

EC2008-169

EXECUTIVE COUNCIL ACT
MINISTER OF AGRICULTURE
AUTHORITY TO ENTER INTO AN AGREEMENT
(GROWING FORWARD CONTINUITY AGREEMENT)
WITH
THE GOVERNMENT OF CANADA

Pursuant to clause 10(a) of the *Executive Council Act* R.S.P.E.I. 1988, Cap. E-12 Council authorized the Minister of Agriculture to enter into an agreement with the Government of Canada, as represented by the Minister of Agriculture and Agri-Food, to maintain certain provisions of the Federal-Provincial-Territorial Framework Agreement on Agriculture and Agri-Food Policy for the Twenty-First Century and Implementation Agreement in order to continue existing programming, effective April 1, 2008 and until finalization of the “Growing Forward” agreement, such as more particularly described in the draft agreement.

EC2008-170

EXECUTIVE COUNCIL ACT
ATTORNEY GENERAL
AUTHORITY TO ENTER INTO AN AGREEMENT
(CANADA YOUTH JUSTICE FUND
PROJECT FUNDING)
WITH
THE GOVERNMENT OF CANADA

Pursuant to clause 10(a) of the *Executive Council Act* R.S.P.E.I. 1988, Cap. E-12 Council authorized the Attorney General to enter into an agreement with the Government of Canada, as represented by the Minister of Justice Canada, to set out terms and conditions of funding a project under the Canada Youth Justice Fund in support of youth addiction services in Prince Edward Island for the period April 1, 2008 to March 31, 2011, such as more particularly described in the draft agreement.

EC2008-171

EXECUTIVE COUNCIL ACT
 ATTORNEY GENERAL
 AUTHORITY TO ENTER INTO AN AGREEMENT
 (DECLARATION OF FEDERAL/PROVINCIAL/TERRITORIAL
 MINISTERS RESPONSIBLE FOR JUSTICE
 ON COLLABORATION REGARDING
 ABORIGINAL JUSTICE SERVICES AND PROGRAMS)
 WITH
 THE GOVERNMENT OF CANADA
 AND
 THE OTHER PROVINCES
 AND
 THE TERRITORIES

Pursuant to clauses 10(a) and (b) of the *Executive Council Act* R.S.P.E.I. 1988, Cap. E-12 Council authorized the Attorney General to enter into a declaration with the Government of Canada and the Governments of the other Provinces and the Territories, as represented by their Ministers responsible for Justice, to set out principles of collaboration related to Aboriginal justice, such as more particularly described in the draft agreement.

EC2008-172

EXECUTIVE COUNCIL ACT
 MINISTER OF ENVIRONMENT, ENERGY AND FORESTRY
 AUTHORITY TO ENTER INTO AN AGREEMENT
 (MEMORANDUM OF AGREEMENT REGARDING
 THE ECOENERGY RETROFIT – HOMES INITIATIVE)
 WITH
 THE GOVERNMENT OF CANADA

Pursuant to clause 10(a) of the *Executive Council Act* R.S.P.E.I. 1988, Cap. E-12 Council authorized the Minister of Environment, Energy and Forestry to enter into an agreement with the Government of Canada, as represented by the Minister of Natural Resources through the Office of Energy Efficiency, to provide for the transfer of homeowner data to the Province as required to manage provincial energy programs, and to grant a non-exclusive, royalty-free license to permit use of the ecoEnergy official marks and logos and the EnerGuide label, such as more particularly described in the draft agreement.

EC2008-173

EXECUTIVE COUNCIL ACT
 MINISTER OF ENVIRONMENT, ENERGY AND FORESTRY
 AUTHORITY TO ENTER INTO AGREEMENTS
 FOR INCOME VERIFICATION IN SUPPORT OF
 THE PEI EXISTING HOMES INITIATIVE
 WITH
 THE CANADA REVENUE AGENCY

Pursuant to clause 10(a) of the *Executive Council Act* R.S.P.E.I. 1988, Cap. E-12 Council authorized the Minister of Environment, Energy and Forestry to first enter into a Letter of Intent and later a Memorandum of Understanding with the Canada Revenue Agency, as represented by the Commissioner of Revenue, to set out conditions and procedures for the exchange of taxpayer information as required for administration of the Existing Homes Initiative Program in Prince Edward Island, such as more particularly described in the draft agreement.

EC2008-174

EXECUTIVE COUNCIL ACT
 MINISTER OF ENVIRONMENT, ENERGY AND FORESTRY
 AUTHORITY TO ENTER INTO AN AGREEMENT
 (WEST CAPE WIND FARM AGREEMENT)
 WITH
 WEST CAPE WIND ENERGY, INC.

Pursuant to clause 10(d) of the *Executive Council Act* R.S.P.E.I. 1988, Cap. E-12 Council authorized the Minister of Environment, Energy and Forestry to enter into an agreement with West Cape Wind Energy, Inc., to set out terms and conditions for the sale to West Cape Wind Energy, Inc. of environmental attributes to be earned by its 99 MW wind farm at West Cape, Prince Edward Island, a large capacity renewable energy generator as defined in the *Renewable Energy Act*, R.S.P.E.I. 1988, Cap. R-12.1, and to provide for financing the capital costs of constructing transmission facilities from O'Leary to Sherbrooke, such as more particularly described in the draft agreement.

EC2008-175

EXECUTIVE COUNCIL ACT
 MINISTER OF FISHERIES AND AQUACULTURE
 AUTHORITY TO ENTER INTO AN AGREEMENT
 (MEMORANDUM OF UNDERSTANDING
 PEI MUSSEL AQUACULTURE PRODUCTIVITY IMPROVEMENT FUND)
 WITH
 THE PEI AQUACULTURE ALLIANCE

Pursuant to clause 10(d) of the *Executive Council Act* R.S.P.E.I. 1988, Cap. E-12 Council authorized the Minister of Fisheries and Aquaculture to enter into a Memorandum of Understanding with the PEI Aquaculture Alliance, to define responsibilities and relationships with respect to administration by the PEI Aquaculture Alliance of the Prince Edward Island Mussel Aquaculture Productivity Improvement Fund, such as more particularly described in the draft agreement.

EC2008-176

FINANCIAL ADMINISTRATION ACT
 CERTAIN ACCOUNTS RECEIVABLE OF
 DEPARTMENT OF HEALTH
 AUTHORITY TO WRITE-OFF

Pursuant to subsection 26.1(1) of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9 Council authorized the write-off of certain accounts receivable of the Department of Health totalling \$678,225.00 including interest to 31 March 2007.

Further, Council noted that this amount is fully offset by provisions for doubtful accounts in the Department.

EC2008-177

FINANCIAL ADMINISTRATION ACT
SPECIAL WARRANT
(SUPPLEMENTARY EXPENDITURE FOR FISCAL YEAR 2007-08)
DEPARTMENT OF AGRICULTURE

Pursuant to subsection 37(1) of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9, Council ordered that a Special Warrant do issue authorizing a supplementary payment out of the Operating Fund for the Department of Agriculture as follows:

Account Class	Account Name	Amount
	AGRICULTURE POLICY AND REGULATORY DIVISION Division Management	
0694-04299	Grants – Miscellaneous	<u>\$4,680,000.00</u>

EC2008-178

FINANCIAL ADMINISTRATION ACT
SPECIAL WARRANT
(SUPPLEMENTARY EXPENDITURE FOR FISCAL YEAR 2007-08)
DEPARTMENT OF EDUCATION

Pursuant to subsection 37(1) of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9, Council ordered that a Special Warrant do issue authorizing a supplementary payment out of the Operating Fund for the Department of Education as follows:

Account Class	Account Name	Amount
	<u>HIGHER EDUCATION AND CORPORATE SERVICES BRANCH</u> CONTINUING EDUCATION AND TRAINING Post Secondary Grants	
0441-04114	Grants – Maritime Provinces Higher Education Commission	<u>\$2,069,700.00</u>

EC2008-179

FINANCIAL ADMINISTRATION ACT
SPECIAL WARRANT
(SUPPLEMENTARY EXPENDITURE FOR FISCAL YEAR 2007-08)
DEPARTMENT OF HEALTH

Pursuant to subsection 37(1) of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9, Council ordered that a Special Warrant do issue authorizing a supplementary payment out of the Operating Fund for the Department of Health as follows:

Account Class	Account Name	Amount
	PROVINCIAL ACUTE CARE Queen Elizabeth Hospital	
0568-02908	Drugs	<u>\$500,000.00</u>

Further, Council noted that this amount will be fully offset by sequestration of funds from the Department of Social Services and Seniors.

EC2008-180

FINANCIAL ADMINISTRATION ACT
SPECIAL WARRANT
(SUPPLEMENTARY EXPENDITURE FOR FISCAL YEAR 2007-08)
PRINCE EDWARD ISLAND BUSINESS DEVELOPMENT INC.

Pursuant to subsection 37(1) of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9, Council ordered that a Special Warrant do issue authorizing a supplementary payment out of the Operating Fund for Prince Edward Island Business Development Inc. as follows:

Account Class	Account Name	Amount
	BUSINESS DEVELOPMENT Programs	
0194-04252	Grants – Infrastructure	\$1,200,000.00
	Asset Management	
0199-04252	Grants – Property Operations	<u>570,000.00</u>
	Total	<u>\$1,770,000.00</u>

Further, Council noted that \$1,200,000.00 of this amount will be offset by sequestration of funds from General Government.

EC2008-181

FINANCIAL ADMINISTRATION ACT
SPECIAL WARRANT
(SUPPLEMENTARY CAPITAL EXPENDITURE
FOR FISCAL YEAR 2007-08)
P.E.I. PUBLIC SERVICE COMMISSION

Pursuant to subsection 37(1) of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9, Council ordered that a Special Warrant do issue authorizing a supplementary payment out of the Capital Fund for the P.E.I. Public Service Commission as follows:

Account Class	Account Name	Amount
	CORPORATE SERVICES Systems and Administration	
1135-05010	Professional Services	<u>\$501,400.00</u>

EC2008-182

**FINANCIAL ADMINISTRATION ACT
SPECIAL WARRANT
(SUPPLEMENTARY EXPENDITURE FOR FISCAL YEAR 2007-08)
DEPARTMENT OF SOCIAL SERVICES AND SENIORS**

Pursuant to subsection 37(1) of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9, Council ordered that a Special Warrant do issue authorizing a supplementary payment out of the Operating Fund for the Department of Social Services and Seniors as follows:

Account Class	Account Name	Amount
	SOCIAL PROGRAMS Social Programs	
0918-02925	Renovations	<u>\$1,026,000.00</u>

Further, Council noted that this amount will be fully offset by revenue from the Canada Mortgage and Housing Corporation.

EC2008-183

**FINANCIAL ADMINISTRATION ACT
SPECIAL PROJECTS FUND REGULATIONS
AMENDMENT**

Pursuant to section 14.8 of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9, Council made the following regulations:

1. (1) Subsection 4(1) of the *Financial Administration Act* Special Projects Fund Regulations (EC639/99) is amended by the deletion of the words “the Department of Health” and the substitution of the words “Executive Council”.

(2) Clause 4(6)(a) of the regulations is revoked.

2. These regulations come into force on April 1, 2008.

EXPLANATORY NOTES

SECTION 1 amends the regulations to transfer responsibility for the PEI Health Research Fund from the Department of Health to the Executive Council (Office of Biosciences and Economic Innovation).

SECTION 2 provides for the commencement of these regulations.

EC2008-184

**ISLAND INVESTMENT DEVELOPMENT ACT
FINANCIAL ASSISTANCE REGULATIONS
BIOVECTRA INC.
AUTHORIZATION**

Pursuant to subsection 2(3) of the *Island Investment Development Act* Financial Assistance Regulations (EC2005-686), Council authorized Island Investment Development Inc. to permit BioVectra Inc., to assume the term loan in the amount of five million, five hundred thousand dollars (\$5,500,000.00) originally extended to its predecessor Diagnostic Chemicals Limited, with the terms to remain unchanged from the original loan approval.

EC2008-185

**REVENUE ADMINISTRATION ACT
REGULATIONS
AMENDMENT**

Pursuant to section 28 of the *Revenue Administration Act* R.S.P.E.I. 1988, Cap. R-13.2, Council made the following regulations:

1. Section 8.1 of the *Revenue Administration Act* Regulations (EC390/91) is revoked and the following substituted:

- 8.1** (1) The Minister may, in accordance with this section, rebate tax to a vendor that the vendor remitted to the Minister in respect of a sale of goods by the vendor to a purchaser if the Minister is satisfied that
- Rebate of tax by vendor in respect of bad debt
- (a) the vendor has given credit to the purchaser with respect to the sale of goods, together with revenue tax payable by the purchaser;
 - (b) the purchaser has defaulted in the payment to the vendor of all or part of the amount payable to the vendor in respect of the sale;
 - (c) the vendor has written off as a bad debt in the vendor's books of account the unpaid amount payable to the vendor in respect of the sale; and
 - (d) the write-off of the unpaid amount payable to the vendor as a bad debt is in accordance with generally accepted accounting principles, as recognized by the Canadian Institute of Chartered Accountants, applicable at the time of the write-off.
- (2) Notwithstanding subsection (1), no rebate of tax shall be made to a vendor under this section in respect of an unpaid amount payable to the vendor if
- Circumstances in which rebate may not be payable
- (a) the vendor does not claim the rebate within four years from the effective date of the vendor's write-off of the unpaid amount as a bad debt;
 - (b) the vendor is entitled to offset the unpaid amount against an amount payable by the vendor to the purchaser;
 - (c) the vendor has assigned, without recourse and for consideration, other than for security purposes, part or all of the unpaid amount; or
 - (d) the payment for the purchase was made through the use of a credit card that is not issued by the vendor.
- (3) The tax that may be rebated to a vendor under this section shall be determined in accordance with the following formula:
- Calculation of rebate

$$\text{Rebate} = A \times B/C$$

where,

A is the tax remitted by the vendor with respect to the sale of goods to the purchaser;

B is the unpaid amount payable to the vendor less all amounts, if any, required by subsection (4) to be deducted from the unpaid amount for the

purposes of determining the amount of the rebate of tax under this section; and

C is the total amount that was payable in respect of the sale, including any federal excise and sales taxes and the amount of tax imposed by the Act.

(4) For the purposes of determining the amount of a rebate of tax under this section in respect of an unpaid amount payable to a vendor, the following amounts, to the extent they are applicable, shall be deducted from the unpaid amount: Deductions from unpaid amount

- (a) all interest, finance, carrying, collection or similar charges imposed by the vendor with respect to the sale, except to the extent the charges form part of the fair value of the goods sold by the vendor for the purposes of determining the amount of tax payable under the Act in respect of the sale;
- (b) all proceeds of sale received by the vendor on any repossession and resale of the property on account of the unpaid amount;
- (c) all amounts received by the vendor on the realization of any security given to secure the unpaid amount payable to the vendor;
- (d) if the goods sold by the vendor to the purchaser are repossessed and leased by the vendor or are taken out of inventory and used by the vendor or by others at the vendor's expense, the fair value of the goods at the time of the leasing or change in use.

(5) The following rules apply for the purposes of claiming a rebate of tax under this section: Rules governing claims for rebate

- (a) the vendor may claim only one rebate under this section in respect of a sale;
- (b) the vendor may claim the rebate by making an adjustment to the vendor's tax liability account for the amount of the rebate claimed;
- (c) the vendor shall make only one adjustment to the vendor's tax liability account during any 12-month period for all claims for rebate of tax under this section, unless the vendor has applied in writing to the Commissioner for consent to make an additional adjustment and the Commissioner has consented to the making of the additional adjustment to the account;
- (d) the vendor shall retain in the vendor's records sufficient information and documentation to permit the verification to the satisfaction of the Commissioner of the correct amount of the tax rebate.

(6) If, after claiming a rebate of tax under this section, a vendor recovers from any person or through any means, other than a rebate under this section, any of the unpaid amount payable to the vendor in respect of which the rebate of tax was claimed, the vendor shall repay to the Minister by way of adjustment to the vendor's tax liability account the same percentage of the rebate made under this section that the amount recovered by the vendor is of the amount designated as "B" in the formula in subsection (3) in respect of the unpaid amount. Repayment of rebate

(7) For the purposes of subsection (6), the repossession of goods and the sale or use by the vendor or by others at the vendor's expense of the repossessed goods shall be considered to be a recovery of part or all of the unpaid amount payable to the vendor in respect of the sale of the goods to the extent of the lesser of the unpaid amount and, *Idem*

- (a) the proceeds from the sale, if the repossessed goods are the subject of a resale; or
- (b) the fair value of the goods if the repossessed goods are used by the vendor or by others at the vendor's expense.

2. These regulations come into force on April 5, 2008.

EXPLANATORY NOTES

SECTION 1 authorizes the Minister to rebate tax to a vendor that the vendor has remitted to the Minister in respect of a bad debt arising from a sale of goods that the vendor has written off.

This section revises the current bad debt provisions in the regulations to provide simpler and fairer rules for vendors when calculating and obtaining such rebates.

The new subsections 8.1(1) to (4) provide a clearer description of what is a bad debt. The new amendments also drop a current restriction on a vendor's ability to claim a rebate in respect of bad debts on sales made to a customer more than 180 days prior to the last credit sale to that customer.

The new subsection 8.1(5) provides clearer direction on how a rebate is claimed. This subsection also allows the vendor to save time by deducting the amount of the rebate from the vendor's tax liability account without filing a rebate claim form with the Department.

Subsections 8.1(6) and (7) clarify what constitutes a recovery of bad debts and the calculation of the rebate repayment resulting from a recovery of bad debts.

SECTION 2 provides for the commencement of these regulations.

EC2008-186

REVENUE TAX ACT REGULATIONS AMENDMENT

Pursuant to subsections 57(1) and (2) of the *Revenue Tax Act* R.S.P.E.I. 1988, Cap. R-14, Council made the following regulations:

1. Clause 1(1)(q.2) of the *Revenue Tax Act* Regulations (EC262/60) is amended

(a) in subclause (v), by the deletion of the words “, and” and the substitution of a comma;

(b) in subclause (vi), by the deletion of the semicolon and the substitution of the words “, and”; and

(c) by the addition of the following after subclause (vi):

- (vii) an organic combustion system that
 - (A) has a name plate rating of 100 kilowatts or less, and
 - (B) complies with Canadian Standards Association (CSA) B415 or holds a US Environmental Protection Agency (EPA) certification,
 and includes the combustion appliance, stoking and fuel delivery system of such appliance and the blowers and fans attached to the appliance, but does not include the breaching, exhaust or chimney structure of the system or any materials or services necessary to house the system;

2. These regulations come into force immediately after the beginning of March 31, 2008.

EXPLANATORY NOTES

SECTION 1 amends the definition of “renewable energy equipment” to include organic combustion systems. These systems were previously included only for a two year period. This amendment will continue the tax exempt status that applies to the purchase of these systems.

SECTION 2 provides for the commencement of these regulations.

EC2008-187

**WORKERS COMPENSATION ACT
WORKERS COMPENSATION BOARD OF
PRINCE EDWARD ISLAND
APPOINTMENTS**

Pursuant to section 19 of the *Workers Compensation Act* R.S.P.E.I. 1988, Cap. W-7.1, Council made the following appointments:

NAME	TERM OF APPOINTMENT
as employer representative	
Stuart Affleck	11 March 2008
Lower Bedeque	to 28 February 2010
as worker representative	
Margaret Stewart	1 March 2008
Charlottetown (reappointed)	to 28 February 2010

EC2008-188

**PROVINCIAL DEBENTURE ISSUE
TO CANADA PENSION PLAN
TOTALLING \$1,310,000.00**

The Executive Council having under consideration the matter of issuing a Provincial Debenture:

WHEREAS by virtue of the *Loan Act* 2006, Stats., P.E.I. 2006, c. 35 (the “*Loan Act* 2006”), and the *Financial Administration Act*, R.S.P.E.I. 1988, Cap. F-9, as amended (the “*Financial Administration Act*”), the Lieutenant Governor in Council is authorized to raise from time to time by way of loan such sum or sums of money as may be deemed expedient for any or all of the purposes mentioned in the said Acts, inter alia, for discharging the cost of carrying on public works authorized by the Legislature and the payment of any indebtedness of the Province, provided that the principal amount of any securities issued and the amount of any temporary loans raised under the authority of these Acts, including any securities issued for the retirement of the said securities or temporary loans, at any time outstanding, shall not exceed in the whole the sum of the *Loan Act* 2006 - One Hundred Million Dollars (\$100,000,000.00); and

WHEREAS an amount of Ninety-Six Million, Nine Hundred and Eighteen Thousand, Five Hundred Dollars (\$96,918,500.00) authorized by Order-in-Council No. EC2007-777 has been authorized for public debenture issue borrowing under the authority of the *Loan Act* 2006 and it is deemed expedient to borrow under the said authority, by the rollover and reissue of a new five (5) to thirty (30) year Debenture, in a fixed amount, and at fixed rate of interest to the Canada Pension Plan Investment Board for the purpose of discharging the cost of carrying on public works authorized by the Legislature and the payment, in part, of certain indebtedness of the Province;

THE EXECUTIVE COUNCIL THEREFORE ADVISES THAT under the authority of and pursuant to the provisions of the *Loan Act 2006* and the *Financial Administration Act*, the Province may borrow by the issue and sale of a Debenture of the Province in the principal amount of One Million, Three Hundred and Ten Thousand Dollars (\$1,310,000.00) on April 5, 2008, at a fixed interest rate, with interest payments being payable every six months from the date of issuance.

THE EXECUTIVE COUNCIL FURTHER ADVISES THAT the Debenture will be represented by a certificate issued directly to the Canada Pension Plan Investment Board in April 2008.

THE EXECUTIVE COUNCIL FURTHER ADVISES THAT the principal amount totalling One Million, Three Hundred and Ten Thousand Dollars (\$1,310,000.00) of the Debenture, the issued whereof is hereby provided for, is and is declared to be necessary to realize the net sum required to be raised by way of loan pursuant to the said *Loan Act 2006* and the *Financial Administration Act*

THE EXECUTIVE COUNCIL FURTHER ADVISES THAT the said interest shall be payable on the new debenture semi-annually on the issue date and six months later and that both the principal and interest payments on each individual debenture shall be payable in lawful money of Canada, in the manner provided in the conditions thereon. The first such interest payment shall be made six months from the date of initial issue.

THE EXECUTIVE COUNCIL FURTHER ADVISES that the said debenture be in substantially the following form:

No. CPP-223-PE08	\$1,310,000.00
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Province of Prince Edward Island

THE PROVINCE OF PRINCE EDWARD ISLAND will pay to the Canada Pension Plan Investment Board, on the 5th day of April 2038, on presentation and surrender of this Debenture, the principal sum of One Million Three Hundred & Ten Thousand Dollars in lawful money of Canada, and will pay interest on the said principal sum, in like money from the date of this Debenture until the day of maturity at the rate of Five percent (5.00%) per annum payable semi-annually on the 5th day of April and on the 5th day of October in each year. Such principal and interest are payable in the City of Toronto.

This debenture is issued pursuant to, and governed by, the letter agreement dated July 1, 2005 attached hereto, the terms of which letter as they relate to this debenture being hereby incorporated by reference and thereby forming part hereof.

The principal moneys secured by this Debenture are raised upon the credit of the Operating Fund of Prince Edward Island and the said principal moneys and the interest thereon are hereby charged on and shall be paid out of the said Fund.

This Debenture is not negotiable or transferable and is assignable only to a wholly-owned subsidiary of the Canada Pension Plan Investment Board.

EXECUTIVE COUNCIL _____ 25 MARCH 2008

This Debenture is issued under authority of the *Financial Administration Act*, R.S.P.E.I. 1988, Cap F-9, as amended, and an order of the Lieutenant Governor in Council of the Province of Prince Edward Island.

DATED AT Charlottetown in the Province of Prince Edward Island this 5th day of April, 2008.

SIGNED on behalf of the
Province of Prince Edward Island

Paul Jelley
Deputy Provincial Treasurer

Doug Clow
Director of Fiscal Management