

Bowater Mersey Pulp and Paper Investment (2011) Act

CHAPTER 32 OF THE ACTS OF 2011



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**An Act to Sustain Jobs and Invest in
Southwest Nova Scotia's Pulp and Paper Sector**

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(The table of contents is not part of the statute)

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WHEREAS the Region of Queens Municipality, the employees and their representatives in the Communications, Energy and Paperworker's Union, the Port of Halifax and Nova Scotia Power Incorporated have all participated in seeking a sustainable solution for the Bowater Mersey Pulp and Paper Mill;

AND WHEREAS by resolution on November 17, 2011, the Region of Queens Municipality requested that the Province of Nova Scotia enact legislation authorizing alternative taxation by the Region of Queens Municipality of certain properties owned by Bowater Mersey Paper Company Limited and Brooklyn Power Corporation in the Region of Queens Municipality;

AND WHEREAS the Province of Nova Scotia and Bowater Mersey Paper Company Limited have entered into an agreement respecting program and financing in favour of the Company on December 1, 2011:

Short title

1 This Act may be cited as the *Bowater Mersey Pulp and Paper Investment (2011) Act*. 2011, c. 32, s. 1.

Interpretation

2 In this Act,

(a) “Agreement” means the agreement respecting program and financing in favour of Bowater Mersey Paper Company Limited entered into by the Province and Bowater on December 1, 2011;

(b) “base year” means the fiscal year beginning on April 1, 2012, and ending on March 31, 2013;

(c) “Bowater” means the Bowater Mersey Paper Company Limited;

(d) “Bowater Property” means the parcels of land owned by Bowater and identified in the Schedule to this Act;

(e) “Brooklyn” means the Brooklyn Power Corporation;

(f) “Brooklyn Property” means the parcels of land owned by Brooklyn and identified in the Schedule to this Act;

(g) “Mill” means the paper mill owned and operated by Bowater near Liverpool in Queens;

(h) “Queens” means the Region of Queens Municipality. 2011, c. 32, s. 2.

Purpose of Act

3 The purpose of this Act is to assist Bowater’s pulp and paper operations by providing financial assistance for the purchase of land, funding of capital assets to achieve productivity gains and energy savings and support enhanced workforce skills, and authorize alternative municipal taxation. 2011, c. 32, s. 3.

Agreements

4 (1) The Agreement is hereby ratified and confirmed.

(2) The Minister of Economic and Rural Development and Tourism, with the approval of Governor in Council, may enter into and carry out any additional agreements the Minister considers necessary or advisable to carry out the purpose of this Act.

(3) His Majesty in right of the Province may do anything necessary to implement the Agreement or an agreement made pursuant to subsection (2). 2011, c. 32, s. 4.

Capital loan

5 (1) The Minister of Economic and Rural Development and Tourism may grant to Bowater a capital loan of up to \$25,000,000.00 in accordance with the Agreement.

(2) The assistance under this Section is a charge on

(a) the Industrial Expansion Fund under the *Industrial Development Act*; or

(b) upon the coming into force of the *Nova Scotia Jobs Fund Act*, the Nova Scotia Jobs Fund under that Act. 2011, c. 32, s. 5.

Purchase of land

6 (1) The Minister of Natural Resources may purchase up to twenty-five thousand acres of land owned by Bowater at a total purchase price not to exceed \$23,750,000.00 in accordance with the Agreement, with priority given to purchasing lands of high conservation value and lands of Mi'kmaq interest.

(2) The total purchase price is to be advanced by way of non-interest-bearing loan on January 3, 2012, provided and secured in accordance with the Agreement.

(3) The purchased lands are to be identified by agreement of the Minister of Natural Resources between Bowater and title to the lands transferred on or before March 31, 2012. 2011, c. 32, s. 6.

Assistance not to benefit sawmill operations

7 No assistance provided under this Act may be used, directly or indirectly, for the benefit of any sawmill operations. 2011, c. 32, s. 7.

Application of Finance Act limited

8 Sections 77 and 78 of the *Finance Act* do not apply in respect of any net debt obligation or operating obligation entered into under this Act. 2011, c. 32, s. 8.

Property tax payable under Act

9 (1) For the period from April 1, 2012, to March 31, 2022, inclusive,

(a) Bowater shall pay property tax on the Bowater Property; and

(b) Brooklyn shall pay property tax on the Brooklyn Property,

in accordance with this Act instead of any property tax or rate imposed by Queens pursuant to Sections 72 or 75 of the *Municipal Government Act* in respect of the Bowater Property and the Brooklyn Property.

(2) For greater certainty, this Act does not affect the liability of Bowater and Brooklyn for taxes in respect of other properties or pursuant to other statutory provisions. 2011, c. 32, s. 9.

Property tax amounts for base year

10 (1) The property tax to be paid for the Bowater Property for the base year is \$714,640.00.

(2) The property tax to be paid for the Brooklyn Property for the base year is \$48,994.00. 2011, c. 32, s. 10.

Calculation of property tax payable

11 (1) The property tax to be paid for the Bowater Property and the Brooklyn Property for each fiscal year after the base year is the greater of

4 bowater mersey pulp and paper investment (2011) 2011, c. 32

(a) the property tax payable under this Act for the previous fiscal year; and

(b) the property tax payable under this Act for the previous fiscal year increased by fifty per cent of any increase in the Canadian Consumer Price Index as determined by Statistics Canada for the calendar year ending in the previous fiscal year.

(2) Notwithstanding subsection (1), the increase in the property tax payable under this Act for any fiscal year is no greater than five per cent of the property tax payable under this Act for the previous fiscal year. 2011, c. 32, s. 11.

Notice of property taxes

12 On or before June 1st of each fiscal year, Queens shall provide Bowater and Brooklyn a notice of the property taxes due under this Act. 2011, c. 32, s. 12.

Payment of property taxes

13 (1) On or before June 30th of each fiscal year, Bowater and Brooklyn shall pay to Queens the property taxes as set out in the notice given pursuant to Section 12.

(2) Any part of any property tax due under this Act that is not paid on or before June 30th of the fiscal year in which it is due is subject to interest at a rate of twelve per cent per annum calculated daily. 2011, c. 32, s. 13.

Lien for property taxes

14 The property taxes payable pursuant to this Act are a first lien on the Bowater Property and the Brooklyn Property, as the case may be, in favour of Queens in accordance with the *Municipal Government Act*. 2011, c. 32, s. 14.

Calculation of uniform assessment

15 Notwithstanding the *Assessment Act*, the *Municipal Grants Act* or any other enactment, for the purpose of the calculation of uniform assessment pursuant to Section 14 of the *Municipal Grants Act*, the capitalized value of property taxes payable pursuant to this Act in fiscal years 2012-13 to 2021-22, inclusive, is to be used instead of the taxable assessment in respect of the Bowater Property and the Brooklyn Property. 2011, c. 32, s. 15.

Effect of Mill ceasing production

16 In the event that the Mill ceases production for a period of greater than six consecutive months, Sections 9 to 11 and 15 no longer apply on and after the end of the sixth month and, for greater certainty, the Bowater Property and the Brooklyn Property are subject to all of the provisions of the *Assessment Act*, the *Municipal Government Act* and any other enactment. 2011, c. 32, s. 16.

Effective dates

17 (1) This Act, except Sections 9 to 16 and the Schedule to this Act, have effect on and after December 1, 2011.

(2) Sections 9 to 16 and the Schedule to this Act come into force on such day as the Governor in Council orders and declares by proclamation. 2011, c. 32, s. 17.

ss. 9-16 & Sch.
 proclaimed - March 13, 2012
 In force - March 13, 2012

SCHEDULE

Bowater Property and Brooklyn Property

Assessment Account Number	Parcel Identification Numbers	Assessed Owner
00421413	70084645, 0161039, 70161047, 70161070, 70161088, 70161096, 70161104, 70161112, 70161120, 70161138, 70161146, 70161153, 70161161, 70161179, 70161187	Bowater
00424129	none	Bowater
00424978	70084967	Bowater
00425222	70109939	Bowater
00428728	none	Bowater
00429511	none	Bowater
02444739	none	Bowater
02444852	70086061	Bowater
02533014	70084660	Bowater
03166864	none	Bowater
03389286	70084728	Bowater
03854094	70075254	Bowater
05419166	70083522, 70169198	Bowater
08365377	70084793	Bowater
08373671	none	Bowater
08401667	70084678	Brooklyn
08401675	70084686	Brooklyn
10037018	70256284	Bowater

2011, c. 32, Sch.

MARCH 13, 2012