

Agriculture and Rural Credit Act

CHAPTER 7

OF THE

REVISED STATUTES, 1989

amended 1995-96, c. 13, s. 76; 2004, c. 24, ss. 13, 14; 2011, c. 49

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An Act Respecting
Agriculture and Rural Credit

Short title

1 This Act may be cited as the Agriculture and Rural Credit Act. R.S., c. 7, s. 1.

Interpretation

2 In this Act,

(a) "agri-rural business" means a business that primarily produces or adds value to inputs to or outputs from farming operations;

(aa) "Board" means Nova Scotia Farm Loan Board;

(b) "borrower" means

(i) a person of at least nineteen years of age who is a Canadian citizen or who has satisfied the Board of his intention to become a Canadian citizen,

(ii) a corporation that is operating or proposes to operate a farm, provided a majority of the shares are beneficially held by residents of the Province;

(c) "Department" means Department of Agriculture;

(d) "farm" means an area of land that in the opinion of the Board is suitable for purposes of agricultural production, including a greenhouse or fur or tree farming operation;

(e) "Minister" means Minister of Agriculture. R.S., c. 7, s. 2; 2011, c. 49, s. 1.

Farm Loan Board

3 (1) There shall be a corporation, to be called the Nova Scotia Farm Loan Board, consisting of such number of directors as the Governor in Council may from time to time determine.

(1A) Directors shall be appointed by the Governor in Council to hold office during pleasure for a term not exceeding five years.

(2) The Governor in Council shall designate one of the directors to be Chairman of the Board and one of the directors to be Vice-chairman of the Board.

(3) A director is eligible for re-appointment upon the expiration of the director's term of office, but is not eligible to be appointed to the Board for more than two consecutive terms.

(4) The directors of the Board shall receive such remuneration, allowances and expenses as the Governor in Council determines.

(5) Two thirds of the directors serving at any time constitute a quorum of the Board. R.S., c. 7, s. 3; 2011, c. 49, s. 2.

Supervision

4 The operation of the Board shall be under the general supervision and direction of the Minister. R.S., c. 7, s. 4.

Personnel

5 There shall be appointed in accordance with the Civil Service Act such officers, staff and employees as may be required for the proper conduct, management and operation of the Board and all such officers, staff and employees shall report to the Minister. R.S., c. 7, s. 5; 2011, c. 49, s. 3.

Successor board

6 (1) The Board is hereby declared to be the successor of the Nova Scotia Land Settlement Board and all property, rights, obligations and liabilities of the Nova Scotia Land Settlement Board existing immediately before the first day of April, 1967, shall be deemed to be property, rights, obligations and liabilities of the Nova Scotia Farm Loan Board.

(2) The Board shall have the same powers for the enforcement and protection of any estate, right, title or interest, as were enjoyed by the Nova Scotia Land Settlement Board.

(3) Whenever in any Act, order, regulation, mortgage, contract or other document there is a reference to the Nova Scotia Land Settlement Board, there shall in each and every case be substituted therefor a reference to the Board as constituted under this Act. R.S., c. 7, s. 6.

Purposes, duties, powers

7 The purposes, duties and powers of the Board are

(a) to make loans to, or guarantee loans of, a borrower for the purpose of acquiring or improving any farm, plant, machinery or equipment;

(aa) to make loans to, or guarantee loans of, a borrower for the purpose of acquiring quota or for acquiring, building or improving a farm dwelling;

(ab) to make loans to a borrower for the purpose of paying out or refinancing existing loans of that borrower;

(b) to acquire, hold, lease and dispose of farms or buildings or an interest in farms or buildings;

(ba) to acquire, develop or improve real or personal property that is used or intended to be used in an agri-rural business;

(c) to acquire, hold, lease, subdivide and dispose of agricultural lands;

(d) to acquire, hold, lease and dispose of livestock, agricultural machinery and equipment or interest therein and such other equipment or interest therein as the Board may deem essential to ensure the success of the borrower;

- (e) to erect buildings, make permanent improvements and carry on farming operations on farms or other lands owned by the Board or interest therein;
- (f) to collaborate with personnel of the Department regarding the extension of credit to further agricultural production;
- (g) to acquire from the Governor in Council for the purpose of encouraging agricultural production and development within the Province any land expropriated under the Expropriation Act;
- (h) to approve of or reject applications for the purchase of farms, stock or agricultural personal property, upon such terms as the Board may determine;
- (ha) to approve or reject loan applications or loan guarantees upon such terms as the Board may determine.
- (i) such other purposes, duties and powers as the Minister may from time to time approve of or determine. R.S., c. 7, s. 7; 2004, c. 24, s. 13; 2011, c. 49, s. 4.

Regulations

- 8 The Board may, subject to the approval of the Governor in Council, make regulations
- (a) prescribing the manner in which applications for loans may be made;
 - (b) prescribing the terms and conditions upon which loans may be made;
 - (c) prescribing the terms and conditions upon which property of the Board, including agricultural land or an interest therein, may be sold, leased and disposed of;
 - (d) prescribing the limits of loans;
 - (e) deferring the payment of the whole or any part of any loan for such reasons as the Board may in its discretion determine;
 - (f) fixing the rates of interest to be charged on loans and on accounts, including arrears;
 - (g) providing for the commuting of any payments due to the Board;
 - (h) prescribing the manner and conditions upon which borrowers may transfer their rights;
 - (i) prescribing the fees and expenses payable by borrowers under this Act;
 - (j) prescribing the powers and duties of supervisors or other officers, assistants, clerks or employees of the Board;
 - (k) prescribing forms of mortgages, agreements and other documents;
 - (l) requiring borrowers to acquire and maintain insurance;
 - (m) prescribing the form and conditions under which borrowers shall present a financial statement with respect to their farm operation;
 - (n) generally for the conduct and management of its business and for the better carrying out of the purposes of this Act. R.S., c. 7, s. 8; 2004, c. 24, s. 14; 2011, c. 49, s. 5.

Financial provisions

9 (1) The Minister of Finance with the approval of the Governor in Council may from time to time advance to the Board and charge to Capital Account such sums of money as the Governor in Council considers necessary for the purpose of carrying out all or any of the provisions of this Act, or, if it is considered expedient so to do, the Minister of Finance may pay the said sum or sums out of the Special Reserve Account of the Province or out of the revenue of the Province for any year or years.

(2) All such moneys and all repayments shall be expended or applied by the Board under the provisions of this Act.

(3) The administration expenses of the Minister and of the Board shall be administration expenses of the Department.

(4) The fiscal year of the Board shall correspond to the fiscal year of the Province. R.S., c. 7, s. 9.

Execution of documents

10 All deeds, mortgages, transfers, assignments, discharges, releases, agreements, securities or other documents of whatsoever nature or kind shall be executed by officers of the Board as designated by the directors of the Board and approved by the Deputy Minister of the Department . R.S., c. 7, s. 10; 2011, c. 49, s. 6.

Audit

11 The system of accounting and the books and records in use by the Board shall be subject to audit by the Auditor General. R.S., c. 7, s. 11.

Annual report

12 The Board shall prepare and submit to the Minister a report concerning the work of the Board during the previous year, and the report shall be tabled by the Minister at the next ensuing session of the Legislature. R.S., c. 7, s. 12; 2011, c. 49, s. 7.

Priority of Board

13 (1) Notwithstanding any law, statutory or otherwise, in force in the Province, no person may, except with the consent in writing of the Board, acquire any estate, right, title, interest, lien, charge, claim or demand whatsoever in, on, to or against any property of a borrower in priority to or to the prejudice of any claim of the Board, so long as any part of the sale price or the amount of any advance made by the Board with respect to such property or any interest thereon remains unpaid to the Board.

(2) Notwithstanding subsection (1), that subsection does not apply with respect to property where an interest in that property may be perfected or registered pursuant to the Personal Property Security Act. R.S., c. 7, s. 13; 1995-96, c. 13, s. 76.