

A BILL TO ASSIST MUNICIPALITIES IN FINANCING
CAPITAL EXPENDITURES

NOTE

This Bill enacts a new Act to be known as "*The Municipal Capital Expenditure Loans Act*".

A Municipal Loans Revolving Fund is established to retain moneys advanced from time to time for the purpose of making loans to municipalities for capital expenditures. The aggregate total of the fund is not to exceed one hundred million dollars, while the advance in the fiscal year 1953-1954 will not exceed twenty-five million dollars.

The Provincial Treasurer is authorized to loan moneys to municipalities desiring a loan under this Act for capital expenditures. Interest will not exceed three and one-half per cent, and the period of the loan cannot exceed the useful life of the objective for which the loan was made.

Repayments of principal revert to the fund while payments of interest are treated as earnings and deposited in the General Revenue Fund.

The municipality borrows from the fund pursuant to a money by-law and all the provisions of the statute under which the municipality operates will apply to the money by-law and borrowing. As security the Provincial Treasurer will receive the debentures of the borrowing municipality, and, in addition, may retain moneys from the grant payable to the municipality under *The Municipal Assistance Act, 1953*, to the extent of any default by the municipality in the repayment of a loan.

A municipality may repay a loan in full at any time before maturity without penalty therefor.

The Lieutenant Governor in Council may make necessary regulations to carry out the purpose and intent of the Act, and the regulations are to be published in *The Alberta Gazette* and thereafter have the same force and effect as if enacted in this Act.

An annual report of loans is to be prepared and laid before the Legislative Assembly.

This Bill comes into force upon assent.

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. 85 of 1953

An Act to Assist Municipalities in Financing Capital Expenditures

(Assented to , 1953)

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

1. This Act may be cited as "*The Municipal Capital Expenditure Loans Act*". Short title

2. In this Act, unless the context otherwise requires,

Interpreta-
tion

(a) "capital expenditure" means an expenditure

"capital ex-
penditure"

(i) made or to be made for the purpose of

(A) purchasing land which the municipality is empowered to acquire under its appropriate municipal Act,

(B) purchasing or constructing buildings which the municipality is empowered to acquire under its appropriate municipal Act,

(C) constructing sidewalks, bridges and culverts,

(D) constructing, gravelling or hard surfacing of roads, streets and lanes or other public places under the control of the municipality,

(E) purchasing or constructing a municipal waterworks system, municipal gas plant, municipal electric light system or municipal sewer system, together with any extension, improvement or renewal thereof,

(ii) approved as a capital expenditure by the Lieutenant Governor in Council;

(b) "fund" means the Municipal Loans Revolving Fund established by this Act; "fund"

(c) "municipality" includes a city, town, village, municipal district or county. "municipality"

Municipal Loans Re- volving Fund	3. (1) There is hereby established a revolving fund to be known as the "Municipal Loans Revolving Fund" to which shall be advanced such sums as may be authorized by the Legislative Assembly from time to time for the purposes of the fund.
Aggregate net advances	(2) The aggregate of all net advances to the fund shall not exceed one hundred million dollars.
Advances for 1953-54	(3) The Provincial Treasurer is hereby authorized to advance to the fund in the fiscal year 1953-54 the sum of twenty-five million dollars.
Loans	4. (1) The Provincial Treasurer, subject to the provisions of this Act, may make a loan or loans to any municipality out of the fund.
Purpose of loan	(2) A loan under subsection (1) shall be made only for the purpose of enabling a municipality to pay the full or a part of the amount of a capital expenditure.
Require- ments of loan	(3) Before making a loan under this Act, the Provincial Treasurer may require the municipality to submit detailed financial estimates and demonstrate to the satisfaction of the Provincial Treasurer <ul style="list-style-type: none"> (a) that the loan is for the purpose of defraying in full or in part the amount of a capital expenditure, and (b) that the capital expenditure is necessary or advisable in the public interest.
Recom- mendations of Board of Public Utility Com- missioners	(4) The Provincial Treasurer may request the Board of Public Utility Commissioners to give its opinion, advice or recommendations <ul style="list-style-type: none"> (a) regarding any proposed agreement with a municipality, (b) with respect to any other matter or question submitted by the Provincial Treasurer in connection with any agreement or the administration of this Act.
Interest on loan	5. (1) A loan made under this Act shall bear interest not exceeding three and one-half per cent per annum.
Term of loan	(2) The loan shall be amortized by annual payments sufficient to pay off the full amount of the loan during a period which shall not in any case be longer than the useful life of the objective for which the capital expenditure is made or intended to be made from the proceeds of the said loan.
Loans limited	6. The aggregate principal amount of loans made under this Act to any one municipality shall not exceed such amount as may be designated for that municipality by the Lieutenant Governor in Council.
Disposition of repay- ments	7. Moneys received as repayment of principal of loans made under this Act shall be credited to the fund by the

Provincial Treasurer and moneys received as payment of interest on loans shall be deposited in the General Revenue Fund of the Province.

8. The Lieutenant Governor in Council may at any time specify a date after which no loan shall be made to a municipality under this Act. Termination of borrowing

9. (1) A municipality, by by-law, may borrow from the Provincial Treasurer moneys that he is authorized to lend under this Act. Borrowing by municipality

(2) A by-law passed pursuant to subsection (1) shall be a money by-law and all the provisions of any Act applicable to that municipality which passes the by-law requiring Money by-law required

(a) the approval of the Board of Public Utility Commissioners, or

(b) the approval of the Board of Public Utility Commissioners and the assent of the proprietary electors of the municipality,

apply to the by-law so passed.

10. All applications by municipalities for loans under this Act shall be forwarded to the Provincial Treasurer. Applications for loans

11. The provisions of the appropriate Act relating to the borrowing and repayment of money and applicable to the municipality receiving a loan under this Act apply to the borrowing and repayment of money under this Act. Relevant statutes apply to borrowing

12. As security for a loan under this Act a municipality shall deliver to the Provincial Treasurer its debentures, equal in principal amount to the amount of the loan advanced by the Provincial Treasurer and in such form as the Provincial Treasurer may approve. Debenture security

13. (1) The Provincial Treasurer may retain from any grant payable to the municipality under *The Municipal Assistance Act, 1953*, a sum or sums sufficient to meet any amount in which a municipality is in default on a loan under this Act together with interest on the amount in default for the period of default. Default in payment

(2) The Provincial Treasurer shall deal with the moneys so retained as though they were a payment by a municipality of the instalment on the loan.

(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 the collection of moneys due on a loan.

14. Without a penalty therefor, a municipality may repay a loan made under this Act at any time prior to the maturity date of the loan. Repayment of loan prior to maturity

Regulations

15. (1) Subject to the provisions of this Act, the Lieutenant Governor in Council may make regulations regarding the making of loans to any municipality and for any other purpose deemed necessary or advisable to carry out the intent of this Act.

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

Annual report

16. The Provincial Treasurer 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.

Coming into force

17. This Act comes into force on the day upon which it is assented to.

No. 85

FIRST SESSION
TWELFTH LEGISLATURE
2 ELIZABETH II

1953

BILL

An Act to Assist Municipalities in
Financing Capital Expenditures

Received and read the

First time

Second time

Third time

HON. MR. MANNING
