

1980 BILL 31

Second Session, 19th Legislature, 29 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 31

**THE FINANCIAL ADMINISTRATION
AMENDMENT ACT, 1980**

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

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1980

**THE FINANCIAL ADMINISTRATION
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 Financial Administration Act, 1977 is amended by this Act.

*2 Section 1(n) is amended by adding "or a housing authority
incorporated under section 41 of The Alberta Housing Act" after
"new town".*

3 Section 13(1) is amended

(a) by repealing clause (c) and substituting the following:

(c) an employee of a department other than the Treasury Department, an employee of a fund administrator or a member or employee of a Provincial agency or the board of a Provincial corporation with the approval in writing of

(i) the employee, member or board, and

(ii) in the case of an employee or member, the employee's department head or deputy head, the fund administrator by whom he is employed or the Provincial agency of which he is a member or by which he is employed, as the case may be,

*(b) by adding "or a regulation under those Acts" after
"other Act".*

*4 Section 26(1) is amended by striking out "or" at the end of
clause (a), by adding ", or" at the end of clause (b) and by adding
the following after clause (b):*

(c) any debt paid or payable to the Crown or a Provincial
agency.

Explanatory Notes

1 This Bill will amend chapter 68 of the Statutes of Alberta, 1977.

2 Section 1(n) presently reads in part:

(n) "Provincial corporation" means

(i) a corporation that is incorporated by or under an Act of the Legislature, other than a local or private Act,.....

but does not include a new town;

3 Section 13(1) presently reads:

13(1) The Treasurer may authorize in writing

(a) an employee of the Treasury Department,

(b) a fund administrator, with the prior approval in writing of the fund administrator, or

(c) an employee of a department other than the Treasury Department, an employee of a fund administrator or a member or employee of a Provincial agency with the prior approval in writing of

(i) the employee or member, and

(ii) the employee's department head or deputy head, the fund administrator by whom the employee is employed or the Provincial agency of which he is member or by which he is employed, as the case may be,

to do any act or thing required or permitted to be done by the Treasurer under this or any other Act, except the power to make regulations and, subject to subsection (6), the power to make an authorization under this subsection.

4 Section 26(1) presently reads:

26(1) Where the Lieutenant Governor in Council considers it in the public interest to do so, or considers it advisable to do so in a case or class of cases where injustice or great hardship to a person has resulted or is likely to result, he may order the remission of

(a) any royalty or any tax, fee or other sum, paid or payable to the Crown and imposed or authorized under an Act of the Legislature, or

5 Section 32 is amended

(a) in subsection (1)

(i) in clause (a) by adding “or a Heritage Fund vote” after “supply vote”, and

(ii) by adding “or the Heritage Fund vote” after “the supply vote”,

(b) in subsection (2)(a) by adding “or a Heritage Fund vote” after “supply vote”,

(c) in subsection (3) by adding “or a Heritage Fund vote” after “to a supply vote”,

(d) in subsection (4)

(i) by adding “or a Heritage Fund vote” after “against a supply vote” wherever it occurs, and

(ii) in clause (a) by adding “or a Heritage Fund vote” after “supply vote”,

and

(e) in subsection (5) by adding “or a Heritage Fund vote” after “supply vote”.

6 Section 35 is amended

(a) in subsection (1)(a) by striking out “and” at the end of subclause (i), by adding “and” at the end of subclause (ii) and by adding the following after subclause (ii):

(iii) may, with the approval of a Provincial agency, designate one or more members, officers or employees of the Provincial agency,

(b) by adding the following after subsection (4):

(4.1) A public employee, public official or personal service contractor who is not designated under subsection (4) may, with the approval of the Treasury Board, be designated as both an accounting officer and an expenditure officer but he shall not act as both the accounting officer and the expenditure officer with respect to the same transaction.

(c) in subsection (5) by striking out “subsection (4)” and substituting “subsections (4) and (4.1)”.

(b) any pecuniary penalty, fine or forfeiture imposed under a law in force in Alberta, notwithstanding that the whole or part of it is payable to the informer, prosecutor or another person.

5 Adds Heritage Fund votes to section dealing with annual lapse of supply votes and regulated funds.

6 Section 35(1) and (5) presently read:

35(1) Subject to subsection (5), the deputy head of each department

(a) with the approval of the Treasury Board,

(i) shall designate one or more public employees, public officials or personal service contractors of the department, and

(ii) may, with the approval of the deputy head of another department, designate one or more public employees, public officials or personal service contractors of that other department,

as accounting officers for the department, and

(b) shall designate one or more public employees, public officials or personal service contractors as expenditure officers for the department.

(5) Except as provided in subsection (4), no person shall be designated as an accounting officer or an expenditure officer if, as a result of that designation, he becomes both an accounting officer and an expenditure officer.

7 *Section 36(1)(h) is repealed and the following is substituted:*

(h) designating the persons authorized to sign for disbursements and respecting the manner in which disbursements are to be made, or

8 *Section 38(2) is amended by striking out “class or” and substituting “class of”.*

9 *Section 45(6) is amended by adding “, fund administrator” after “Provincial corporation”.*

10 *Section 49 is amended*

(a) in subsection (1) by adding the following after clause (h):

(i) securities of a loan company designated as a mortgage investment company under the *Loan Companies Act* (Canada), as amended from time to time;

(j) the bonds, debentures or other evidence of indebtedness of or guaranteed as to the repayment of principal and interest by the government of a country other than Canada;

(k) units or shares of

(i) a real estate investment trust,

(ii) a mutual or pooled fund, or

(iii) a corporation that does not issue debt obligations and holds at least 98% of its assets in cash, investments and loans, and obtains at least 98% of its income from those investments and loans

if the investments or loans that may be made on behalf of the trust, fund or corporation are of those classes of investments authorized under clauses (a) to (j).

(b) by adding the following after subsection (2):

(2.1) The Treasurer may purchase and sell foreign currency for the purposes of making or disposing of investments referred to in this section and section 56 and he may purchase or sell that currency on a current or future delivery basis.

7 Section 36(1)(h) presently reads:

36(1) The Treasurer may make regulations or issue directives

(h) respecting the manner in which disbursements are to be made, or

8 Section 38(2) presently reads:

(2) The Treasury Board may exempt a contract or class or contracts from the operation of subsection (1).

9 Section 45(6) presently reads:

(6) Notwithstanding subsections (1) and (3), the Treasury Board may exempt a Provincial corporation or revolving fund from the payment of all or any part of the interest payable under this section.

10 Section 49(1) presently reads in part:

49(1) The Treasurer may invest money in the General Revenue Fund in any or all of the following:

(h) an investment within the classes of investments enumerated in section 63(1) of the Canadian and British Insurance Companies Act (Canada) as amended from time to time.

Proposed subsection (2.1) allows the Provincial Treasurer to purchase foreign currency to facilitate investment.

11 Section 51(2) is amended by adding the following after clause (a):

(a.1) specify the terms and conditions under which a person or a class of persons may become or may continue to be a depositor;

12 Section 52 is amended

(a) in subsection (1) by striking out “of the Treasurer that is not then” and substituting “that is not”, and

(b) by repealing subsections (2) and (3).

13 Section 53 is repealed.

14 Section 57 is amended

(a) by repealing subsection (1) and substituting the following:

57(1) In addition to the powers of investment under sections 49 and 54, the Treasurer may make loans from the General Revenue Fund or the Investment Fund

11 Section 51(2) presently reads:

(2) Subject to subsection (3), the Lieutenant Governor in Council, upon the recommendation of the Treasurer, may by regulation

(a) designate a person as a depositor, and specify the fund, account, money or investments (whether held in trust or otherwise) that is the designated fund of that depositor,

(b) with respect to a depositor, alter or replace the description of, add to or remove any of the designated funds of that depositor, or

(c) remove a depositor and the designated funds of that depositor from the Investment Fund.

12 Section 52 presently reads:

52(1) The Treasurer shall transfer to the Investment Fund money in a designated fund of the Treasurer that is not then required to be paid for any purpose.

(2) Upon being directed by the Treasurer to do so, a depositor shall transfer to the Investment Fund any portion specified by the Treasurer of the money in a designated fund of the depositor that is not then required for payment, but if the depositor objects to the direction or to the amount specified in the direction, the matter shall be referred to the Treasury Board for determination.

(3) A depositor, on his own initiative, may transfer to the Investment Fund any portion of the money in a designated fund held by him and not then required for investment or other payment.

13 Section 53 presently reads:

53(1) Where a depositor, other than the Treasurer, has power to invest money in a designated fund,

(a) that depositor's power to invest money and to exchange, sell and dispose of those investments may be exercised only with the approval of the Treasurer, and

(b) that depositor shall, at the direction of the Treasurer, sell, exchange, replace or otherwise dispose of investments in the depositor's designated fund.

(2) Where the Treasurer refuses to approve a proposed investment or a proposed exchange, sale or disposal of an investment pursuant to subsection (1)(a) or where the depositor objects to a direction of the Treasurer under subsection (1)(b), the matter shall be referred to the Treasury Board for determination.

14 Section 57 presently reads:

57(1) In addition to the powers of investment under sections 49 and 54, the Treasurer may make loans from the General Revenue Fund or the Investment Fund repayable on demand or within a term not exceeding 30 days on the security of the pledge of investments or securities of any of the classes enumerated in section 49(1) owned by the borrower and having a market value at least equal to the amount loaned.

(a) repayable on demand or within a term not exceeding 30 days on the security of the pledge of investments or securities of any of the classes enumerated in section 49(1) owned by the borrower and having a market value at least equal to the amount loaned, or

(b) on the security of real estate or leaseholds for a term of years or other estate or interest in real estate in Canada to the extent set out in section 63(2)(b) and (c) of the *Canadian and British Insurance Companies Act* (Canada), as amended from time to time.

(b) *in subsection (2) by adding “(a)” after “under subsection (1)”.*

15 Section 73(1) is amended:

(a) by adding the following after clause (c):

(c.1) prescribing the conditions under which a guaranteed debt or indemnified contract may be transferred by the creditor to a new creditor or by the obligee to a new obligee;

(b) in clause (d) by striking out “prescribing the form” and substituting “governing the form”,

(c) in clause (j) by adding the following after subclause (ii):

(ii.1) the maximum amount of the aggregate of loans that may be guaranteed in respect of any one person,

(ii.2) the maximum amount of the aggregate of obligations that may be indemnified in respect of any one person,

(d) by adding the following after clause (j):

(k) exempting any guarantee or indemnity or any class of guarantee or indemnity from all or part of a regulation made under this section.

16 Section 74 is amended by adding “or authorized by an order of the Lieutenant Governor in Council pursuant to an Act” after “by an Act”.

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

(2) *A loan under subsection (1) may only be made to*

(a) the Government of Canada or the government of a province of Canada,

(b) a municipal corporation in Canada,

(c) a bank or trust company, or

(d) a person whose principal business consists of the underwriting, distribution or buying and selling from and to the public in Canada of any of the classes of investments or securities enumerated in section 49(1).

15 Section 73(1) presently reads in part:

73(1) The Lieutenant Governor in Council may, upon the recommendation of the Treasurer, make regulations

(d) prescribing the information and reports that are required to be submitted to the Treasurer or a Provincial corporation by the debtor and the creditor under a guaranteed debt and by the obligor and the obligee under an indemnified contract, and prescribing the form of the information and reports and the times at which they are to be submitted;

(j) prescribing, with respect to an Act,

(i) the maximum amount of the total outstanding contingent liability, excluding interest, of the Crown or a Provincial corporation as a result of guarantees or indemnities given under that Act,

(ii) the maximum amount of an individual guarantee or indemnity,

(iii) the maximum percentage of the principal amounts of loans that may be guaranteed, or

(iv) the maximum percentage of the total obligation that may be indemnified.

Proposed clause (c.1) deals with transfer of guarantees and indemnity contracts.

Proposed clause (k) will allow exemptions in respect of certain guarantees or indemnities.

16 Section 74 presently reads in part:

74 No guarantee except a guarantee given by an Act shall be given for the indebtedness of a debtor except with the approval of

(a) the Treasurer, where the guarantee, if given, would result in the total amount guaranteed in respect of that debtor being less than \$500 000, or