subsequent parcel; and
      - Subject to a maximum of \$1,000 per application.
    - Where the lessee is concerned over the value indicated in the land value report, an independent appraisal may be obtained from an appraiser on the accredited appraisal list in the appraisal package provided to the lessee. The lessee shall pay for the appraisal and provide a copy to the ministry. An average of the two values will be used to determine the purchase price of the land. The cost of the original appraisal obtained by the applicant will be deducted from the purchase price.
  - Land being sold for higher than agriculture use
    - The ministry may choose to have the land appraised. The completion of this appraisal shall be at the ministry's discretion.
    - The lessee must select an appraiser from the list of accredited rural appraisers contained in the appraisal package provided. The appraiser shall be required to complete a field inspection of the land. Prior to inspecting the land, the appraiser shall meet with the ministry and the lessee to discuss the valuation of the land. The ministry shall engage the appraiser to complete the appraisal package and provide two copies to the ministry, one of which will be provided to the lessee. The ministry will pay for this appraisal.
    - Where either the lessee or the ministry is concerned over the value indicated by the appraisal, a second appraisal may be requested and paid for by the requesting party. The appraiser must be selected from the ministry's list of accredited rural appraisers. An average of the two appraisals will be used to determine the purchase price of the land. Lessees are responsible for the cost of the appraisal if they are the requesting party, and their appraisal cost will not be deducted from the purchase price.
    - The value of special features such as sand and gravel deposits, oil and gas leases or pipelines will be added to the sale price of land that is deemed eligible for sale.
3. Conditions of sale
- All sales must include a written agreement outlining other terms and conditions that the minister considers necessary.
  - The sale of the home quarter must occur prior to, or coincide with, the sale of the lessee's other agricultural Crown land, where a lessee's residence is on leased Crown land. The yard site must be subdivided out from the quarter and purchased, in accordance with section J of this policy, if the home quarter is restricted from sale.
  - The lessee's accounts with the ministry, Agricultural Credit Corporation of Saskatchewan

- and Saskatchewan Crop Insurance Corporation must be in acceptable condition.
- The purchase price of the land; value of any special features; value of any improvements included in the purchase; any rent arrears and penalty applicable to the land being purchased; any principal outstanding and arrears relating to any improvement sale agreements applicable to the improvements on the land; any credit for appraisal costs, and the fee for issuing the sale agreement will be listed separately to arrive at the total price. A sale agreement will be prepared by the ministry that provides the outstanding balance.
  - The terms of sale are for cash by the expiry date contained in the sale agreement. The sale agreement may be cancelled if payment is not received by the expiry date. Should extenuating circumstances exist at the expiry date and the ministry agrees to provide additional time to meet the conditions, interest on the outstanding balance will be charged at the ministry's penalty rate from 41 days after the effective date of the sale agreement to the date of payment.
  - Sale of fractional areas such as yard sites or for the development of a yard site will require approval from the Community Planning Branch of the Ministry of Government Relations before the sale can be completed. The lessee is responsible for arranging and paying for any surveys required. All fees arising from the subdivision process are the responsibility of the lessee.
  - If the lessee has paid out any sale agreements related to improvements to the land being purchased, the value of the improvements will not be included in the sale price.
  - If the market value of the improvements on the land being purchased is less than the total outstanding on any sale agreements for those improvements, the market value of the improvements will be included in the sale price. The improvement sale agreements are then void.
  - The sale agreement is to be in the name of the lessee.
  - All rent, municipal taxes and improvement sale agreements related to the land being purchased must be paid before a transfer of title will be provided to the purchaser.
  - When the ministry receives all the required funds a transfer of title will be provided in the name(s) of the lessee(s). Upon written request, the spouse's name can be added to the transfer. The lessee shall be given 30 days to complete the transfer of title and if not completed, the ministry shall finalize the transfer of title with ISC and charge the costs back to the purchaser.
4. Unregistered title transfer
- If a title transfer is outstanding for more than 30 days, the ministry will send a letter to the purchaser of the land providing 30 days to register the transfer.
  - In the letter the ministry will advise the purchaser that if the transfer is not completed by the deadline, then the ministry will register the transfer with ISC and charge the costs back to the purchaser. GST will be charged to the client on the transfer costs.
5. Rental Equivalent Adjustment (REA) for lessee sales under the 2015 Agriculture Crown Land Sales Program (2015 ACLSP) and 2017 Lease Premium Land Sale Program (2017 LPLSP)
- A REA is applied to sales for applications to purchase that were received under the 2015 ACLSP and 2017 LPLSP. A REA reduces the sale price by the amount of the rent paid by a client after submitting an application to purchase.

- Clients are required to continue paying rent while an application to purchase is being processed. A REA is determined based on the date the application to purchase is received, the date the sale agreement is completed, and rent paid (or owing) during this time period, which includes the rent reduction for oil and gas development.
  - If the application to purchase was received before September 1, the purchasing lessee will receive credit for any rent paid in the year of application and will receive credit for any rent paid in subsequent years while the application is being processed. Clients will be responsible to pay rent in the year of application where applications to purchase were received after September 1. Clients will receive credit for any rent paid in subsequent years.
  - REA will be calculated when the sale agreement is prepared.
6. REA for all other lessee sales
- A REA will be applied to all lessee sales applications. This section applies to applications not received under the 2015 or 2017 sales programs.
  - Clients are required to continue paying rent while an application to purchase is being processed. A REA will be pro-rated based on the date of the price quote acceptance and annual rent (see Table below), which includes the rent reduction for oil and gas development.
  - An eligible REA can be retroactively applied to sales where the transfer documents have not been signed by Lands Branch.
  - REA will be calculated when the sale agreement is prepared.
  - Annual rent will not be billed if the sale agreement is prepared after April 1 when the price quote is accepted between January 1 – March 31.

<b>Date of Price Quote Acceptance</b>	<b>Rental Equivalent Adjustment</b>
January 1 - March 31	0% of annual rental
April 1 - April 30	8/12 of annual rental paid
May 1 - May 31	7/12 of annual rental paid
June 1 - June 30	6/12 of annual rental paid
July 1 - July 31	5/12 of annual rental paid
August 1 - August 31	4/12 of annual rental paid
September 1 - September 30	3/12 of annual rental paid
October 1 - October 31	2/12 of annual rental paid
November 1 - November 30	1/12 of annual rental paid
December 1 - December 31	No Rental Equivalent Adjustment

7. Yard site sale to lessee
- Terms and conditions
    - Land must be leased under a long-term agreement and be eligible for sale. Application forms must be obtained from the Land Management Specialist.
    - A yard site sale must not exceed one legal subdivision (40 acres) subject to municipal zoning bylaws.
    - Sale will be for cash.
    - Written approval from the Rural Municipality indicating satisfactory arrangements

- for taxes have been made is required prior to entering a sales agreement.
- Fees for transfer or grant of title will be charged according to Table 3 of *The Provincial Land (Agriculture) Regulations*.
- The lessee will have 30 days from the date of price quotation in which to accept the price, after which a sale agreement will be forwarded providing an additional 40 days in which to forward all funds.
- The total annual rent will be charged if land is purchased after March 31.
- A sale agreement can only be assigned to:
  - Spouse;
  - Son, son-in-law;
  - Daughter, daughter-in-law; or
  - Nephew, niece or grandchild.
- The assignee must fit the other eligibility criteria of the Agricultural Crown Land Lease Policy and Guidelines.
- A co-operative or company may also apply to assign a sale agreement to members or their descendants, provided the assignees fit the other eligibility criteria of the assignment of lease policy. The fees for a disposition under this policy shall be established by regulation.
- Approval from Community Planning Branch, Ministry of Government Relations for any subdivision must be completed before the sale can proceed. The lessee is responsible for arranging and paying for any surveys required. All fees arising from the subdivision process are the responsibility of the lessee.
- General
  - The present value of future earnings from oil and gas leases and pipelines will be added to the sale price.

## 2017 Lease Premium Land Sale Program

### 8. Program Details

- A 10 per cent reduction in the sales price of the land if the lessee's application to purchase is received prior to April 1, 2018.

### 9. Lands not Eligible for the Incentive

- Land designated under *The Wildlife Habitat Protection Act* with a moderate ecological value;
- Crown land sold by public auction; and
- Crown land sold through Treaty Land Entitlement.

## H. Tender Sales

### 1. Terms and conditions

- Lands offered for tender sale will be advertised as deemed appropriate by the ministry. Tender notices and tender forms are available from a Land Management Specialist and client service representatives.
- Tender bidders are responsible for meeting any requirements of *The Saskatchewan Farm Security Act*.

- The highest or any tender may not necessarily be accepted. If more land can be sold, tenders on entire units or partial units may be selected over higher bids for single quarters. The ministry reserves the right to withdraw any land from tender at any time prior to issuing title.
- Tenders must be accompanied by certified funds for five per cent of the bid. Where individual quarters and unit tenders are submitted, the deposit is to be five per cent of the highest total tender.
- Bids in acceptable form and deposits must be received at the location, date and time as specified in the advertisement.
- Tenders will be opened in public at an advertised date and time; bidders, or their representatives may attend the opening.
- All bidders will be advised of the outcome of the tender within 30 days of the closing date.
- Purchase is for cash in full. Successful bidders will receive a sale agreement, which will provide 40 days for payment of the balance of funds.
- Successful bidders unable to complete a purchase will forfeit their deposits. On lands farmed by the successful bidder and not purchased, rent for the year will be due in addition to the deposit.
- Unsold land may be listed for sale in catalogue fashion, auction, re-tendered, permitted, leased or summer fallowed at ministry expense. The ministry reserves the right to determine alternate methods of disposition.
- The bidder is solely responsible to determine the value and condition of land being sold, value and condition of improvements, land quality, land use and any other information pertaining to tendered land.

## 2. General

- The sale agreement must be in the name of the successful bidder.
- The successful bidder may have the ISC transfer of ownership documents made in another name(s) at the time of preparation at no charge. The person(s) to whom the transfer is being made, must meet the requirements of *The Saskatchewan Farm Security Act*. This request must be made in writing.
- The owner of adjacent land or land located in the same parcel may purchase vacant Crown land that is less than a quarter section. If there is more than one person eligible to purchase less than a quarter section, a public auction or tender sale is required to determine the successful purchaser.

### I. Sales by Order in Council

Direct sales, larger than a quarter section, where the purchaser does not own land adjacent to or in the same quarter, can only occur by Order in Council. Typically, these sales occur for public purposes or benefit.

Visit [saskatchewan.ca/crownlands](http://saskatchewan.ca/crownlands) for more information or to contact your local regional office.