

Bill No. 29 of 1951.

A BILL TO AMEND THE SCHOOL BORROWING
ASSISTANCE ACT.

NOTE.

This Bill amends *The School Borrowing Assistance Act*, being chapter 65 of the Statutes of Alberta, 1950.

A new section 2a is added immediately following section 2. This section defines the expressions "*The School Act*" and "school division" in so far as Lloydminster is concerned. The purpose of the amendment is to make it clear that the Act applies to the school districts in Lloydminster set up under the provisions of *The Lloydminster Municipal Amalgamation Act, 1930*. It would appear from section 10 of the Act that this was the original intention and the amendment simply removes any doubt.

Section 4, which deals with the appointment of the School Borrowing Board is amended by the addition of a new subsection (3). This new subsection provides for the appointment of alternate members of the Board who act whenever one of the regular members of the Board is absent.

Section 6, subsection (1) is amended. The effect of the amendment is that the School Borrowing Board must have the consent of the Lieutenant Governor in Council before approving any borrowing by debenture under the provisions of this Act.

Section 7 is amended. Subsection (1) presently authorizes a payment from the Fund not exceeding twenty-five per cent of the authorized borrowing. This subsection is amended to provide that after the 1st of April, 1951, the payment from the Fund may be as great as thirty per cent of the total authorized borrowing. Subsection (2) now provides for repayment of one-half of the amount received from the Fund. This subsection is struck out and replaced by a new subsection which requires only one-third of the amount received from the Fund in respect of applications for assistance made after the 1st of April, 1951, to be repaid. One-half the amount received from the Fund in respect of applications for assistance made prior to the 1st of April, 1951, continues to be repayable.

Section 12 is amended. Subsection (2) now provides that the aggregate liability of a school division to the Fund at

any one time cannot exceed one million dollars. The amended subsection provides that the aggregate amount of the liability of the division incurred in any one year cannot exceed one million dollars.

Section 14 is struck out and a new section is substituted. Subsection (1) of the new section corresponds to the present section although it is amended slightly for purposes of clarification. Subsection (2) is a new provision which authorizes the Provincial Treasurer to execute the guarantee by means of a printed or mechanically reproduced signature rather than by signing manually as is presently required.

Section 16 is amended by striking out subsection (1) and substituting a new subsection. This section enables the giving of assistance in respect of borrowings that were outstanding on the date this Act was enacted. However, the section is presently restricted to borrowings which are secured by debentures. The effect of the amendment is to widen the subsection to cover short term borrowings for capital purposes that have the approval of the Minister of Education under the provisions of *The School Act*. As a result of the amendment assistance may now be given in respect of such short term capital borrowings.

Section 18 is struck out and a new section is substituted. The present section has given rise to certain administrative difficulties. For instance, it now requires a school division to produce proof that it has paid all outstanding debentures payable in that year. Some debenture holders may fail to produce their debentures for redemption when they fall due and consequently the school division is unable to pay them. The section has been reworded to avoid these administrative difficulties. The section now provides that the school division is to submit proof of the amount that it has paid on account of the approved borrowing. The grant that the Provincial Treasurer may pay cannot exceed twelve and one-half per cent of the amount actually repaid by the division.

A new Part IV, providing for assistance with capital expenditures from current revenue, is added immediately after section 18. The new sections provide that where a school division is acquiring, building and equipping a school or an addition to a school, and is paying part or all of the cost out of current revenue it may apply to the Board for assistance under this Act. If the expenditure is approved by the Board a grant may be paid to the school division not exceeding twenty per cent of the approved expenditure. No grant can be paid until the construction has been completed in a manner satisfactory to, or the acquisition has been approved by, the Department of Education.

This Bill comes into force on the 1st day of April, 1951, except in the case of the new section 2a and the amended

section 14, both of which are retroactive to the fifth day of April, 1950, which was the date upon which the Act was originally enacted.

KENNETH A. MCKENZIE,
Legislative Counsel.

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

BILL

No. 29 of 1951.

An Act to amend The School Borrowing Assistance Act.

(Assented to _____, 1951.)

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

1. *The School Borrowing Assistance Act*, being chapter 65 of the Statutes of Alberta, 1950, is hereby amended.

New section 2a **2.** The following new section 2a is added immediately after section 2:

Interpretation “**2a.** (1) In the case of the Lloydminster Public School District or the Lloydminster High School District, unless the context of this Act otherwise requires,—

“*The School Act*” “(a) ‘*The School Act*’ means an approved Act made applicable to those school districts under the provisions of *The Lloydminster Municipal Amalgamation Act, 1930*;

“school division” “(b) ‘school division’ includes the Lloydminster Public School District and the Lloydminster High School District.

“(2) The provisions of this Act apply to the Lloydminster Public School District and the Lloydminster High School District, the necessary changes being made.”.

Section 4 amended **3.** Section 4 is amended by adding immediately after subsection (2) the following new subsection:

Appointment of alternate Board member “(3) The Lieutenant Governor in Council may appoint an alternate member for each of the three Board members and each alternate member may act on the Board in the absence of the member for whom he is appointed as the alternate.”.

Section 6 amended **4.** Section 6, subsection (1) is amended by adding immediately before the words “may approve” the words “, with the consent of the Lieutenant Governor in Council,”.

Section 7 amended **5.** Section 7 is amended,—
(a) by adding at the end of subsection (1) the words “, in respect of a borrowing approved by the Board prior to the first day of April, 1951, and any amount not exceeding thirty per cent of the total

authorized borrowing in respect of a borrowing approved by the Board on or after the first day of April, 1951”;

- (b) by striking out subsection (2) and by substituting the following:

“(2) The school division shall repay to the Fund,— Amount repayable

“(a) only one-half of the amount received from the Fund in respect of an application for assistance submitted to the Board prior to the first day of April, 1951;

“(b) only one-third of the amount received from the Fund in respect of an application for assistance submitted to the Board on or after the first day of April, 1951.”.

- 6.** Section 12 is amended by striking out subsection (2) and by substituting the following: Section 12 amended

“(2) The aggregate amount of the liability of a school division to repay moneys to the Fund under the provisions of this Part that is incurred between the first day of April in any year and the following thirty-first day of March shall not exceed the sum of one million dollars.”.

- 7.** Section 14 is struck out and the following is substituted: Section 14 amended

“**14.** (1) If the Board approves the terms of sale of the debentures it may recommend to the Lieutenant Governor in Council that the Provincial Treasurer be authorized to guarantee, on behalf of the Province, and upon such recommendation the Lieutenant Governor in Council may authorize the Provincial Treasurer to guarantee, on behalf of the Province, the payment of interest on all or any part of the borrowings to be obtained from any source other than the Fund. Province may guarantee interest on debentures

“(2) The guarantee may be executed by the Provincial Treasurer or by the Deputy Provincial Treasurer and his signature may be affixed manually, lithographed, printed, engraved or otherwise mechanically reproduced.”. Signature on debenture interest guarantee

- 8.** Section 16 is amended by striking out subsection (1) and by substituting the following: Section 16 amended

“**16.** (1) In the case of a school division that prior to the fifth day of April, 1950,— Assistance with outstanding borrowings

“(a) has borrowed money by debenture for capital purposes in accordance with the provisions of *The School Act*; or

“(b) has borrowed money for capital purposes with the written consent of the Minister of Education pursuant to the provisions of *The School Act*; and

“(c) has outstanding unpaid debentures under clause (a) or outstanding borrowing under clause (b);

the school division may make application to the Board for assistance.”.

Section 18 amended

9. Section 18 is struck out and the following is substituted:

Proof of payment

“**18.** (1) When the borrowing is approved by the Board, the school division may submit to the Provincial Treasurer a statement proving the amount that it has paid on account of the portion of the approved borrowing that fell due subsequent to the fifth day of April, 1950.

“(2) Annually thereafter the school division may submit to the Provincial Treasurer a statement proving the amount that it has paid on account of the approved borrowing since the period covered by the immediately preceding statement submitted by that school division.

Grant equivalent to one-eighth principal repaid

“(3) Upon receipt of each statement the Provincial Treasurer, on the recommendation of the Board, may pay a grant to the school division from the Fund not exceeding twelve and one-half per cent of the principal repaid by the division on account of the approved borrowing.”.

New sections 19 and 20

10. The following new headings and sections are added immediately after section 18:

“PART IV.

“Capital Expenditures from Current Revenue.

Application for assistance with capital expenditure from current revenue

“**19.** (1) A school division that intends to pay part or all of the cost of acquiring or building and equipping a school building or an addition to a school building from current revenue may make application to the Board for assistance.

“(2) The school division shall give to the Board such information as the Board may require.

“(3) Without restricting the generality of subsection (2), the school division shall give to the Board evidence of the necessity of the proposed construction or acquisition and particulars of its financing.

Approval of expenditure

“**20.** (1) The Board, in its discretion, may approve all or part of the capital expenditure from current revenue of the school division.

Amount of grant

“(2) When a capital expenditure from current revenue is approved by the Board, the Provincial Treasurer, on the recommendation of the Board, may pay to the school division from the Fund an amount not exceeding twenty per cent of the approved expenditure.

“(3) No payment shall be made under this Part until the construction has been completed in a manner satisfactory to, or the acquisition has been approved by, the Department of Education and the Department has issued a certificate to this effect to the Board.”.

Section 19 renumbered

11. The present section 19 is renumbered as section 21.

12. This Act shall come into force on the first day of ^{Coming} April, 1951, except for sections 2 and 7 which shall be _{into force} deemed to have been in force at all times on and after the fifth day of April, 1950.

No. 29.

FOURTH SESSION
ELEVENTH LEGISLATURE

15 GEORGE VI

1951

BILL

An Act to amend The School
Borrowing Assistance Act,

Received and read the

First time

Second time

Third time

HON. MR. CASEY.
