

1973 Bill 82

Second Session, 17th Legislature, 22 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 82

The Alberta Opportunity Fund Amendment Act, 1973

THE MINISTER OF INDUSTRY AND COMMERCE

First Reading

Second Reading

Third Reading

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THE ALBERTA OPPORTUNITY FUND AMENDMENT ACT, 1973

(Assented to _____, 1973)

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

1. *The Alberta Opportunity Fund Act is hereby amended.*
2. *Section 1, subsection (1) is amended*
 - (a) *as to clause (a) by striking out the words "mortgage lender" and by substituting therefor the words "institutional lender approved by the Board",*
 - (b) *by striking out clause (c) and by substituting therefor the following clause:*
 - (c) "commercial enterprise" means a sole proprietorship, partnership, co-operative or body corporate having for its object the acquisition of gain and which, in the judgment of the Board, has an opportunity to become a successful part of Alberta's economic structure;
 - and*
 - (c) *by striking out clause (f).*
3. *Section 3, subsection (1) is amended by striking out the words "and not more than seven".*
4. *Section 7 is struck out and the following section is substituted therefor:*
 - 7.** *The Public Service Pension Act or The Public Service Management Pension Act, as the case may be, apply with all 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 the respective Acts, whichever is appropriate, together with an equal amount from the funds of the Company as its contribution.*
5. *Section 11 is struck out.*

EXPLANATORY NOTES

1. This Bill will amend chapter 11 of the Statutes of Alberta, 1972.

2. This amends the definition section.

Clauses (a), (c) and (f) presently read:

- (a) "bank" includes a chartered bank, treasury branch, a trust company registered under The Trust Companies Act or any other mortgage lender;
- (c) "commercial enterprise" includes manufacturing, processing and service industries, assembly and prefabricating plants, recreational facilities and any other business which in the judgement of the Board has an opportunity to become a successful part of Alberta's economic structure;
- (f) "facility" includes the land, buildings, structures, machinery, equipment, means of access and other physical components which are included in a commercial enterprise;

3. This amendment will remove the limit on the total number of directors on the Board.

4. The provisions of The Public Service Management Pension Act will be made applicable where appropriate.

5. This provision will be replaced by more general powers in section 15.

6. Section 12 is amended by striking out subsection (4) and by substituting therefor the following subsection:

(4) The Board may delegate to the Committee or any employee of the Company such of its powers, excepting the power to make by-laws but including the authority to approve or reject loans, as the Board may designate in writing upon such terms as the Board may consider appropriate.

7. Section 13, subsection (1) is amended by striking out the figure "\$10,000" and by substituting therefor the figure "\$50,000".

8. Section 15 is amended by renumbering clause 1 as clause 1.2 and by adding the following clauses prior to the renumbered clause 1.2:

1. make direct loans to commercial enterprises or their owners;
- 1.1 guarantee repayment of loans made to commercial enterprises or their owners by banks;

9. Section 20, subsection (2) is amended by striking out the words "section 5, subsection (1)" and by substituting therefor the words "section 6".

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

6. Delegation of power. Section 12(4) presently reads:

(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.

7. The potential ceiling on research and development loans will be raised by this amendment.

8. This amendment replaces more restrictive powers in the present section 11 which reads:

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.

(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.

9. This amendment will correct a cross-reference.