



Department of Agriculture and Land

**Plain Language Summary
for Proposed Amendments to the
*Lands Protection Act***

Department of Agriculture and Land
Strategic Policy and Evaluation Division
Government of Prince Edward Island

PLAIN LANGUAGE SUMMARY FOR THE PROPOSED AMENDMENTS TO THE *LANDS PROTECTION ACT*

The purpose of this Summary is to provide an overview of proposed amendments to the *Lands Protection Act*. The Department of Agriculture and Land will accept comments, which will be considered when finalizing or confirming these amendments to the Act.

You can provide comments by mail or email to:

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The Department of Agriculture and Land assumes that comments received on this Summary are not confidential unless specifically indicated. The Department may quote from or refer to your comments in whole or in part and may attribute comments provided by organizations. If you would like your comments to be treated confidentially, please request confidentiality in your response or submit your comments anonymously.

Any personal information received by the Department through this engagement process is subject to the *Freedom of Information and Protection of Privacy Act*. If you have any questions or concerns, please contact the Department of Agriculture and Land via the contact information indicated above.

Proposed Amendments to *Lands Protection Act*

The purpose of this Summary is to provide an overview of proposed amendments to the *Lands Protection Act*.

Introduction

The *Lands Protection Act* (the “Act”) was established in 1982. The purpose of the Act is to regulate property rights in Prince Edward Island, including the amount of land that a person or corporation may hold.

In July 2020, the Department of Agriculture and Land (“DAL”) launched the Land Matters survey, the first step in DAL’s Land Matters Project. The survey collected feedback on land ownership and use issues from approximately 300 respondents. This feedback was then analyzed and presented to the Land Matters Advisory Committee (appointed in October 2020) as one line of evidence to inform decisions.

The Land Matters Advisory Committee (the “Committee”) met with a diverse range of stakeholder groups over several months and heard presentations related to land legislation and policies, including the *Lands Protection Act*.

In July 2021, the Committee released its Final Report, *Now is the Time*, outlining recommendations for Government to modernize the Act.

Recommendations from the Committee included¹:

- that “control”, “share”, and “hold” be defined or revised in the Act;
- the definition of “principal residence” be clarified; and
- the Island Regulatory and Appeal Commission’s authority and powers under the Act be revised.

¹ Land Matters Advisory Committee. (2021). *Now is the Time: Final Report of the Land Matters Advisory Committee*, pp. 4-5.

What's Changed?

Proposed amendments to the *Lands Protection Act* include:

1. DAL is proposing a new definition for “corporation” at subsection 1(1)(d), moving the provisions for direct or indirect control and the deeming provision to its own section.
2. DAL is proposing a revised definition of “hold” at subsection 1(1)(e.1) to include direct or indirect control, direction or influence over shares.
3. DAL is proposing that the definition of “principal residence” at subsection 1(1)(k) be amended to clarify this phrase as it relates to a “resident person”.
4. DAL is proposing the definition of “share” at subsection 1(1)(l) be amended to include current voting rights or circumstances that may result in voting rights in future.
5. DAL is proposing a new subsection 1(3.11) to clarify the nonapplication of subsection 1(3.1) when calculating the aggregate land holding when determining whether an application is required under sections 4 or 5.
6. DAL is proposing a new subsection 1(5.1) to clarify the nonapplication of subsection 1(5) when calculating the aggregate land holding when determining whether an application is required under sections 4 or 5.
7. DAL is proposing new subsections to section 5 whereby a corporation must now first obtain permission from the Lieutenant Governor in Council before any material changes are made to its shareholders that would result in the aggregate land holding of any of its shareholders who are resident persons exceeding 400 acres.
8. DAL is proposing a new section 6.01 to provide a process for divestiture of land holdings; as a result of some of the amendments being made to the Act, aggregate land holding calculations for some persons or corporations may be in excess of the prescribed limits.

9. DAL is proposing a new section 9.1 to clarify the nature and effect of direct and indirect control of a corporation, and clearly set out the conditions where two or more corporations are deemed.
10. DAL is proposing section 11(1) list additional particulars to be included in aggregate land holding declarations.
11. DAL is proposing section 11.1 of the Act be repealed. Currently, this section permits shareholdings of shareholders to not be disclosed in certain circumstances. To promote transparency, this section is being repealed and this will no longer be permitted.
12. DAL is proposing sections 12-15.1 be substituted with new sections on investigations and enforcement.
 - a. DAL is proposing section 12 outline the investigation process and powers for the Island Regulatory and Appeals Commission.
 - b. DAL is proposing section 13 outline orders that may be made by the Minister and enforcement of such orders.
 - c. DAL is proposing section 14 provide for the liability of corporate officers.
 - d. DAL is proposing section 15 list offences for contravention of the Act, regulations, or an order.
 - e. DAL is proposing section 15.1 authorize the Island Regulatory and Appeals Commission impose administrative penalties.
13. DAL is proposing minor amendments to subsection 17(1) to eliminate unnecessary wording and provide a new authority to make regulations.

We hope that this report is useful in providing a summary of the proposed amendments to the *Lands Protection Act*.

- A copy of the current *Lands Protection Act* can be found on the Government of Prince Edward Island website at https://www.princeedwardisland.ca/sites/default/files/legislation/l-05-lands_protection_act_p.e.i.pdf

- A copy of the Land Matters Advisory Committee Final Report is available at:
<https://www.landmatterspei.ca/>

We encourage you to provide comments on the Bill so that Government has an opportunity to consider all feedback prior to finalizing the Bill for consideration by the Legislative Assembly of Prince Edward Island. Comments may be provided as directed on page 2 of this Report.