

1980 BILL 11

Second Session, 19th Legislature, 29 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 11

**THE ALBERTA MUNICIPAL FINANCING CORPORATION
AMENDMENT ACT, 1980**

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 11

1980

THE ALBERTA MUNICIPAL FINANCING CORPORATION AMENDMENT ACT, 1980

(Assented to _____, 1980)

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

1 *The Alberta Municipal Financing Corporation Act is amended by this Act.*

2 *Section 2 is amended*

(a) by renumbering clause (a) as (a.1) and by adding the following before clause (a.1):

*(a) "approved hospital" means an approved hospital as defined in *The Alberta Hospitals Act*;*

(b) by repealing clauses (e) to (h) and substituting the following:

(e) "council" means the council, board or other governing body of a city, town, school district, approved hospital, hospital district or a municipality, other than an improvement district or special area;

*(f) "hospital district" means a hospital district as defined in *The Alberta Hospitals Act* or a district as defined in *The Nursing Homes Act*;*

(g) "municipality" means an improvement district, municipal district, special area, county, irrigation district, drainage district or water authority, within Alberta;

*(h) "school district" means a school district or school division under *The School Act*, a public college under *The Colleges Act* or a university under *The Universities Act*;*

(i) "securities" includes bonds, debentures, guaranteed investment certificates or receipts, certificates of

Explanatory Notes

1 This Bill will amend chapter 14 of the Revised Statutes of Alberta 1970.

2 Section 2(e) to (h) presently read:

(e) "council" means the council or other governing body of a city, town or municipality within Alberta;

(f) "municipality" means an improvement district, municipal district, special area, county, school district, school division, hospital district or the owners of an approved hospital under The Alberta Hospitals Act or irrigation district or drainage district within Alberta;

(g) "regulations" means the regulations made pursuant to this Act by the Lieutenant Governor in Council;

(h) "town" means a town or village under The Municipal Government Act.

deposit, deposit receipts, bills, notes and mortgages of real or personal property;

(j) "town" means a town, village or summer village under *The Municipal Government Act*.

3 *Section 3 is repealed.*

4 *Section 6 is repealed and the following is substituted:*

6(1) The share capital of the corporation shall consist of

(a) 4500 Class A shares to be allotted only to Her Majesty the Queen in right of Alberta,

(b) 1000 Class B shares to be allotted only to municipalities, approved hospitals and hospital districts,

(c) 750 Class C shares to be allotted only to cities,

(d) 750 Class D shares to be allotted only to towns, and

(e) 500 Class E shares to be allotted only to school districts.

(2) All shares of the corporation are common shares with an issued value of \$10.

(3) The only voting rights attached to a share of the corporation are those set out in this Act.

5 *Section 7 is repealed and the following is substituted:*

7(1) The rights attached to Class A shares that have been allotted may be exercised on behalf of the holder of them by the Provincial Treasurer.

(2) The rights attached to Class B shares that have been allotted to an approved hospital, a hospital district or a municipality, other than an improvement district or special area, may be exercised on behalf of the holder of them by its council.

(3) The rights attached to Class B shares that have been allotted to an improvement district or special area may be

3 Section 3 presently reads:

3 The purpose of this Act is to establish a non-profit corporation to assist in municipal financing at the Board's discretion by purchase and sale of municipal securities at lowest possible cost, and to provide a convenient and accessible means to the people of the Province of investing in the debentures and other securities of provincial municipalities.

4 Section 6 presently reads:

6(1) The capital stock of the corporation shall consist of

(a) 3,000 Class A common shares of the par value of \$10,

(b) 1,000 Class B common shares of the par value of \$10,

(c) 500 Class C common shares of the par value of \$10,

(d) 500 Class D common shares of the par value of \$10.

(2) Voting rights as herein limited are attached to all classes of common shares of the corporation.

Class E shares are created.

5 Section 7 presently reads:

7(1) Class A common shares shall be allotted only to the Crown in right of Alberta as represented by the Provincial Treasurer.

(2) Class B common shares shall be allotted only to municipalities.

(3) Class C common shares shall be allotted only to cities.

(4) Class D common shares shall be allotted only to towns.

(5) In the case of improvement districts and special areas, the Class B common shares allotted in respect thereof shall be issued to the Minister of Municipal Affairs in the name of and on behalf of the improvement district or special area to which the shares are allotted, and the Minister or his appointed representative may exercise in that behalf all the rights of a holder of Class B common shares.

exercised on behalf of the holder of them by the Minister of Municipal Affairs.

(4) The rights attached to Class C, Class D and Class E shares that have been allotted may be exercised on behalf of the holder of them by its council.

6 Section 8(1) is repealed and the following is substituted:

8(1) Subject to *The Financial Administration Act, 1977* and notwithstanding any other Act, a municipality, city, town, school district, approved hospital or hospital district may acquire any share that the corporation has made available for allocation to it.

7 Section 10 is repealed and the following is substituted:

10(1) The corporation may allot shares to cities, towns and municipalities, except irrigation districts, drainage districts and water authorities, in ratios based on the population of each of them or to school districts in ratios based upon the pupil population of each school district in accordance with the regulations but the allotment of shares to approved hospitals, hospital districts, irrigation districts, drainage districts and water authorities shall be one Class B share to each hospital, district or authority.

(2) The corporation shall at all times keep available sufficient shares to enable it to allot shares to new or expanding municipalities, cities, towns, school districts, approved hospitals and hospital districts.

(3) If it becomes necessary for the purposes of subsection (2), the Lieutenant Governor in Council may, by order, increase the capitalization of the corporation but not so as to vary the ratio between the number of Class A shares authorized by section 6 and the other classes of shares authorized by that section.

8 Section 13(1) is repealed and the following is substituted:

13(1) The Board shall consist of 4 elected directors and 5 appointed directors.

9 Section 14(4) is repealed and the following is substituted:

(4) The shareholders who hold Class E shares may elect one director to the Board.

(6) In the case of a county, the Class B common shares shall be held by and in the name of the county and all rights in respect of such shares may be exercised by the council or the appointed representative of the council.

6 Section 8(1) presently reads:

8(1) Notwithstanding any provision to the contrary in their governing Acts or in any other Act, municipalities, cities and towns may expend moneys for the purchase of any shares that the corporation has made available for allocation to them.

7 Section 10 presently reads:

10(1) The corporation may from time to time allot shares to municipalities, cities and towns upon the basis of the populations thereof and in accordance with the regulations made in that behalf but the allotment of shares to school districts, school divisions, hospital districts, owners of approved hospitals, irrigation districts and drainage districts shall be one Class B common share to each such district or division or approved hospital.

(2) The corporation shall at all times keep available sufficient common shares to be able to allot shares to new or expanding municipalities, cities and towns.

(3) When it becomes necessary for the purposes of subsection (2) the Lieutenant Governor in Council may, by order, increase the capitalization of the corporation but not so as to vary the ratio between the numbers of Class A common shares authorized by section 6 and the other classes of common shares thereby authorized.

8 Section 13(1) presently reads:

13(1) The Board shall consist of three elected directors and four appointed directors.

Increases number of directors from 7 to 9.

9 Section 14(4) presently reads:

(4) The Lieutenant Governor in Council, by order, may appoint to the Board four directors as representatives of the Class A common shareholder.

Provides for a director for the Class E shareholders and increases the number of directors for the Class A shareholder.

(5) The Lieutenant Governor in Council may, by order, appoint to the Board 5 directors as representatives of the Class A shareholder.

10 Section 15 is repealed and the following is substituted:

15(1) No person shall vote a Class B, Class C, Class D or Class E share at an election of directors unless that person has established the right to vote a Class B, Class C, Class D or Class E share, as the case may be, for a director representing the class of share that the person is voting.

(2) A person may establish the right to vote a share by filing with the secretary-treasurer of the corporation within 3 months immediately preceding the election, or at any time prescribed by the by-laws of the corporation, a resolution of the council of the holder of that share appointing that person as its representative at the meetings of the corporation.

11 Section 17(1) is repealed and the following is substituted:

17(1) A director elected by the Class B shareholders at the next annual general meeting of the corporation after this section comes into force shall be elected for a one year term and thereafter a director so elected shall be elected for a 3-year term.

(1.1) A director elected by either the Class C or the Class E shareholders at the next annual general meeting of the corporation after this section comes into force shall be elected for a 2-year term and thereafter a director so elected shall be elected for a 3-year term.

(1.2) A director elected by the Class D shareholders at the next annual general meeting of the corporation after this section comes into force shall be elected for a 3-year term and thereafter a director so elected shall be elected for a 3-year term.

(1.3) A director elected by Class B, Class C, Class D or Class E shareholders may be re-elected.

12 Section 23 is repealed and the following is substituted:

23 The objects for which the corporation is established are:

(a) the borrowing of money for short or long terms by the issue of any one or more securities;

10 Section 15 presently reads:

15(1) No person shall vote a Class B, Class C or Class D common share at any election of directors unless he has established his right to vote a Class B, Class C or Class D common share, as the case may be, for a director representing the Class of common shares that such person is voting.

(2) A person may establish the right to vote such common share by filing with the secretary-treasurer of the corporation within three months immediately preceding the election, or at any time prescribed by the by-laws of the corporation, a resolution of the council of the municipality, city or town holding such share appointing such person as its representative at the meetings of the corporation.

11 Section 17(1) presently reads:

17(1) The directors elected to the Board continue in office until their successors are elected, and the elected directors may be re-elected by the holders of the Class B, Class C or Class D common shares whom they represent.

12 Section 23 presently reads:

23 The objects for which the corporation is established are:

(a) the borrowing of money for short or long terms by the issue of notes, bonds, debentures or other securities;

(b) the purchase and sale or other disposal from time to time of notes, bonds, debentures and other securities of municipalities, cities and towns

(b) the purchase and sale or other disposal of any one or more securities of a municipality, city, town, school district, approved hospital or hospital district and the lending of money to them upon the security of those securities;

(c) the receipt, holding and investment of money of a municipality, city, town, school district, approved hospital or hospital district on deposit with the corporation;

(d) the acquisition of one or more securities of a municipality, city, town, school district, approved hospital or hospital district for sale to residents of Alberta.

13 Section 31(1) is amended by striking out “\$2 800 000 000” and substituting “\$3 200 000 000”.

14 Section 34 is repealed and the following is substituted:

34 The corporation shall annually, after the end of its fiscal year, submit audited financial statements and an annual report to the Provincial Treasurer who shall lay a copy of them before the Legislative Assembly if it is then sitting or, if it is not then sitting, within 15 days after the commencement of the next ensuing sitting.

15 Section 36(2) is amended by striking out “the approval and assent of the Local Authorities Board or the ratepayers to”.

16 Section 41 is amended

(a) by striking out “debentures or other”, and

(b) by striking out “, debentures and other” and substituting “and”.

17 In the following provisions “common” is struck out:

section 9;
section 11(1);
section 14(1), (2) and (3);
section 18(b);
section 21(1).

within Alberta, and the lending of money thereto from time to time upon the security of such securities;

(c) the receipt, holding and investment from time to time of municipal moneys on deposit with the corporation;

(d) the acquisition of municipal, city or town notes, bonds, debentures or other securities for sale from time to time to the residents of Alberta.

Consequential.

13 Raises borrowing limits for the Corporation from \$2 800 000 000 to \$3 200 000 000.

14 Section 34 presently reads:

34 A copy of the auditor's report verified by the auditor shall be deposited with the Provincial Treasurer and by him laid before the Legislative Assembly at the session thereof next ensuing after the making of the auditor's report.

15 Section 36(2) presently reads:

(2) Nothing in this section shall be construed to relieve a municipality, city or town from compliance with any statutory requirement relating to the approval and assent of the Local Authorities Board or the ratepayers to any borrowing by the municipality, city or town.

16 Section 41 presently reads:

41 Loans by the corporation to municipalities, cities and towns, and debentures or other securities of municipalities, cities and towns purchased or held by the corporation, rank pari passu with loans, debentures and other securities outstanding in respect of such municipalities, cities and towns.

Consequential.

17 Consequential.

18 In the following provisions “notes, bonds, debentures or other” is struck out wherever it occurs:

section 24(1) (a) and (i);
section 25(2) and (3);
section 27(2) (g);
section 31(3) and (5).

19 In the following provisions “and towns” is struck out wherever it occurs and “, towns, school districts, approved hospitals and hospital districts” is substituted:

section 24(1) (i);
section 28(1) and (2);
section 36(1);
section 41.

20 In the following provisions “notes, bonds, debentures and other” is struck out:

section 25(1);
section 27(2) (h);
section 31(1) (a).

21 In the following provisions “or town” is struck out wherever it occurs and “, town, school district, approved hospital or hospital district” is substituted:

section 32;
section 36(1) and (2);
section 37.

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

18 Consequential.

19 Consequential.

20 Consequential.

21 Consequential.