

Bill No. 84 of 1950.

A BILL TO ASSIST MUNICIPALITIES IN FINANCING  
SELF-LIQUIDATING PROJECTS.

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NOTE.

This Bill enacts a new Act to be known as "*The Self-Liquidating Projects Act*".

The purpose of the Bill is to enable the Government to make advances to municipalities for self-liquidating projects. A self-liquidating project is a project which will result in an increase in the annual net revenue of a municipality sufficient to pay the annual charges for interest on and amortization of the loan to be made by the Minister.

The Minister, with the approval of the Lieutenant Governor in Council, is authorized to enter an agreement with any municipality to loan to that municipality the whole or any part of the cost of a self-liquidating project such as a water works system, a gas plant, an electric light system, etc. The municipality is required to submit detailed financial estimates demonstrating that the project will be a self-liquidating one and must also show that the project is necessary or advisable in the public interest. The Minister is authorized to obtain the opinion, advice and recommendations of the Board of Public Utility Commissioners regarding any proposed agreement or as to whether any project will be self-liquidating.

The rate of interest on such loans is fixed at two per cent per annum. The loan must be repaid during a period to be fixed by the Lieutenant Governor in Council which period shall not be longer than the estimated useful life of the project.

As security for the loan the municipality is required to deliver debentures or other securities to the Minister equal in principal amount to the amount of the loan and may also be required to give a first mortgage or other charge on the project.

The aggregate principal amount of all loans made under the Act shall not exceed five million dollars. The maximum amount of all loans to any one municipality may be fixed by the Lieutenant Governor in Council.

The employment of staff to administer the Act is authorized and the Lieutenant Governor is also authorized to make regulations.

The Bill provides that any municipality may borrow money for a self-liquidating project pursuant to the provisions of

this Act irrespective of whether or not it is authorized to borrow for such a purpose by the provisions of any other Act.

The Minister is required to make an annual report to the Legislature of loans made under the provisions of this Act.

KENNETH A. MCKENZIE,  
*Acting Legislative Counsel.*

*(This note does not form any part of the Bill but is offered in explanation of its provisions.)*

# BILL

No. 84 of 1950.

An Act to Assist Municipalities in Financing Self-Liquidating Projects.

(Assented to \_\_\_\_\_, 1950.)

**HIS MAJESTY**, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

## Short Title.

1. This Act may be cited as "*The Self-Liquidating Projects Act*".

## Interpretation.

2. In this Act, unless the context otherwise requires,—
- (a) "Minister" means the Provincial Treasurer;
  - (b) "municipality" includes a city, town, village, municipal district or county and any Board, Commission or agency duly authorized to act on behalf of one or more municipalities in the construction and operation of a self-liquidating project;
  - (c) "self-liquidating project" means a project which when completed will, on the basis of conservative estimates, result in an increase in the annual net revenue of the municipality either by reduction in the annual operating and maintenance charges required to be borne by the municipality or by increase of revenues from persons using the services of or otherwise benefiting from the project sufficient to pay the annual charges for interest on and amortization of the loan to be made by the Minister.

## General.

3.—(1) The Minister, with the approval of the Lieutenant Governor in Council, and subject to the provisions of this Act may enter into an agreement with any municipality to make a loan or loans to such municipality out of any unappropriated moneys in the General Revenue Fund to enable such municipality to pay the full or any part of the cost of constructing or making extensions or improvements to or renewals of a municipal water works system, a municipal gas plant, a municipal electric light system or other municipal projects, if the project to be constructed or the extensions or improvements or renewals to be made will be a self-liquidating project.

(2) No agreement shall be entered into under this Act unless the municipality submits detailed financial estimates and demonstrates to the satisfaction of the Minister,—

- (a) that the project to be constructed or the extensions or improvements or renewals to be made will be a self-liquidating project; and
- (b) that the construction, extension, improvement or renewal of the project is necessary or advisable in the public interest.

(3) The Minister at any time may request the Board of Public Utility Commissioners to give its opinion, advice or recommendations,—

- (a) regarding any proposed agreement with a municipality;
- (b) as to whether any project will be self-liquidating;
- (c) with respect to any other matter or question submitted by the Minister in connection with any agreement, self-liquidating project or the administration of this Act.

**4.—**(1) Any such loan shall bear interest at the rate of two per cent per annum payable semi-annually.

(2) The loan shall be amortized by semi-annual payments sufficient to pay off the full amount of the loan during a period to be fixed by the Lieutenant Governor in Council which period shall not in any case be longer than the estimated useful life of the project which has been constructed, extended, improved or renewed in whole or in part with the proceeds of the loan.

**5.—**(1) As security for any such loan the municipality shall deliver to the Minister its debentures or other securities equal in principal amount to the amount of the loan advanced by the Minister and in such form as the Lieutenant Governor in Council may approve.

(2) The Minister may also require the municipality to give in favour of the Minister representing His Majesty a first mortgage or other charge on the project to be constructed, extended, improved or renewed in whole or in part from the proceeds of the said loan.

**6.—**(1) The aggregate principal amount of loans made under the authority of this Act shall not exceed five million dollars.

(2) The aggregate principal amount of loans made under this Act to any one municipality shall not exceed such amount as may be designated by the Lieutenant Governor in Council for that municipality.

**7.** The Lieutenant Governor in Council may at any time fix and determine a date after which no loans shall be made to any municipality under this Act.

**8.**—(1) Subject to the provisions of *The Public Service Act, 1947*, the Minister may employ such technical and clerical staff as may be necessary for the efficient administration of this Act.

(2) All salaries and expenses incurred in the administration of this Act shall be paid out of such moneys as may be appropriated by the Legislative Assembly for the purpose and in default of any appropriation shall be paid out of the General Revenue Fund.

**9.**—(1) Subject to the provisions of this Act, the Lieutenant Governor in Council, by regulation, may,—

- (a) determine the form of the agreement between any municipality and the Minister;
- (b) prescribe the conditions under which and the manner in which the proceeds of a loan may be advanced to a municipality;
- (c) make provision for any other matters concerning which regulations are deemed necessary or advisable to carry out the purpose and intention of this Act.

(2) All regulations shall be published in *The Alberta Gazette* and upon publication shall have the same force and effect as if they had been enacted by this Act.

**10.** Any municipality may borrow money for a self-liquidating project pursuant to the provisions of this Act irrespective of whether it is authorized to borrow for such a purpose by the provisions of any other Act or not.

**11.** The Minister shall prepare a report annually with regard to loans made under the provisions of this Act during the preceding calendar year and the report shall be laid before the Legislative Assembly within fifteen days after the beginning of the next session.

**12.** This Act shall come into force on the day upon which it is assented to.

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THIRD SESSION  
ELEVENTH LEGISLATURE

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1950

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**BILL**

An Act to Assist Municipalities in  
Financing Self-Liquidating  
Projects.

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Received and read the

First time .....

Second time .....

Third time .....

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HON. MR. MANNING.

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