

No. 84

5th Session, 14th Legislature, Alberta
11 Elizabeth II

BILL 84

A Bill to Provide a Means of Assisting Farmers to
Purchase and Acquire Economic Farm Units

HON. MR. STROM

Explanatory Note

General—This Act will repeal and replace The Farm Purchase Credit Act, being chapter 23 of the Statutes of Alberta, 1957. This revision is a result of experience gained in administering the present Act. The main change contemplated is the establishment of one central farm purchase board to execute all agreements relating to the purchase and sale of farm lands and to hold title to all farm lands being purchased under the Act, in place of the numerous separate boards in various areas of the Province. Certain functions presently exercisable by the existing boards (e.g. receiving applications for assistance and considering the suitability of applicants and land) will continue to be exercised by local advisory committees in each area. Other changes are made for clarification and greater administrative efficiency.

2. Interpretation.

3. Purpose of Act.

BILL

No. 84 of 1963

An Act to Provide a Means of Assisting Farmers to
Purchase and Acquire Economic Farm Units

(Assented to _____, 1963)

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 Farm Purchase Credit Act, 1963*".

2. In this Act,

- (a) "Board" means the Alberta Farm Purchase Board established by section 4;
- (b) "committee" means an advisory farm purchase committee established under section 13;
- (c) "council" means
 - (i) in the case of a county or municipal district the council thereof, and
 - (ii) in the case of an improvement district or special area the Minister of Municipal Affairs;
- (d) "farm lands" means lands suitable for agricultural purposes;
- (e) "Fund" means the Farm Purchase Revolving Fund established pursuant to section 6;
- (f) "Minister" means the member of the Executive Council charged with the administration of this Act;
- (g) "municipality" means a county, municipal district, improvement district or special area;
- (h) "purchaser" means a farmer who is purchasing farm land from the Board;
- (i) "vendor" means a person who has sold farm land to the Board.

3. The purpose of this Act is to provide means whereby low cost long term credit may be made available to farmers for the purchase of farm lands, and for the accomplishment of this purpose to provide

- (a) for the participation of the Government, municipalities and farmers,
- (b) for the establishment of committees throughout the rural areas of the Province, and

4. The Alberta Farm Purchase Board established.

5. Powers of the Board.

- (c) for the execution of agreements by municipalities, the Board, vendors and purchasers, with regard to the purchase and sale of farm lands with provincial and municipal participation by way of loans and guarantees.

Alberta Farm Purchase Board

4. (1) There is hereby established a board to be known as the Alberta Farm Purchase Board, which shall be composed of two or more members appointed by the Minister.

(2) The Board is a body corporate and it shall have its head office in the city of Edmonton.

(3) The Minister shall designate the chairman of the Board from among the members thereof and in the absence of the chairman at a meeting of the Board, the members present may appoint from among themselves a chairman to conduct the meeting.

(4) One of the members of the Board shall be or shall have been a practical farmer.

(5) No vacancy existing on the Board impairs the right of the remaining member or members on the Board to act until the vacancy is filled.

(6) Two members of the Board constitute a quorum unless the Minister otherwise prescribes, except when because of vacancies only one member remains on the Board in which case the sole member constitutes a quorum until the vacancies are filled.

5. (1) For the purpose of discharging the duties imposed upon the Board by this Act, the Board may, with the approval of the Minister, exercise any and all of the following powers in addition to the powers vested in it by *The Interpretation Act, 1958*:

- (a) the power to appoint a manager, who may be one of the members of the Board and prescribe his powers and duties and the terms and conditions of his employment;
- (b) the power to make such by-laws, rules and regulations as may be necessary or advisable to regulate the operations of the Board;
- (c) the power to receive money either as payment on agreements or as deposit on the purchase of farm land or as fees for services;
- (d) the power to purchase and sell farm lands in accordance with this Act and the regulations;
- (e) the power to invest and deal with such proceeds of the sale of farm lands as are not immediately required, in such manner as may be prescribed;
- (f) the power to borrow moneys in accordance with this Act;

6. Farm Purchase Revolving Fund.

7. Loans.

- (g) the power to draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, or other negotiable or transferable instruments for the purposes of this Act;
- (h) the power to take, hold, realize on, or otherwise dispose of any securities held for loans, whether the securities are real or personal property;
- (i) the power to enter into agreements with the Government and with any municipality to the end that the Board's purposes may be better served and to obtain from the Government or municipality any rights, privileges or assistance that the Board thinks it desirable to obtain, and the power to carry out, exercise and comply with any such agreements;
- (j) the power to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property of the Board;
- (k) the power to sell its farm lands by agreement for sale extending over any period not in excess of twenty years, and the power to mortgage its property or otherwise secure any borrowings of the Board;
- (l) the power to establish offices and agents in the Province as it deems expedient;
- (m) the power to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the Board.

(2) Pursuant to *The Public Service Act, 1962*, there may be appointed such employees as may be required by the Board.

(3) The members of the Board may be paid such remuneration and travelling and subsistence allowances as may be prescribed by the Lieutenant Governor in Council.

Farm Purchase Revolving Fund

6. (1) The Provincial Treasurer shall establish a fund which shall be known as the Farm Purchase Revolving Fund.

(2) From time to time there may be advanced to the Fund such sums as may be required for the purposes of this Act.

(3) The amount of advances to the Fund and outstanding at any one time shall not exceed twelve million dollars.

7. Loans may be made to the Board from the Fund in accordance with the requirements of this Act.

8. Repayments.

9. Unused funds.

10. Application for establishment of advisory farm purchase committees.

11. Procedure on application.

8. (1) Moneys received by the Board on agreements made under this Act or under *The Farm Purchase Credit Act*, being chapter 23 of the Statutes of Alberta, 1957, shall be credited to the Fund and all payments by the Board shall be made out of the Fund.

(2) Interest received by the Board in excess of interest paid by the Board shall at the discretion of the Minister be deposited in the General Revenue Fund of the Province.

9. (1) The Provincial Treasurer may, when he deems it desirable to do so, transfer from the Fund to the General Revenue Fund any sum lying unused in the Fund.

(2) Any sum so transferred from the Fund to the general revenue shall be by way of reductions of the advances outstanding to the Fund.

Advisory Farm Purchase Committee

10. (1) A council may apply to the Minister for the establishment of a committee within the area of the municipality.

(2) Notwithstanding the provisions of any other Act, a municipality has power to and may enter into agreements under this Act with any body or bodies and with the Minister and may undertake and carry to completion any such agreement, and it is not necessary that any by-law, or guaranty or any other matter undertaken or to be undertaken in pursuance of any agreement under this Act with the Minister be referred to the Public Utilities Board or proprietary electors of the municipality for approval.

(3) A council may by by-law, or the Minister of Municipal Affairs in the case of an improvement district or special area, may by order authorize the doing of any act or thing that may be required to be done in order to obtain for the municipality the establishment within the municipality of a committee.

11. (1) The application for the establishment of a committee shall be authorized by by-law in the case of a county or municipal district or by the order of the Minister of Municipal Affairs in the case of an improvement district or special area, and not otherwise.

(2) The application shall be submitted to the Minister by the secretary-treasurer of a county or municipal district or, in the case of an improvement district or special area, by the Deputy Minister of Municipal Affairs, and shall contain or have attached thereto the following information:

- (a) the area within the municipality that the proposed committee will be intended to serve;
- (b) the extent to which the municipality is willing to guarantee payment to the Board by the purchasers of farm lands situated within that area;

12. Agreement for establishment of a committee.

13. Establishment of a committee.

- (c) the member of the council nominated to represent the municipality on the proposed committee or, in the case of an improvement district or special area, the person nominated by the Minister of Municipal Affairs, to represent the improvement district or special area on the proposed committee.

12. (1) Before establishing a committee, the Minister shall enter into such agreement with the applying municipality as the Minister deems necessary to obtain the participation of the municipality in the operations of the Board.

(2) Without restricting the generality of subsection (1), the agreement may provide

- (a) that the municipality will indemnify the Board against loss on the sale of farm land to purchasers within the municipality to the extent of ten per cent of any loss,
- (b) that the municipal officers will be required and empowered to assist the committee and the Board in appraising and evaluating farm lands purchased or intended to be purchased pursuant to this Act, and will give them all available information in respect of the possibilities of successful farming of such lands, and
- (c) that the municipality will pay the operating costs of the committee and will provide a secretary and a meeting place for the committee.

(3) For the purpose of this section, a loss shall be deemed to have occurred when the Minister has cancelled the purchaser's agreement in accordance with section 24, and the Board has suffered a financial loss in the disposition of the land.

13. (1) When such agreement as may be required by the Minister has been executed to the satisfaction of the Minister, he may by order establish a committee for an area which shall be specified in the order.

(2) The order establishing a committee shall appoint thereto the person nominated to represent the municipality in which the committee is situate, a person nominated by the Minister of Agriculture to represent him, a person nominated by the Provincial Treasurer to represent him and such other persons as the Minister deems advisable but a committee shall not be composed of more than five members.

(3) A council by resolution or the Minister of Municipal Affairs in the case of an improvement district or special area, by notice, may request the Minister to appoint to the committee a named person in place of the member then representing the municipality on the committee, and the Minister may in his discretion accede to the request.

(4) A committee may, subject to the approval of the Minister, make such by-laws, rules and regulations as may be necessary or advisable to regulate its operations.

14. Duties of committee.

15. Application for assistance.

16. Approval of application for assistance.

17. Acquisition of Crown leases in conjunction with the purchase of farm lands.

Assistance

14. (1) A committee shall consider and report to the Board upon applications under this Act for assistance in the purchase of farm lands and upon problems that may arise in connection with loans made or to be made under this Act, and upon any other matters referred to the committee by the Minister.

- (2) If so required by the Board, a committee
- (a) shall accept on behalf of the Board the payments due to the Board from any purchaser, and
 - (b) shall remit such payments to the Board at the times and in the manner required by the Board.

15. (1) An application under this Act for assistance in the purchase of farm lands may only be made with respect to farm lands situated within an area served by a committee.

(2) An applicant shall submit evidence to the satisfaction of the Board and of the committee operating in the area in which the farm lands to be purchased are situated,

- (a) that he is a Canadian citizen or British subject and has been resident in Alberta for at least three years out of the five years immediately preceding the approval of the loan,
- (b) that he is at least twenty-one years old and that he has not yet reached his fifty-fifth birthday,
- (c) that he has at least three years' experience in farming and has displayed average ability and capacity,
- (d) that he is of good character,
- (e) that his principal occupation is farming or that his principal occupation will be farming if his application is approved, and
- (f) that his spouse, if any, approves of his application for assistance under this Act and is aware of the liabilities being assumed.

16. (1) The decision of a committee on an application for assistance under this Act shall be forwarded to the Board.

(2) No assistance shall be given unless and until the application for assistance is approved by the council.

17. (1) In conjunction with the purchase of the freehold estate in farm lands, the Board may grant assistance for acquisition of a leasehold interest in Crown lands if in its opinion, the applicant requires the leasehold land as well as the freehold land in order to have an economic farm unit.

(2) Unless the context otherwise requires, a reference in this Act to farm lands shall be deemed to include a reference to a leasehold interest in Crown lands that may be acquired pursuant to this section.

18. When loans may not be granted.

19. Restrictions on loans.

20. Purchase of land.

(3) The Board and the Minister of the Crown administering the leasehold lands may enter into such arrangements as they consider necessary to ensure that a lease acquired pursuant to this section is not assigned or surrendered without the Board's consent.

18. (1) The Board may not grant assistance for the purchase of any lands that are less in area than the area required, in the opinion of the Board, to establish a farm capable of producing for labour expended thereon sufficient income to support its operator and repay the moneys expended therefor in a twenty year period, unless the lands to be purchased are to be combined with lands already owned by the applicant and the combined lands are capable in the opinion of the Board of producing the required income.

(2) The Board may not grant assistance where the value of the land to be purchased together with the value of the land already owned by the applicant is, in the opinion of the Board, in excess of forty thousand dollars.

(3) The Board may refuse to grant assistance if, in its opinion, the applicant is able to purchase the land without assistance under this Act.

19. (1) A loan from the Fund for any single purchase of farm lands may not exceed ten thousand dollars or fifty per cent of the purchase price, whichever amount is the lesser, and the Board may not enter into an agreement for sale whereby the purchaser would be indebted to the Board for an amount exceeding twenty-four thousand dollars.

(2) A loan may not be made for any period longer than twenty years or for any period whereby any payments are due thereon after the sixty-sixth birthday of the purchaser.

(3) A loan from the Fund may not be made in respect of any person who is unable to or has not contributed at least twenty per cent of the purchase price of the farm lands to be purchased, from sources that will not result in the land to be purchased being the whole or any part of the security for such twenty per cent.

20. (1) Where an application for assistance by way of a loan from the Fund is made, and approved in accordance with this Act, the Board shall obtain from the vendor of the farm lands a transfer of title free from all encumbrances, other than such as may be prescribed to the Board.

(2) The Board shall pay the vendor

(a) the amount of the down payment made by the purchaser upon title to the farm lands being registered at the appropriate land titles office in the name of the Board, free and clear of all encumbrances other than such as may be prescribed,

21. Agreements for sale.

22. Interest rate.

23. Repayment of principal.

24. Termination of agreement.

25. Trespassers.

26. Acquiring possession.

- (b) the amount of the loan under this Act as soon as it is advanced from the Fund, and
- (c) the balance of the sale price pursuant to the agreement.

21. (1) The Board shall enter into an agreement for sale with the purchaser, which shall provide that the purchase price under the agreement together with the interest thereon shall be paid within a period not exceeding twenty years.

(2) Payments on account of the purchase price, in addition to those provided for in the agreement for sale, may be made at any time.

(3) The interest charged under any such agreement shall be five per cent per annum.

22. (1) In any agreement to pay the balance of the purchase price of the farm lands to the vendor by the Board, the interest arranged for shall not exceed four and one-half per cent per annum.

(2) Interest shall be paid on the loan from the Fund at a rate not exceeding four and one-half per cent per annum.

23. None of the moneys received by the Board as payment of instalments on the purchase price of farm lands shall be applied to the repayment of the principal amount of the loan made from the Fund in respect of that land until the vendor has been paid in full all principal and interest due and owing him.

24. If at any time the Minister is satisfied that the purchaser has defaulted in paying any part of the purchase price upon the days appointed for the payment thereof, the Minister, with the approval of the Lieutenant Governor in Council, may by order cancel the sale on such terms as he deems just, and thereupon the agreement for sale and any interest of the purchaser created thereby ceases and determines, and the purchaser has no relief in any court of law or equity or otherwise.

25. (1) The Minister may, by notice in writing, require any person who is for the time being in the occupation of any land vested in the Board otherwise than pursuant to an agreement with the Board, to forthwith cease his occupation and vacate the land.

(2) A person who does not comply with such a notice forthwith upon the service thereof upon him, is guilty of an offence and liable on summary conviction to a fine of not more than one hundred dollars, and in default of payment to imprisonment for a term of not more than sixty days.

26. (1) When any person refuses or fails

27. Mismanagement.

28. Terms of agreement for sale.

- (a) to cease using, possessing or occupying any land that he is wrongfully or without lawful authority using, possessing or occupying, or
- (b) to deliver up possession of any land after his right to use, possess or occupy it has been declared forfeited under the provisions of this Act,

the Minister, or any officer or agent authorized by the Minister, may apply by originating notice returnable before a judge or local judge of the Supreme Court in chambers for an order of possession of the land so used, possessed or occupied.

(2) The originating notice shall be served upon the person or persons to whom it is addressed at least thirty days before the date on which it is returnable.

(3) Service may be made in any manner provided by the Consolidated Rules of the Supreme Court, or by leaving a copy thereof with an adult person found on the land and by putting up another copy in some conspicuous place thereon, or, where no adult person is found on the land, by putting a copy in each of two conspicuous places on the land.

(4) Except as otherwise provided in this section, the Consolidated Rules of the Supreme Court apply to any application under this section and to subsequent proceedings.

27. If at any time in the opinion of the Board the farm lands being sold under the agreement for sale are not being used in a proper manner and the value thereof is depreciating as a result of mismanagement, the Board may request the Department of Agriculture to assist in advising the purchaser how best to manage the lands to prevent their depreciation as agricultural lands.

28. It shall be a term of every agreement for sale of farm lands between the Board and any purchaser under this Act

- (a) that no assignment of the agreement for sale may be made except to a person who is approved as a purchaser by the Board and upon the assignment of the agreement to a person who is not approved all instalments under the agreement become due and payable,
- (b) that the purchaser will make every reasonable effort to maintain and use the farm lands described in the agreement for sale in such manner that their value as agricultural lands does not depreciate and to that end that he will undertake to carry out to the best of his ability, any advice or directions of the Department of Agriculture given to him in respect of his farm lands,
- (c) that the purchaser will pay interest on defaulted payments at a rate of five per cent per annum, will pay when due all assessments, taxes and other charges levied against the farm land and will effect such insurance as the Board may require, and

29. Authority to sell to an unqualified purchaser.

30. Provincial guaranty.

31. Farm land report.

32. Ministerial report.

33. Authority to make regulations.

- (d) that if any assessments, taxes, or charges referred to in clause (c) or any premiums on insurance effected pursuant to clause (c) are not paid when due, the purchaser shall be considered in default under the agreement for sale, and they may be paid by the Board out of the Fund and charged to the purchaser with interest thereon at the rate for defaulted payments.

29. Notwithstanding anything contained in this Act, where

- (a) a purchaser wishes to dispose of his interest under an agreement for sale, or an agreement has been cancelled or surrendered, and
- (b) no person who is qualified to obtain assistance under this Act is interested in acquiring the land,

the Board may permit an assignment to, or may enter into an agreement for sale with a person who is not qualified to obtain assistance under this Act, upon such terms as the Board may stipulate.

30. (1) The Minister and the Board shall enter into an agreement whereby the Minister shall undertake on behalf of the Government to indemnify the Board against loss on the sale of farm land to purchasers to the extent of ninety per cent thereof.

(2) For the purposes of this section a loss shall be deemed to have occurred when, pursuant to section 24 an agreement has been cancelled, the land thereunder is sold and the proceeds thereof are insufficient to permit the Board to meet its obligations in respect of the land to the Provincial Treasurer and to the vendor.

31. The Board from time to time shall secure reports as to the condition of any farm lands being sold by it pursuant to this Act and as to the progress and prospects of the purchasers, and for this purpose the Department of Agriculture may co-operate with the Board by rendering assistance of an educational or other nature that appears calculated to facilitate the success of the purchaser.

32. The Minister shall make an annual report showing the number and amount of loans made under this Act from the Fund during the last fiscal year, with such other particulars as may be deemed necessary, and the annual report shall be laid before the Legislative Assembly at the next ensuing session of the Legislature.

33. The Lieutenant Governor in Council may make regulations respecting

- (a) the proceedings upon any application for any loan or purchase or sale of land, under this Act,

34. Administration expenses.

35. Insurance contracts.

36. Transitional provisions.

- (b) the conditions that may be imposed in regard to loans,
- (c) the valuations to be made in relation to applications for loans,
- (d) the records, books and accounts to be kept by the Board and the auditing of its accounts, and
- (e) respecting any other matters necessary or advisable to carry out effectively the intent and purpose of this Act.

34. (1) The expenses of administering this Act other than the making of loans from the Fund shall be paid out of the General Revenue Fund.

(2) The Minister may, subject to the regulations, make grants to municipalities to assist in meeting the operating costs of committees.

35. For the purpose of protecting the Board and the municipality from loss in the event of the death of any person indebted to the Board, the Minister may, notwithstanding any law of the Province respecting insurable interest, enter into contracts of insurance with any insurer licensed to carry on business in the Province and pay premiums in respect thereof.

36. (1) In this section "former Act" means *The Farm Purchase Credit Act*, being chapter 23 of the Statutes of Alberta, 1957.

(2) The Alberta Farm Purchase Board established by this Act is the successor to the farm purchase boards under the former Act and upon the commencement of this Act

- (a) the farm purchase boards established under the former Act are dissolved, and
- (b) all property, rights, obligations and liabilities of such boards are vested in the Alberta Farm Purchase Board.

(3) Where in any Act, regulation, order, agreement, certificate of title or other document there is a reference to the former Act or to a farm purchase board established under the former Act it shall be construed as a reference to this Act or to the Alberta Farm Purchase Board, as the case may be.

(4) Any area served by a farm purchase board established under the former Act shall, until otherwise provided for, be deemed to be an area served by a committee established under this Act and the persons who were members of the board immediately prior to the commencement of this Act shall be deemed to have been appointed members of the committee.

37. The Fund under the present Act is increased from 10 to 12 million dollars effective on the day this Bill is assented to (see clause 39). This amendment will only be effective until August 1, 1963, when the new Act (which has a \$12,000,000 Fund) comes into force.

38. Repealing section.

39. Commencement of Act.

(5) Any money held in the Fund established under section 4 of the former Act shall be transferred to the Fund established under this Act and any money owing to the Fund established under the former Act shall be deemed to be owing to the Fund established under this Act.

(6) Any money deducted from the payments to a vendor and placed in the assurance fund under the former Act shall be paid to that vendor by the Provincial Treasurer.

(7) Any moneys advanced to the assurance fund pursuant to subsection (3) of section 23 of the former Act shall be deemed to be an advance to the Farm Purchase Revolving Fund established under section 6 of this Act.

37. Section 4, subsection (3) of *The Farm Purchase Credit Act*, being chapter 23 of the Statutes of Alberta, 1957, is amended by striking out the word "ten" and by substituting the word "twelve".

38. This Act repeals and replaces *The Farm Purchase Credit Act*, being chapter 23 of the Statutes of Alberta, 1957.

39. (1) This Act, except section 37, comes into force on the first day of August, 1963.

(2) Section 37 comes into force on the day upon which this Act is assented to.

No. 84

FIFTH SESSION
FOURTEENTH LEGISLATURE
 11 ELIZABETH II
 1963

BILL

An Act to Provide a Means of Assisting
Farmers to Purchase and
Acquire Economic Farm Units

Received and read the

First time

Second time

Third Time

HON. MR. STROM
