

Bill No. 10 of 1952.

A BILL RESPECTING SCHOOL BUILDINGS
ASSISTANCE.

NOTE.

This Bill enacts a new Act to be known as "*The School Buildings Assistance Act*," which repeals and replaces *The School Borrowing Assistance Act*.

The Bill provides for assistance in the constructing or purchase of school buildings. The Act provides for assistance by way of grants from such funds as may be appropriated by the Legislative Assembly for the purpose. It also provides for assistance by way of loans; the loans are to be advanced upon the recommendation of the board by the Provincial Treasurer from funds held in trust in the School Lands Trust Fund, pursuant to *The Alberta Natural Resources Act Amendment Act, 1951*, or from funds to be provided by the Legislative Assembly for the purpose. The full amount of the loan is to be repaid. Interest is charged at the rate of three and one-half per cent per annum. The Act also authorizes the Province to guarantee interest payments in certain cases in respect of moneys borrowed by schools from sources other than the Province.

The Act contains provisions relating to the establishment of the School Buildings Assistance Board. The board consists of three members appointed by the Lieutenant Governor in Council.

When a school division wishes assistance under the Act, it is required to make application to the board for assistance. The school division must give the board such information as the board may require including evidence of the necessity of the proposed construction and particulars of its financing. If the board is satisfied it may approve for assistance all or any portion of the estimated cost of the school building. The assistance may be by way of grant and by way of loan. The board may authorize payment by way of grant to the school division of a sum not to exceed twenty-five per cent of the estimated cost approved, fifty per cent of which may be payable upon certification by the Department of Education that a contract has been let or that work has been commenced with respect to the school building. If the actual cost of the completed building is less than the estimated cost, the board is to reduce the authorized grant accordingly. When a school division wishes assistance by way of a loan the Provincial Treasurer on the recommendation of the board may advance a loan from funds held in trust in the School Lands Trust Fund. The loan is not to exceed twenty-five per cent of the amount approved by the board and shall be secured by a debenture signed and sealed on be-

half of the school division in favour of the Provincial Treasurer. It will bear interest at three and one-half per cent.

Repayments will be made in equal annual instalments, over a term of years which will be the same as that applicable to borrowing from other sources for the same project.

If a school fails to pay back any money, when due, the amount in default may be deducted from the school grant payable to that school.

The Act authorizes the Provincial Treasurer on the recommendation of the board to guarantee on behalf of the Province the payment of interest on all approved borrowings obtained from sources other than as assistance under this Act.

The Lieutenant Governor in Council may authorize the Provincial Treasurer to purchase all or any portion of approved debentures issued by the school division for school building in the event that the school division is unable to sell the debentures.

The board is empowered to increase the amount of the approved estimated cost and assistance approved in respect of such increase in the same manner and terms as are applicable to the original amount.

The School Borrowing Assistance Act is repealed but the Act provides that any borrowings authorized under Parts III or IV of that Act are to be paid by the Provincial Treasurer irrespective of the repeal.

Moneys in the School Revolving Fund constituted under the repealed *The School Borrowing Assistance Act*, and payment on borrowings made under that Act when received, are to be paid into the General Revenue Fund after the 1st day of April, 1952.

This Bill comes into force on the 1st day of April, 1952.

J. W. RYAN,
Acting Legislative Counsel.

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

BILL

No. 10 of 1952.

An Act respecting School Buildings Assistance.

(Assented to _____, 1952.)

HER 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 School Buildings Assistance Act*".

Interpretation.

2. In this Act, unless the context otherwise requires,—
- (a) "assistance" means a payment under this Act by way of a grant or loan to a school division; Interpretation
"assistance"
 - (b) "board" means the School Buildings Assistance Board; "board"
 - (c) "school building" means a building and the site and equipment of a building used for the instruction or housing of school pupils; "school building"
 - (d) "school division" includes school district; "school division"
 - (e) "Minister" means the Minister of Education. "Minister"
3. (1) In the case of the Lloydminster Public School District or the Lloydminster High School District, unless the context of this Act otherwise requires,—
- (a) "*The School Act*" means an approved Act made applicable to those school districts under the provisions of *The Lloydminster Municipal Amalgamation Act, 1930*; Application of Act to Lloydminster Public and High School Districts
 - (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.

PART I.

SCHOOL BUILDINGS ASSISTANCE BOARD

School
Buildings
Assistance
Board
members

4. (1) The Lieutenant Governor in Council may appoint a board.

(2) The board shall consist of three members and to be known as the School Buildings Assistance Board.

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

Application
for
assistance

5. (1) A school division may apply to the board for assistance towards the construction or purchase of a school building.

(2) The school division shall give to the board such information as the board may require,—

(a) as to the necessity for the proposed construction or purchase, having regard to existing and available facilities;

(b) as to the nature and suitability;

(c) as to the method of the financing, whether by borrowing or otherwise;

of the school building which the school division proposes to construct or purchase.

Approval
for
assistance

6. The board may approve for assistance all or any portion of the estimated cost of the construction or purchase of a school building.

PART II.

ASSISTANCE BY GRANT.

Amount
of grant

7. (1) The board may authorize payment by way of grant to a school division from funds appropriated for that purpose by the Legislative Assembly, of a sum not in excess of twenty-five per cent of the estimated cost approved for assistance under section 6.

Payment
of grant

(2) Upon certification by the Minister that a contract has been let or that work has commenced, with respect to a school building, one-half of the grant authorized under subsection (1) shall be paid by the Provincial Treasurer to the school division applying for the grant.

(3) Upon the completion of the school building to the satisfaction of the board the remaining half of the grant authorized shall be paid by the Provincial Treasurer.

(4) If the actual cost of the completed school building is less than the approved estimated cost, the amount approved under section 6 shall be revised and the board shall reduce the authorized grant accordingly and there shall be paid only such further grant as will comprise, together with the interim payment of one-half the authorized grant made pursuant to subsection (1), the revised authorized grant. ^{Reduction of grant}

(5) In the case of the purchase of a school building, the authorized grant shall be paid by the Provincial Treasurer at such time or times as the board may direct.

PART III.

ASSISTANCE BY LOAN

8. (1) When a school division has been authorized by the Board of Public Utility Commissioners or by the Minister, in either case pursuant to the provisions of *The School Act* to borrow money for the construction or purchase of a school building, the school division may apply to the board for assistance by way of a loan under this Act. ^{Assistance by loan}

(2) The board may authorize a loan not in excess of twenty-five per cent of the estimated cost approved for assistance under section 6.

9. The loan shall be advanced by the Provincial Treasurer upon the certificate of the board from funds held in trust in the School Lands Trust Fund under *The Alberta Natural Resources Act Amendment Act, 1951*, or from funds appropriated for that purpose by the Legislative Assembly. ^{Advancement of loan}

10. (1) The loan shall be secured by a debenture signed and sealed on behalf of the school division in favour of the Provincial Treasurer. ^{Security for loan}

(2) The debenture may bear an interest rate of three and one-half per cent per annum but if it bears an interest rate less than three and one-half per cent per annum the school division shall receive only that portion of the face value of the debenture as will result in the net yield of the debenture being three and one-half per cent per annum.

(3) The debenture shall run for a term of years in like manner as the term of years applicable to the remaining portion of the borrowing as approved by the Board of Public Utility Commissioners or the Minister.

(4) The debenture shall provide for payment of equal annual instalments of the principal sum and of accrued interest to each date of payment of principal.

11. (1) In the event of the failure of a school division to repay an annual instalment of principal or interest on or before the date when such instalment is due and payable as provided in section 10, the Department of Education, if so ^{Default in payment}

requested by the Provincial Treasurer, shall retain from the grants payable to that school division under *The School Grants Act, 1945*, *The Border Areas Act* or *The Lloydminster Municipal Amalgamation Act* an amount equal to the amount of the annual instalment which is then in default.

(2) The Department of Education shall pay the moneys so retained to the Provincial Treasurer and thereupon,—

(a) all moneys retained and paid over shall be deemed to have been paid to and received by the school division on account of the legislative grant to the school division for that year;

(b) the indebtedness of the school division to the Provincial Treasurer shall be reduced by the amount of the moneys so retained.

(3) The procedure set out in this section shall be in addition to all other rights and remedies which the Provincial Treasurer may have for collection of moneys due to the fund.

PART IV.

PROVINCIAL GUARANTEE OF INTEREST.

Sale of
debentures

12. (1) When any debenture borrowing by a school division is for the purpose of raising the moneys required to meet a portion of the estimated cost of a school building, that has been approved for assistance by the board pursuant to section 6, no sale of the debentures shall be completed until the proposed terms of the sale have been approved by the board.

(2) If the board approves the terms of sale of the debentures the Lieutenant Governor in Council on the recommendation of the Board may authorize the Provincial Treasurer to guarantee, on behalf of the Province, the payment of interest on all or any part of such debentures.

(3) The guarantee may be executed by the Provincial Treasurer or by the Deputy Provincial Treasurer and his signature on the debentures may be affixed manually, lithographed, printed, engraved, or otherwise mechanically reproduced.

PART V.

GENERAL PROVISIONS .

Application
for
additional
assistance

13. If, subsequent to the approval by the board of all or a portion of the estimated cost of a school building pursuant to section 6, application is made to the board for additional assistance, the board may increase the amount of the ap-

proved estimated cost, and assistance may be approved in respect of such increase in like manner and under the same terms as those applicable to the original estimated cost approved by the board.

14. *The School Borrowing Assistance Act*, being chapter 65 of the Statutes of Alberta, 1950, is repealed. Repeal

15. After the first day of April, 1952, the Provincial Treasurer shall deposit in the General Revenue Fund all moneys standing to the credit of the School Borrowing Revolving Fund, constituted under *The School Borrowing Assistance Act*, and all payments made by a school division pursuant to the terms of a borrowing made under *The School Borrowing Assistance Act*, shall likewise be deposited in the General Revenue Fund.

16. (1) Where an application for assistance was approved under Part III of *The School Borrowing Assistance Act*, the school division may submit to the Provincial Treasurer in each year a statement proving the amount that it has paid on account of the portion of the approved borrowing since the period covered by the immediately preceding statement submitted by that school division. Assistance under Part III of The School Borrowing Assistance Act

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

17. (1) Where an application has been received under Part IV of *The School Borrowing Assistance Act*, the Board in its discretion may approve all or part of the capital expenditure from current revenue of the school division. Applications received under Part IV of The School Borrowing Assistance Act

(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 an amount not exceeding twenty per cent of the approved expenditure. Payment of capital expenditure from current revenue

(3) No payment shall be made under this section 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. Certificate of Department required

18. This Act shall come into force on the first day of April, 1952. Coming into force

FIFTH SESSION
ELEVENTH LEGISLATURE

1 Elizabeth II

1952

BILL

An Act respecting School Buildings
Assistance.

Received and read the

First time

Second time.....

Third time.....

HON. MR. CASEY.
