

No. 105

2nd Session, 15th Legislature, Alberta
13 Elizabeth II

BILL 105

A Bill to amend The Co-operative Marketing
Associations Guarantee Act

HON. MR. PATRICK

Explanatory Note

1. This Bill amends chapter 60 of the Revised Statutes.

2. The Act permits the Government to authorize the Provincial Treasurer to guarantee loans made by co-operative associations in certain cases. Section 3 of the Act deals with cases where the loan is used for constructing, etc., pipe lines or works for transmitting natural gas, liquefied petroleum gas or electrical energy to members. The new sections 11 to 14 added by clause 3 of the Bill provide machinery whereby the association may be required to obtain lien notes from members who have not paid their share of the project in full. Notice of the liens is filed against the member's title. The association may enforce the lien note and if the Province is ever required to pay on its guarantee, the Provincial Treasurer may enforce it. Section 7 of the Act deals with other rights of the Provincial Treasurer as to subrogation.

3. See note to clause 2.

BILL

No. 105 of 1965

An Act to amend The Co-operative Marketing
Associations Guarantee Act

(Assented to 1965)

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

1. *The Co-operative Marketing Associations Guarantee Act* is hereby amended.

2. Section 7 is amended by adding the following subsection after subsection (1):

(1a) Where the Provincial Treasurer is called upon to make any payment in respect of a guarantee executed pursuant to section 3, he is also subrogated to the rights of the borrowing association to enforce any lien notes made by its members pursuant to section 11 and notice of which is filed pursuant to section 13.

3. The following sections are added after section 10:

11. (1) Where an association applies to have a loan guaranteed pursuant to section 3, the Provincial Treasurer may require that the association obtain from those members who have not fully paid up their share of the cost of constructing the pipe lines or works required by the association a lien note in triplicate in Form 1 in the Schedule

- (a) payable to the order of the association,
- (b) in the amount that remains unpaid by the member to the association,
- (c) bearing interest at the same rate as that payable by the association to the lender,
- (d) setting out
 - (i) the date from which interest is to be computed,
 - (ii) the number and amount of the equal annual instalments of principal by which payment of the note is to be made, and
 - (iii) the date when each instalment of principal, and the accrued interest on the unpaid principal, is to be paid,

and

- (e) against the land of the member or the interest of the member in the land to which natural gas, liquefied petroleum gas, or electrical energy is to be conveyed.
- (2) The note shall be made and signed in the presence of an officer of the association obtaining it, and shall be certified by the officer.
- (3) The lien note shall affect only the interest of the member in the surface rights of the land.
- (4) The notes shall be delivered to the Supervisor of Co-operative Activities.

12. Where an association applies to have a loan guaranteed pursuant to section 3, it shall furnish the Supervisor of Co-operative Activities with

- (a) a statement of the total estimated cost of the pipe lines or works required,
- (b) a statement of the total amount of the moneys received from its members and the disposition, if any, made of the moneys,
- (c) a statement of the membership of the association, and
- (d) if required under section 11, all copies of each lien note required to be obtained from members under that section.

13. (1) Within thirty days after the execution of the guarantee by the Provincial Treasurer, the Supervisor shall cause a notice of the lien note in Form 2 in the Schedule to be filed in the appropriate land titles office.

(2) The Registrar of Land Titles shall, without fee, endorse a memorandum in Form 3 in the Schedule upon the certificate of title to the land described in the notice of lien.

(3) Upon receiving notice in Form 4 in the Schedule from the Supervisor of Co-operative Activities that a lien note in respect of which a memorandum has been endorsed against the certificate of title of any land has been discharged by a member, the Registrar of Land Titles shall without fee cancel the memorandum on the certificate.

(4) A lien may be postponed at the discretion of the Supervisor of Co-operative Activities in accordance with subsection (3) of section 111 of *The Land Titles Act*.

(5) Notwithstanding the provisions of *The Tax Recovery Act* or *The Irrigation Districts Act*, as the case may be, a lien filed in respect of land or an interest in land under this Act continues to be an encumbrance against that land registered in the name of a subsequent owner or owners to the same extent as if proceedings had not been taken under *The Tax Recovery Act* or *The Irrigation Districts Act*, as the case may be.

4. Schedule added.

14. (1) When a notice in Form 2 in the Schedule is filed, the association has a lien

(a) upon the land of the member to which natural gas, liquefied petroleum gas, or electrical energy is to be conveyed, and

(b) upon the interest of the member in the land to which natural gas, liquefied petroleum gas or electrical energy is to be conveyed,

as the case may be, to the amount of the lien note of the member held by the association and the lien has the same priority as if it were a mortgage under *The Land Titles Act*, to secure the total amount of the note of the member and registered in the proper land titles office at the time at which the notice referred to in section 13 was filed in such land titles office.

(2) Land in respect of which notice of a lien note has been filed shall, for the purposes of this Act, be deemed not to be a homestead within the meaning of *The Dower Act*.

4. The following Schedule is added after section 14:

SCHEDULE

FORM 1

(Section 11)

MEMBER'S LIEN NOTE

I, of, in the Province of Alberta, a member of the, hereby promise to pay to the within years from the day of, A.D. 19, being the day from which interest shall be computed, the following sum, that is dollars (hereinafter called the principal) with interest at the rate of per cent per annum, the principal to be repayable in instalments as follows:

1st instalment dollars on the day of 19

2nd instalment dollars on the day of 19

3rd instalment dollars on the day of 19

4th instalment dollars on the day of 19

5th instalment dollars on the day of 19

6th instalment dollars on the day of 19

7th instalment dollars on the day of 19

8th instalment dollars on the day of 19

9th instalment dollars on the day of 19

10th instalment dollars on the day of 19

together with accrued interest on the unpaid principal on each of the above dates.

I shall pay instalments when due to.....
at....., in the Province of Alberta.

Description of land:, section,,
township, range west of the.....
meridian.

Dated at....., in the Province of Alberta,
this..... day of....., 19.....

The above was made and }
signed in my presence by the }
said..... this } *Signature of Member*
day of....., 19..... }
} *Signature of Officer*
}
} *Name of Association*

Note: Complete in triplicate.

FORM 2
(Section 13)
NOTICE OF LIEN

Take notice that the
of....., in the Province of Alberta, under
The Co-operative Marketing Associations Guarantee Act,
holds the lien notes executed and made by the parties shown
on the attached Schedule, who are members of the said
association, and that, pursuant to the provisions of section
11 of the aforesaid Act, the said association has lien notes
upon the interest of the said members, in the land described
in the aforementioned Schedule attached hereto, to the
amount of the lien note of each member, held by the said
association, which charge has the same priority as if a
mortgage under *The Land Titles Act* to secure the total
amount of the note of each member had been registered
in the proper land titles office, at the time at which this
notice was filed in the land titles office, and the said lien is
to secure the payment of moneys advanced by the said
association, and guaranteed by the Provincial Treasurer
under the said Act in part upon the security of the lien note
of the aforesaid members.

Dated at Edmonton, Alberta, this..... day of
....., 19.....

.....
*Supervisor of
Co-operative Activities*

5. Commencement of Act.

Schedule Attached to Notice of Lien

Name

Location

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

FORM 3

(Section 13 (2))

MEMORANDUM

The land comprised in this certificate of title is subject to a lien under *The Co-operative Marketing Associations Guarantee Act* in favour of.....received by me on the.....day of....., 19.....

Registrar

FORM 4

(Section 13 (3))

NOTICE

To the Registrar,
.....Land Registration District.

Take notice that.....has repaid in full the amounts owing upon his lien note under *The Co-operative Marketing Associations Guarantee Act*, notice of which note was endorsed by memorandum upon the title to the following lands, namely:

.....
.....
and therefore the said memorandum is to be cancelled forthwith.

Dated this.....day of....., 19.....

Supervisor of
Co-operative Activities

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

No. 105

SECOND SESSION

FIFTEENTH LEGISLATURE

13 ELIZABETH II

1965

BILL

An Act to amend The Co-operative
Marketing Associations
Guarantee Act

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. PATRICK
