

1972 Bill 73

First Session, 17th Legislature, 21 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 73

The Agricultural Development Act

THE MINISTER OF AGRICULTURE

First Reading

Second Reading

Third Reading

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BILL 73

1972

THE AGRICULTURAL DEVELOPMENT ACT

(Assented to _____, 1972)

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

1. In this Act,

- (a) "agricultural industries" means industries having the qualifications prescribed by the regulations;
- (b) "associated businesses" means businesses carried on in conjunction with agricultural operations;
- (c) "Board" means the Board of Directors;
- (d) "Corporation" means the Alberta Agricultural Development Corporation;
- (e) "Fund" means the Agricultural Development Revolving Fund;
- (f) "Minister" means the Minister of Agriculture.

2. (1) There is hereby established a corporation with the name "Alberta Agricultural Development Corporation".

(2) The affairs of the Corporation shall be conducted by a Board of Directors which shall consist of not less than three and not more than 12 members appointed by the Minister, at least one-third of whom are engaged in the business of farming.

(3) The Minister shall designate one member of the Board as chairman.

(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 such remuneration for their services as is prescribed by the Lieutenant Governor in Council.

(5) The members of the Board shall be paid 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 at the rate prescribed by the Lieutenant Governor in Council.

Explanatory Notes

GENERAL: This Act is intended to provide assistance of both a financial and an educational nature with a view to improving the quality of rural life in Alberta, helping to preserve the family farm and making rural centres into more viable entities. The Alberta Farm Purchase Board will be replaced with the Alberta Agricultural Development Corporation operating in a broader sphere and utilizing a special Fund of up to \$50,000,000 to achieve its objectives.

1. Definitions.

2. Incorporation.

3. (1) The Corporation is for the purposes of this Act 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) An action or other legal proceeding in respect of any right or obligation acquired or incurred by the Corporation on behalf of the Crown in right of Alberta, whether in its name or in the name of the Crown in right of Alberta, may be brought or taken by or against the Corporation, in the name of the Corporation, in any court that would have jurisdiction if the Corporation were not an agent of the Crown.

4. (1) The Board may make by-laws respecting the calling of meetings of the Board and the conduct of business thereat, the duties and conduct of members and generally as to the conduct of the business and affairs of the Corporation.

(2) At any meeting of the Board when the chairman is absent the members present may elect one of their number to preside at that meeting in the absence of the chairman.

(3) Three members of the Board constitute a quorum at a meeting of the Board.

(4) The affirmative votes of a 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 to bind all the members.

(5) 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. (1) In accordance with *The Public Service Act* there may be appointed a manager and such employees as are required for the purposes of carrying out the business and affairs of the Corporation.

(2) The Corporation may obtain the services of any agents or persons having technical or professional knowledge of a kind required by the Corporation in connection with its business and affairs.

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

6. To achieve the purposes of this Act the Corporation may, with the prior approval of the Minister, exercise any and all of the following powers in addition to the powers vested in it by *The Interpretation Act*:

3. Agent of the Crown.

4. Meetings of the Board.

5. Personnel and administration costs.

6. Additional corporate powers.

- (a) the power to receive money either as payment on contracts or as deposit on the purchase of farm land or as fees for services;
- (b) the power to purchase and sell real and personal property in accordance with this Act and the regulations;
- (c) the power to invest and deal with such proceeds of the sale of real and personal property as are not immediately required, in such manner as may be prescribed by the regulations;
- (d) the power to borrow moneys in accordance with this Act;
- (e) 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;
- (f) the power to take, hold, realize on, or otherwise dispose of any securities held for loans, whether the securities are real or personal property;
- (g) 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 Corporation;
- (h) the power to sell its lands by agreement for sale extending over any period not in excess of 40 years;
- (i) the power to mortgage its property or otherwise secure any borrowings of the Corporation;
- (j) the power to establish offices and agencies in Alberta as it considers expedient;
- (k) 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 Corporation.

7. The members of the Board and the employees of the Corporation and persons acting under the instructions of any of them or under the authority of this Act or the regulations 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.

8. The Corporation is subject in respect of its accounts and financial transactions to audit by the Provincial Auditor from time to time and at least once every year.

7. Protection from liability.

8. Audit

9. (1) The Corporation shall annually, after the end of its fiscal year, prepare and submit to the Minister a general report summarizing its transactions and affairs during its last fiscal year and showing its revenues and the application of its expenditures during that period, together with an audited balance sheet of its accounts and financial transactions during that period and such other information as the Lieutenant Governor in Council may require.

(2) When the report is received, the Minister shall lay a copy of it before the Legislative Assembly if it is in session and if it is not, within 15 days after the commencement of the next ensuing session.

10. The fiscal year of the Corporation is the period from April 1 to the next succeeding March 31.

11. (1) The Provincial Treasurer shall establish a fund to be known as the Agricultural Development Revolving Fund.

(2) From time to time there shall be advanced from the General Revenue Fund to the Fund, upon the requisition of the Corporation approved by the Lieutenant Governor in Council, such sums as may be required for the purposes of this Act, but the amount of advances outstanding at any time shall not exceed \$50,000,000.

12. (1) All money received by the Corporation in relation to contracts made under this Act or by virtue of section 28 shall be paid into the Fund.

(2) Interest received by the Corporation on loans or deposits shall be paid into the Fund.

(3) If he considers it advisable, the Provincial Treasurer may transfer from the Fund to the General Revenue Fund any sum lying unused in the Fund.

(4) Any sums transferred into the General Revenue Fund under subsection (2) or (3) shall be a reduction of the advances outstanding to the Fund.

13. The Corporation may make loans from the Fund to primary producers of agricultural products, the owners of associated businesses and agricultural industries for any of the following purposes:

- (a) purchasing land;
- (b) consolidating outstanding liabilities;

9. Annual report

10. Fiscal year

11. Agricultural Development Revolving Fund established.

12. Repayment of loans.

13. Agricultural development loans.

- (c) constructing, altering, repairing or extending buildings on land owned or being purchased by the borrower;
- (d) making permanent improvements designed to increase the productive value of lands which are owned or being purchased by the borrower;
- (e) purchasing agricultural implements or farm machinery;
- (f) purchasing livestock;
- (g) maintaining adequate operating capital;
- (h) establishing, developing or maintaining secondary agricultural industries;
- (i) any purpose approved by the Corporation related to the establishment or maintenance of a farm unit.

14. (1) The Corporation shall fix the repayment term on loans, which shall not exceed 40 years.

(2) Notwithstanding subsection (1), repayment of principal may be deferred in accordance with the regulations.

15. The Corporation shall, at its discretion, take whatever security it requires to protect its investment, including land mortgages, chattel mortgages, assignments, promissory notes, or security of any other nature.

16. (1) The Corporation may guarantee the principal amounts together with the interest or any part thereof accruing thereon of loans made to primary producers of agricultural products, owners of associated businesses or agricultural industries for any of the purposes set out in section 13.

(2) The Minister and the Corporation shall enter into an agreement whereby the Minister shall undertake on behalf of the Government to indemnify the Corporation against loss suffered by the Corporation by reason of its liability under guarantees made under subsection (1).

(3) Where the Corporation receives indemnification under subsection (2), it shall assign its claims against the borrowers involved to the Crown which is then subrogated to the rights of the Corporation and the Minister on behalf of the Crown may recover by action the amounts paid.

17. Where a person is over 55 years of age or is physically handicapped, the Corporation may enter into an agreement with that person to purchase his farm property for cash or on an annuity basis on terms and conditions prescribed by the regulations.

14. Time for repayment.

15. Security for loans.

16. The Corporation may guarantee loans by private lenders.

17. Acquisition of farm property. This is designed so that the farmer who cannot derive a reasonable standard of living from his farm where he has his capital tied up may realize on his investment as best suits his needs.

18. Land or buildings acquired by the Corporation under section 17 may be leased, sold or otherwise disposed of in the discretion of the Corporation.

19. (1) The Corporation may acquire, hold or dispose of land for the purpose of

- (a) farm consolidation, or
- (b) establishment of community pastures, or
- (c) withdrawing land from agricultural use, or
- (d) generally advancing, in the opinion of the Corporation, the interests of agriculture.

(2) Nothing in this section limits or qualifies the Corporation's right to purchase under section 17.

20. (1) It shall be a term of every agreement for sale of farm lands between the Corporation and any purchaser under this Act

- (a) that no assignment of the agreement for sale and no further agreement for sale may be made by the purchaser except to or with a person who is approved as a purchaser by the Corporation, and upon the assignment of the agreement for sale or the entry into the further agreement for sale to or with a person who is not approved, all instalments under the agreement become due and payable,
- (b) that the purchaser will pay when due all assessments, taxes and other charges levied against the farm land and will effect such insurance as the Corporation may require, and
- (c) that if any assessments, taxes or charges referred to in clause (b) or any premiums on insurance effected pursuant to clause (b) are not paid when due, the purchaser shall be considered in default under the agreement for sale, and they may be paid by the Corporation out of the Fund and charged to the purchaser with interest thereon at the rate for defaulted payments.

(2) Notwithstanding subsection (1), clause (a), a purchaser may assign an agreement for sale to a treasury branch or a chartered bank as security for a loan therefrom.

21. Notwithstanding anything contained in this Act, where

- (a) a purchaser wishes to dispose of his interest in land being purchased under an agreement for sale, or an agreement has been cancelled or surrendered, and

18. The Corporation may lease back, sell or lease to another or withdraw the land from agricultural use.

19. Establishment of land banks.

20. Terms of agreement for sale.

21. Assignment or sale to unqualified purchaser.

(b) no person who is qualified to obtain assistance under this Act is interested in acquiring the land, the Corporation may

(c) permit an assignment to, or

(d) permit a further agreement for sale by the purchaser with, or

(e) enter into an agreement for sale with, a person who is not qualified to obtain assistance under this Act, upon such terms as the Corporation may stipulate.

22. (1) In conjunction with the purchase of the freehold estate in farm lands, the Corporation 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.

(3) The Corporation 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 Corporation's consent.

23. The Corporation may make grants or provide other incentives as prescribed by the Lieutenant Governor in Council to primary producers of agricultural products, owners of associated businesses and agricultural industries when it considers it expedient to do so in order to achieve the purposes of this Act.

24. The Corporation may in its discretion require that purchasers, borrowers or persons whose loans have been guaranteed by the Corporation agree to such supervision of their farming operation as the Corporation may require.

25. (1) If at any time the Minister is satisfied after giving him a reasonable opportunity to be heard that the purchaser has defaulted in paying any part of the purchase price upon the days appointed for the payment thereof, the Minister may by order cancel the sale on such terms as he considers just, and thereupon the agreement for sale and any interest of the purchaser created thereby ceases and determines.

(2) A copy of an order under subsection (1) shall be served on the purchaser.

22. Assistance in the acquisition of Crown leases.

23. The Corporation may make grants and provide other incentives within the context of the Act.

24. This section will enable the Corporation to supervise operations which may be running into difficulties.

25. Cancellation of sale.

(3) Any person who considers himself aggrieved by a decision of the Minister under subsection (1) may, within 15 days of service upon him of a copy of the order, appeal to the Appellate Division of the Supreme Court of Alberta.

26. The Minister, with the approval of the Lieutenant Governor in Council, may, on behalf of the Government of Alberta, enter into an agreement with the Government of Canada under any Act of the Parliament of Canada, pursuant to which the Government of Canada will make available to the Government of Alberta moneys to be used for the purposes of that Act and this Act.

27. The Lieutenant Governor in Council may make regulations

1. governing the qualifications of agricultural businesses eligible for assistance under this Act;
2. prescribing the times and methods of advancing money on loans;
3. respecting interest on loans;
4. establishing maximum amounts for loans;
5. relating to deferred repayment of the principal amount of loans;
6. governing the proceedings upon any application under this Act;
7. respecting valuations to be made in respect of loans;
8. governing the conditions to be met by applicants for loans or guarantees;
9. prescribing the terms and conditions upon which guarantees are to be given;
10. prescribing the duties and obligations during the period that his indebtedness is outstanding of a person who has obtained a guarantee or loan;
11. relating to security to be given to the Corporation in consideration of a guarantee;
12. prescribing the terms and conditions of payment relating to the purchase of property by the Corporation on an annuity basis;
13. governing the giving of grants and the provision of other incentives and the nature and kind of such incentives;
14. prescribing the remuneration payable to members of the Corporation entitled thereto;

26. Minister may execute federal agreements.

27. Regulations.

15. prescribing the amounts of travelling and living expenses payable to members of the Corporation when entitled thereto;
16. generally, for carrying out the purposes and intent of this Act.

28. (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 the Alberta Farm Purchase Board are hereby transferred to and vested in the Alberta Agricultural Development Corporation.

(2) A reference to the Alberta Farm Purchase Board in any Act, order, regulation, rule, by-law, certificate of title, agreement or other instrument shall be deemed to be a reference to the Alberta Agricultural Development Corporation.

29. *The words "The Farm Purchase Credit Act" are struck out wherever they appear and the words "The Agricultural Development Act" are substituted therefor in the following enactments:*

The Municipal Election Act, section 11, subsection (2), clause (k);

The Municipal Government Act, section 29, subsection (2), clause (k).

30. *The Farm Purchase Credit Act* is repealed.

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

28. Transitional provisions.

29. Consequential amendments.

30. Chapter 137 of the Revised Statutes of Alberta 1970 will be repealed.