

No. 45

1st Session, 14th Legislature, Alberta
8 Elizabeth II

BILL 45

A Bill to amend The Alberta Municipal Financing
Corporation Act

HON. MR. HINMAN

Explanatory Note

2. Section 4, subsection (1) is amended for clarification. Section 4, subsection (1) presently reads as follows:

"4. (1) The Lieutenant Governor in Council shall designate four persons who together with the persons and corporations who become shareholders in the company are hereby incorporated under the name of the Alberta Municipal Financing Corporation."

3. (a) Powers of the corporation are reworded for greater clarity. Clauses (a) and (i) of subsection (1) of section 25 presently read:

"25. (1) In addition to the powers vested in the corporation by section 35 of The Interpretation Act and by this Act the corporation has the following powers:

(a) the power to borrow or raise or secure the payment of money in such manner as the corporation thinks fit and, without limiting the generality of the foregoing, by the issue of debentures or debenture stock, perpetual or otherwise, and the power to purchase, redeem or pay off any such securities;

.....

(i) the power to loan money to municipalities, cities and towns within Alberta and to accept and receive therefor debentures, to purchase the debentures of such municipalities, cities and towns and to sell, hypothecate or otherwise dispose or deal with such debentures;"

(b) Under the present wording of this subsection it is necessary to examine every by-law to ascertain whether a special mode of procedure is prescribed for any particular case. Subsection (2) of section 25 presently reads:

"(2) The corporation may exercise any of its powers by resolution of the Board except where some other mode of exercising any power is prescribed by this Act or the by-laws."

4. Borrowing powers of the corporation are more specifically defined.

BILL

No. 45 of 1960

An Act to amend The Alberta Municipal Financing Corporation Act

(Assented to _____, 1960)

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

1. *The Alberta Municipal Financing Corporation Act*, being chapter 3 of the Statutes of Alberta, 1956, is hereby amended.

2. Section 4, subsection (1) is amended by striking out the words "become shareholders in the company are hereby incorporated" and by substituting the words "from time to time become shareholders therein are hereby created a corporation".

3. Section 25 is amended

- (a) as to subsection (1),
 - (i) by striking out clause (a) and by substituting the following:
 - (a) the power to borrow or raise or secure the payment of money in such manner as the Board thinks fit and, without limiting the generality of the foregoing, by the issue of notes, bonds, debentures or other securities, and the power to purchase, redeem or pay off any such securities;
 - (ii) by striking out clause (i) and by substituting the following:
 - (i) the power to loan money to municipalities, cities and towns within Alberta and to accept and receive therefor debentures, and to purchase the debentures of such municipalities, cities and towns and, in either case, to sell, hypothecate or otherwise dispose of or deal with such debentures;
- (b) as to subsection (2) by striking out the words "or the by-laws".

4. The following new section is added immediately after section 25:

5. Section 30 is re-written for greater clarity. The present subsections (3) and (4) are covered in the new section 31. See clause 6 of this Bill.

6. Section 31 is revised to set out more clearly the extent of the borrowing powers of the corporation. The maximum amount is increased from 125 to 185 million dollars.

25a. (1) The notes, bonds, debentures and other securities issued by the corporation may be in such form or forms and in such denomination or denominations, may bear interest at such rate or rates and may be made payable as to principal and interest at such time or times, in such currency or currencies and at such place or places as the Board may determine when authorizing the issue thereof.

(2) Any notes, bonds, debentures or other securities of the corporation may be made redeemable in advance of maturity at such time or times and at such price or prices and either with or without premium, as the Board may determine when authorizing the issue thereof.

(3) The Board may sell or otherwise dispose of any notes, bonds, debentures or other securities on such terms and conditions as it deems advisable, either at the par value thereof or at less or more than the par value thereof, and may charge, pledge, hypothecate, deposit or deal with any such securities as collateral security.

(4) A recital or declaration in any by-law of the corporation authorizing the issue and sale of securities of the corporation for any purpose to the effect that it is necessary to issue and sell securities of the corporation for such purpose in the amount authorized by the by-law shall be conclusive evidence of the fact.

5. Section 30 is struck out and the following is substituted:

30. (1) The principal and interest of any borrowings by or securities issued by the corporation are hereby guaranteed by the Province of Alberta.

(2) The guarantee, in such form and manner as the Lieutenant Governor in Council may approve, may be endorsed upon any securities issued by the corporation and may be signed on behalf of Her Majesty by the Provincial Treasurer or by such other person as the Lieutenant Governor in Council may designate.

(3) The signature of the Provincial Treasurer, or the person designated by the Lieutenant Governor in Council, upon the guarantee endorsed upon a security of the corporation may be engraved, lithographed or otherwise mechanically reproduced.

(4) The signature of the Provincial Treasurer, or the person designated by the Lieutenant Governor in Council, upon the guarantee is conclusive proof that the relevant provisions of this Act have been complied with.

6. Section 31 is struck out and the following is substituted:

31. (1) Notwithstanding the powers set forth in sections 25 and 26 the corporation shall not borrow any

7. Clause (a) of subsection (1) of section 39 presently reads:

“39. (1) The Lieutenant Governor in Council may make regulations
(a) prescribing the rates of interest that the corporation may pay
upon its borrowings, upon deposits and the rates of interest it
may charge for loans therefrom,”.

This matter will be determined under the new section 25a; see
clause 4 of this Bill.

8. Self-explanatory.

**9. Amendments to clarify existing provisions are made retro-
active to the date the Act came into force.**

money by the issue and sale of notes, bonds, debentures or other securities or by way of temporary loan where the borrowing would cause the aggregate principal amount of the outstanding notes, bonds, debentures and other securities issued by the corporation, together with the outstanding temporary loans raised by the corporation, to exceed the aggregate sum of one hundred and eighty-five million dollars.

(2) In calculating the aggregate sum referred to in subsection (1), moneys deposited with the corporation pursuant to section 27 shall be deemed not to be part of the outstanding borrowings of the corporation.

(3) Nothing in this section prevents the corporation from borrowing or raising money by way of loan for the purpose of paying, refunding or renewing from time to time in whole or in part any temporary loans or any notes, bonds, debentures or other securities of the corporation from time to time outstanding.

(4) In calculating the aggregate sum referred to in subsection (1), one dollar in lawful money of the United States of America may be deemed to be the equivalent of one dollar in lawful money of Canada.

7. Section 39, subsection (1), clause (a) is amended by by striking out the words "upon its borrowings,".

8. The following section is added immediately after section 39:

39a. Where it becomes necessary or desirable to make any payment under the guarantee given by this Act, the Lieutenant Governor in Council

- (a) may direct that the sum required be paid out of the General Revenue Fund, or
- (b) may raise the money required in the manner specified in section 14 of *The Provincial Loans Act*.

9. This Act comes into force on the day upon which it is assented to and upon so coming into force sections 2 and 3 shall be deemed to have been in force at all times on and after the twenty-ninth day of March, 1956.

No. 45

FIRST SESSION

FOURTEENTH LEGISLATURE

8 ELIZABETH II

1960

BILL

An Act to amend The Alberta
Municipal Financing
Corporation Act

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. HINMAN
