

1975 Bill 62
(Second Session)

First Session, 18th Legislature, 24 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 62

THE AGRICULTURAL DEVELOPMENT AMENDMENT ACT, 1975

THE MINISTER OF AGRICULTURE

First Reading

Second Reading

Third Reading

BILL 62

1975

(Second Session)

THE AGRICULTURAL DEVELOPMENT AMENDMENT ACT, 1975

(Assented to _____, 1975)

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

1. *The Agricultural Development Act is hereby amended.*

2. *Section 2, subsection (1) is amended by adding the words "which shall consist of the members of the Board" after the words "Alberta Agricultural Development Corporation".*

3. *Section 5 is amended by striking out subsection (3) and by substituting therefor the following:*

(3) The expenses of administering this Act, other than materials and supplies, insurance premiums, salaries, wages, travelling expenses and other expenses of members and employees of the Corporation, shall be paid out of the Fund.

4. *Section 11, subsection (2) is amended by striking out the figure "\$100,000,000" and by substituting the figure "\$150,000,000".*

5. *Section 16 is amended by striking out subsections (2) and (3) and by substituting the following:*

(2) The Government shall indemnify the Corporation against loss suffered by the Corporation by reason of its liability under guarantees made under subsection (1), to the extent that the loss suffered exceeds the amount of the Fund.

(3) Where the Corporation receives an amount as indemnification under subsection (2), the Government is subrogated to the rights of the Corporation to recover that amount from the borrower.

Explanatory Notes

1. This Bill will amend chapter 5 of the Statutes of Alberta, 1972.

2. Clarification. Section 2, subsection (1) presently reads as follows:

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

3. Section 5, subsection (3) presently reads:

(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.

4. Section 11, subsection (2) presently reads:

(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 \$100,000,000.

5. Section 16 presently reads:

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.

6. The following section is added after section 16:

16.1 (1) The Corporation shall not, except with the approval of the Lieutenant Governor in Council,

- (a) make a loan in excess of \$500,000, or
- (b) execute a guarantee in excess of \$500,000, or
- (c) make a loan or execute a guarantee if the amount of the loan or guarantee and the amount of any other loan or guarantee made or executed by the Corporation to or for the benefit of the same borrower then exceed in the aggregate \$500,000.

(2) Notwithstanding subsection (1), the Corporation may increase the amount of an existing loan or guarantee without obtaining the approval of the Lieutenant Governor in Council where

- (a) the existing loan or guarantee is then in excess of \$500,000,
- (b) the increase does not exceed 10 per cent of the existing loan or guarantee, and
- (c) the increase is made once only in respect of any existing loan or guarantee.

7. Section 20 is amended

- (a) *as to subsection (1), by striking out the words "a term" and by substituting therefor the words "an implied term", and*
- (b) *by adding the following subsection after subsection (2):*
 - (3) Section 157 of *The Land Titles Act* does not apply to subsection (1), clause (a).

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

6. Ceiling on loans and guarantees

7. Section 20 reads as follows:

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.

Section 157 of The Land Titles Act reads as follows:

157. (1) Any contract in writing for the sale and purchase of any land, mortgage or encumbrance is assignable notwithstanding anything to the contrary therein contained, and any assignment of any such contract operates according to its terms to transfer to the assignee therein mentioned all the right, title and interest of the assignor both at law and in equity, subject to the conditions and stipulations contained in the assignment.

(2) Nothing herein contained shall be deemed to affect any rights at law or in equity of the original vendor or owner of the land, mortgage or encumbrance, until notice in writing of the assignment has been either sent to him by registered mail or served upon him in the way process is usually served, and the notice mentioned in section 141 shall be deemed to be such notice.