

1972 Bill 50

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First Session, 17th Legislature, 21 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 50**

**The Alberta Opportunity Fund Act**

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THE MINISTER OF INDUSTRY AND TOURISM

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First Reading .....

Second Reading .....

Third Reading .....

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# BILL 50

1972

## THE ALBERTA OPPORTUNITY FUND ACT

(Assented to \_\_\_\_\_, 1972)

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

**1.** (1) In this Act,

- (a) "bank" includes a chartered bank, treasury branch, a trust company registered under *The Trust Companies Act* or any other mortgage lender;
- (b) "Board" means the board of directors of the Alberta Opportunity Company;
- (c) "commercial enterprise" includes manufacturing, processing and service industries, assembly and prefabricating plants, recreational facilities and any other business which in the judgment of the Board has an opportunity to become a successful part of Alberta's economic structure;
- (d) "Committee" means the Loans Committee appointed by the Board under section 12;
- (e) "Company" means the Alberta Opportunity Company;
- (f) "facility" includes the land, buildings, structures, machinery, equipment, means of access and other physical components which are included in a commercial enterprise;
- (g) "Fund" means the Alberta Opportunity Fund;
- (h) "Minister" means the Minister of Industry and Commerce.

(2) The Minister is charged with the administration of this Act.

**2.** (1) There is hereby established a fund under the name of the Alberta Opportunity Fund the total amount of which shall not exceed \$50,000,000, and which shall be held and administered by the Company with the object of promoting the development of resources and the general growth and diversification of the economy of Alberta.

(2) The Company shall give priority in the achievement of its objects to

## **Explanatory Notes**

General. This Act establishes a \$50,000,000 Alberta Opportunity Fund and creates the Alberta Opportunity Company with the objective of stimulating new and expanding enterprises thus giving new direction to the economic growth of the Province.

Priority will be given to Albertans, small businesses, centres of small population, job-creating projects, research and development, promotion of marketing and export potential, enhancement of our tourist potential, provision of employment and business experience for Alberta students and encouragement of local development groups.

### **1. Definitions.**

### **2. Purposes for utilization of the Fund.**

- (a) commercial enterprises offering a high degree of job opportunity in relation to capital investment,
  - (b) commercial enterprises owned and operated by Canadian citizens residing in Alberta,
  - (c) the encouragement, strengthening and expansion of small businesses,
  - (d) programs and projects which create increased economic opportunities for residents of smaller population centres, particularly where there is extensive community involvement,
  - (e) the encouragement of research and development directed toward increased productivity and improved technology,
  - (f) the promotion of Alberta services and products to enhance their marketing and export potential,
  - (g) projects and facilities which enhance the tourist potential of Alberta,
  - (h) the provision of employment and business experience to Alberta students through loans for the creation, expansion or operation of student business enterprises,
  - (i) companies, associations and groups formed for the purposes of attracting industrial development and expansion within their communities, and
  - (j) industries involved in pollution control including recycling of products.
- (3) To achieve its purposes the Company may provide in accordance with this Act
- (a) loans or guarantees for capital, or
  - (b) business management counselling, or
  - (c) services to assist in the co-ordinated utilization of economic research programs, production techniques, adult training programs, marketing promotion and channels of liaison with appropriate federal, provincial and private agencies and departments of the Government.

**3.** (1) There is hereby created a corporation with the name of the "Alberta Opportunity Company" which shall have a board of directors of not less than five and not more than seven persons appointed by the Lieutenant Governor in Council to hold office during pleasure.

(2) By their appointments one member of the Board shall be designated as chairman of the Board and one member shall be designated as Managing Director of the Company.

**3.** The Alberta Opportunity Company is created under the direction of a Managing Director with the advice of the board of directors.

(3) The Board has direction and control over the conduct of the business and affairs of the Company and the Managing Director is the chief executive officer of the Company and is responsible for the daily administration and management of such business and affairs.

(4) The members of the Board who are not officers or employees of the Crown, nor officers or employees of any agency of the Crown, shall be paid by the Company such remuneration for their services as is prescribed by the Lieutenant Governor in Council.

(5) The members of the Board shall be paid by the Company their reasonable travelling and living expenses while absent from their ordinary place of residence and in the course of their duties as members of the Board.

4. (1) The Company is an agent of the Crown in right of Alberta and its powers under this Act may be exercised only as an agent of the Crown.

(2) The Company may, on behalf of the Crown, contract in its own name without specific reference to the Crown or Her Majesty.

(3) An action or other legal proceeding in respect of any right or obligation acquired or incurred by the Company on behalf of the Crown in right of Alberta, may be brought or taken by or against the Company in any court that would have jurisdiction if the Board were not an agent of the Crown.

5. (1) The Board may make by-laws respecting the calling of meetings of the Board and the conduct of business thereat and fixing the number of members required for a quorum at any meeting which shall not be less than 50 per cent of the members of the Board.

(2) *The Regulations Act* does not apply to by-laws of the Board.

(3) The chairman shall designate a member of the Board to act as chairman in his absence at any meeting of the Board.

(4) At its meetings the Board may exercise any of its powers by resolution except where some other mode of exercising any power is prescribed in this Act.

(5) The affirmative votes of a simple majority of the members present at any meeting of the Board at which a quorum is present are sufficient to pass any resolution or by-law and to bind all the members.

(6) Where one or more vacancies occur on the Board, the remaining directors may exercise all the powers of the Board as long as a quorum of the Board remains in office.

4. Company as an agent of the Crown.

5. Meetings of the board of directors.

**6.** (1) The Company may appoint such employees as it considers necessary and may prescribe their duties and salaries or remuneration.

(2) The appointment of employees of the Company shall be during pleasure unless otherwise agreed between the Company and the employee.

(3) The Board may make by-laws

- (a) establishing job classifications and salary ranges for its employees and governing the application of salary ranges;
- (b) governing the attendance and hours of work of employees of the Company;
- (c) governing the granting of holidays;
- (d) governing overtime;
- (e) governing annual vacations, sick leave, educational leave and any other form of leave of absence;
- (f) governing the settlement of employee grievances;
- (g) regulating the transfer, promotion or demotion of employees of the Company;
- (h) governing the conduct, discipline, dismissal or suspension of its employees;
- (i) governing any other matters relating to the terms and conditions of employment of its employees.

(4) The Company may obtain the services of any agents or of advisers or persons providing technical or professional services of a kind required by the Company in connection with its business and affairs.

(5) The salaries and other remuneration payable to the employees of the Company or to any person retained under subsection (4) shall be paid by the Company from its own funds.

(6) Subsections (1) to (3) are subject to *The Crown Agencies Employee Relations Act* and any agreement made pursuant to that Act by the Company.

**7.** *The Public Service Pension Act* applies, with the necessary modifications, to the Managing Director and employees of the Company, and the Company shall pay into the General Revenue Fund the contributions required to be made under section 5 of that Act together with an equal amount from the funds of the Company as its contribution.

**8.** The members of the Board and the employees of the Company and persons acting under instructions of any of them or under the authority of this Act or the regulations



**6.** Company to hire its own employees.

**7.** Pension plan established.

**8.** Protection from liability.

are not personally liable for any loss or damage suffered by any person by reason of anything in good faith done or omitted to be done in the exercise or purported exercise of any powers conferred by this Act or the regulations.

**9.** The Company shall carry out any duties or functions which may be assigned to it by the Lieutenant Governor in Council by regulation.

**10.** (1) From time to time the Provincial Treasurer shall pay to the Fund from the General Revenue Fund, upon the request of the Company, such sums as may be required to carry out the provisions of this Act.

(2) The total amount of loans outstanding and of guarantees made by the Company shall not at any time total more than \$50,000,000.

(3) If at any time it appears to the Lieutenant Governor in Council that the Company has on hand a cash surplus that is not required for financing the operations of the Company, the Lieutenant Governor in Council may order that the cash surplus be paid into and form part of the General Revenue Fund.

(4) The Lieutenant Governor in Council may authorize payment of moneys into the Fund from any appropriation of the Legislature where the moneys have been appropriated for objects consistent with the objects of the Fund and the moneys so paid shall form part of the Fund to be administered by the Company.

**11.** (1) Subject to the provisions of this Act and the regulations, the Company may

- (a) make loans to the owners of commercial enterprises of amounts not exceeding 80 per cent of
  - (i) the capital cost of the proposed facilities, and
  - (ii) the engineering costs,as approved by the Company, or
- (b) guarantee repayment of loans made to commercial enterprises by banks, or
- (c) make loans to commercial enterprises of amounts not exceeding 80 per cent of the value of raw or finished inventory by way of short term inventory contracts which are subject to the payment of interest, or
- (d) make loans to or guarantee the repayment of loans by commercial enterprises for the provision of fixed or working capital or a combination thereof or may guarantee bonds or debentures for such purpose.

**9.** The Lieutenant Governor in Council may require special duties of the Company.

**10.** The Alberta Opportunity Fund is created with maximum continuing assets of \$50 million.

**11.** The Company may make loans to and guarantees on behalf of commercial enterprises.

(2) Subject to the regulations, the Company may permit payments on account of principal, interest or both on loans made under this section to be deferred for a period of time not exceeding the first 30 months of the life of the loan.

**12.** (1) No loan or guarantee made under this Act may exceed \$500,000 except by order of the Lieutenant Governor in Council.

(2) Subject to the provisions of this section, it shall be the function of the Board to approve or reject all applications for loans or guarantees.

(3) The Board shall appoint a Loans Committee consisting of the Managing Director and not less than three other employees of the Company.

(4) The Committee may, on behalf of the Company, approve or reject loans or guarantees secured by inventory or fixed assets, to an amount specified by the regulations.

(5) The Committee may refer any application for a loan or guarantee to the Board.

(6) Before making or guaranteeing a loan the Company shall secure all reports and appraisals that the Board or Committee, as the case may be, considers necessary.

(7) The Board or the Committee may require an applicant for a loan or guarantee to appear before it

(a) if an individual, personally, or

(b) if a corporation, through such of its directors, officers or employees as may be designated by the Board or the Committee, as the case may be,

to submit evidence as to any matter related to the commercial enterprise in respect of which the application is made.

**13.** (1) The Company may provide loans or guarantees up to 50 per cent of the cost of projects or \$10,000, whichever is the lesser, for any one project or for any one business in any twelve-month period to commercial enterprises in Alberta for research and development projects designed to achieve improved economic performance through encouragement of the adoption of modern management techniques and technological improvements to products and production facilities and the development of new markets.

(2) The cost of any research and development project eligible for a loan or guarantee by the Company may, in the discretion of the Company, include labour costs for the Company's own employees and fees and other charges for independent experts and for professional consultative services performed on a contract basis.

**12.** A \$500,000 ceiling on loans is established and the approval required is shown.

**13.** Research and development loans.

(3) The recommendations of the Research Council of Alberta, or other agencies as required, shall be obtained and taken into consideration in respect of applications for loans or guarantees under this section.

(4) The Company may, as security for the repayment of funds advanced, require and obtain patents, trademarks, licences, leases, franchises or other rights which may result from projects assisted by the Company under this section.

(5) The amount of outstanding loans and guarantees for research and development projects under this section shall not exceed \$1,000,000 at any time.

**14. Business management counselling may be**

- (a) recommended to commercial enterprises by the Company where it considers it necessary, or
- (b) provided to commercial enterprises by the Company on request upon such terms and conditions as the Company may establish,

including cost accounting, reporting procedures, industrial engineering services and other elements of general business practice.

**15. Subject to the provisions of this Act, the Company may do all or any of the following:**

1. engage the services of any bank and enter into agreements with any bank in achieving its objects;
2. take security for the repayment of loans made or guarantees given by the Company of such nature and kind and at such times as the Company considers advisable;
3. buy, sell and deal in any goods, wares, merchandise or natural products either by wholesale or retail or both;
4. act as a broker, factor or agent for any person in the acquisition or disposition of any goods, wares, merchandise or natural products;
5. for the purpose of exercising the powers under clauses 3 and 4, do all acts and enter into all transactions that a natural person engaged in a general mercantile business has the capacity or power to transact;
6. with the approval of the Lieutenant Governor in Council, do all acts and enter into all transactions that a natural person engaged in any business has the capacity or the power to transact, including the borrowing of money for any of the purposes of the business;

**14.** Business management counselling services provided.

**15.** Powers of the Company.

7. draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments;
8. acquire and hold any real or personal property or any estate or interest in real property or any rights or privileges of any nature or kind, as the Company considers necessary or convenient to achieve the objects of the Company and to alienate, sell, lease or dispose of any property so held as the Company considers expedient;
9. invest and deal with in such manner as the Company considers appropriate, money in the Fund not immediately required to be expended;
10. with the approval of the Lieutenant Governor in Council, borrow money upon the credit of the Company from time to time to fulfill the objects of the Company and issue notes, bonds, debentures, debenture stock or other evidences of indebtedness;
11. purchase or otherwise acquire shares in the capital stock of any corporation;
12. do all things necessary, incidental or conducive to the attainment of the objects of the Company.

**16.** (1) The Company shall act as the agent of the Government for the disposal of all surplus items of material, equipment and other things of the Departments of the Government and of any corporation that is an agent of the Crown.

(2) The Company may enter into agreements with such boards, corporations, commissions and institutions receiving their operating funds in whole or in part from the Government of Alberta as may be specified in the regulations, to act as agent for the disposal of their surplus items of material, equipment and other things.

**17.** (1) The Company shall be subject, in respect of its accounts and financial transactions, to audit, from time to time and at least once each year and shall

- (a) keep full and accurate books of account and records of its business and affairs,
- (b) after the end of each year cause to be prepared and audited by the auditor a balance sheet of its transactions in the preceding year,
- (c) at any other time when required to do so by the Lieutenant Governor in Council, cause to be prepared and audited a balance sheet with respect to such part of its business and covering such period as may be specified by the Lieutenant Governor in Council, and



**16.** The Company charged with the disposition of Crown assets.

**17.** Records and audits of the Company.

- (d) after the end of each year prepare a report summarizing its business and affairs during the preceding year.
- (2) The fiscal year of the Company shall end on March 31st in each year.
- (3) The Provincial Auditor is the auditor of the Company unless or until some other qualified auditor is appointed by the Minister to be auditor of the Company.
- (4) When an annual report is prepared the Company shall deliver a copy of it to the Minister who shall submit it to the Lieutenant Governor in Council.
- (5) When a balance sheet is prepared and audited pursuant to subsection (1), clause (b) or (c), the auditor shall deliver a copy of it to the Minister who shall submit it to the Lieutenant Governor in Council.
- (6) Upon receiving a copy of an annual report or an audited balance sheet, the Minister shall lay a copy of it before the Legislative Assembly if it is then in session and, if it is not, within 15 days after the commencement of the next ensuing session.

**18.** The Lieutenant Governor in Council may make regulations:

- (a) establishing qualifications for commercial enterprises eligible for loans and guarantees under this Act;
- (b) assigning additional duties and functions to the Company;
- (c) governing the operation of the Fund;
- (d) governing the granting of loans and the giving of guarantees;
- (e) specifying the boards, corporations, commissions and institutions with which the Company may enter into agreements under section 16;
- (f) respecting any matter necessary or advisable for carrying out the intent and purposes of this Act.

**19.** (1) The following Acts are hereby repealed:

- (a) *The Commercial Services Act*, being chapter 57 of the Revised Statutes of Alberta 1970;
- (b) *The Economic Research Bureau Act*, being chapter 94 of the Revised Statutes of Alberta, 1955;
- (c) *The Alberta Industrial Corporation Act*, being chapter 153 of the Revised Statutes of Alberta, 1955;
- (d) *The Industrial Development Incentives Act*, being chapter 52 of the Statutes of Alberta, 1971.

**18. Regulations .**

**19. Consequential amendments. Section 37 (b) (i) of The Public Service Pension Act reads:**

37. Subject to such modifications and exceptions and upon such terms and conditions as may be ordered by the Lieutenant Governor in Council, the provisions of this Act may be applied to

- (b) employees of
  - (i) the Alberta Commercial Corporation,

(2) *The Public Service Pension Act* is amended as to section 37, clause (b) by striking out subclause (i).

**20.** (1) All real property and goods and other chattels and all rights, contracts, franchises, assets, liabilities and property of every kind including things in action and causes of action, owned, held, incurred or used by

- (a) the Alberta Industrial Incentives Board under *The Industrial Development Incentives Act*,
- (b) the Alberta Industrial Corporation, and
- (c) the Alberta Commercial Corporation and the Alberta Commercial Branch under *The Commercial Services Act*

are hereby transferred to and vested in the Alberta Opportunity Company under this Act.

(2) All employees of the Alberta Commercial Corporation and all persons employed under *The Public Service Act* by the Alberta Commercial Branch shall, upon the commencement of this Act, become employees of the Company and shall be deemed for all purposes to have been appointed under section 5, subsection (1) on that date.

(3) A reference to the Alberta Industrial Incentives Board, the Alberta Industrial Corporation, the Alberta Commercial Corporation or the Alberta Commercial Branch in any other Act or in any order, regulation, rule, by-law, certificate of title, agreement or other instrument shall be deemed to be a reference to the Alberta Opportunity Company.

**21.** This Act comes into force on June 1, 1972.

## **20. Transitional provisions.**