

1981 BILL 253

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Third Session, 19th Legislature, 30 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 253

THE ALBERTA STOCK INVESTMENT FUND ACT

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MR. D. ANDERSON

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First Reading .....  
Second Reading .....  
Committee of the Whole .....  
Third Reading .....  
Royal Assent .....

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## BILL 253

1981

### THE ALBERTA STOCK INVESTMENT FUND ACT

(Assented to \_\_\_\_\_, 1981)

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

Definitions

**1(1)** In this Act,

- (a) "bank" includes a chartered bank, treasury branch, a trust company registered under *The Trust Companies Act*, a credit union or any other financial institution approved by the Board;
- (b) "Board" means the board of directors of the Alberta Stock Investment Company;
- (c) "commercial enterprise" means a sole proprietorship, partnership, co-operative or body corporate having for its objects 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;
- (d) "Committee" means the Loans Committee appointed by the Board under section 13;
- (e) "Company" means the Alberta Stock Investment Company;
- (f) "employee stock ownership plan" means an employee stock ownership plan or trust as defined in the regulations;
- (g) "Fund" means the Alberta Stock Investment Fund;
- (h) "Minister" means the Minister of Economic Development.

Administration

**2** The Minister is charged with the administration of this Act.

Fund established

**3** There is hereby established a fund under the name of the Alberta Stock Investment Fund, into which may be paid such sums as are

appropriated to that purpose by the Legislature, from the Alberta Heritage Savings Trust Fund, the total amount of which shall not exceed \$100 000 000.

Corporation  
established

**4(1)** There is hereby created a corporation with the name of the "Alberta Stock Investment Company" which shall have a board of directors of not less than 7 persons appointed by the Lieutenant Governor in Council to hold office during pleasure.

(2) By their appointments 1 member of the Board shall be designated as chairman of the Board and 1 member shall be designated as Managing Director of the Company.

(3) The Board has direction and control over the conduct of the business and affairs of the Company and the Managing Director is the chief executive officer of the Company and is responsible for the daily administration and management of such business and affairs.

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

(5) The members of the Board shall be paid by the Company 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.

(6) The payments provided for in subsections (4) and (5) are contingent upon money having been appropriated to the purpose by the Legislature.

Objects of  
Company

**5(1)** The Fund shall be held and administered by the Company with the object of promoting the development of employee stock ownership plans in commercial enterprises situated in Alberta.

(2) The Company shall give priority in the achievement of its objects to

(a) commercial enterprises offering a high degree of job opportunity in relation to capital investment,

(b) commercial enterprises owned and operated by Canadian citizens residing in Alberta,

(c) commercial enterprises which promote the general growth and diversification of the economy of Alberta,

(d) the promotion of Alberta services and products to enhance their marketing and export potential,

(e) commercial enterprises formed for the purposes of attracting industrial development and expansion within their communities.

(3) To achieve its purposes the Company may provide to a commercial enterprise, in accordance with this Act,

- (a) loans or guarantees for employee stock ownership in a commercial enterprise,
- (b) business management counselling services,
- (c) services to assist in the development of employee stock ownership plans, or
- (d) any combination of them.

Capacity of  
Company

**6(1)** The Company is 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) The Company may, on behalf of the Crown, contract in its own name without specific reference to the Crown or Her Majesty.

(3) An action or other legal proceeding in respect of any right or obligation acquired or incurred by the Company on behalf of the Crown in right of Alberta, may be brought or taken by or against the Company in any court that would have jurisdiction if the Board were not an agent of the Crown.

Powers of Board:  
Executive  
Committee

**7(1)** The Board may make by-laws respecting the calling of meetings of the Board and the conduct of business at meetings and giving the number of members required for a quorum at any meeting which shall not be less than 50% of the members of the Board.

(2) *The Regulations Act* does not apply to by-laws of the Board.

(3) The chairman shall designate a member of the Board to act as chairman in his absence at any meeting of the Board.

(4) At its meetings the Board may exercise any of its powers by resolution except where some other mode of exercising a power is prescribed in this Act.

(5) The affirmative votes of a simple 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 and to bind all the members.

(6) Where 1 or more vacancies occur on the Board, the remaining directors may exercise all the powers of the Board as long as a quorum of the Board remains in office.

(7) The Board may

- (a) appoint an Executive Committee consisting of not less than 3 directors and which shall include the chairman and the Managing Director,

(b) delegate to the Executive Committee any powers which it considers appropriate except the power to make by-laws, and

(c) make the exercise of those powers subject to any conditions which it considers appropriate.

(8) A majority of the members of the Executive Committee constitutes a quorum for the exercise by the Committee of its powers.

Employees

**8**(1) The Company may appoint such employees as it considers necessary and may prescribe their duties and remuneration.

(2) The appointment of employees of the Company shall be during pleasure unless otherwise agreed between the Company and the employee.

(3) The Company may obtain the services of any agents or of advisors or persons providing technical or professional services of a kind required by the Company in connection with its business and affairs.

(4) The payment of remuneration to the employees of the Company or to any person retained under subsection (3) is contingent upon the appropriation of money to that purpose by the Legislature.

(5) Subsections (1), (2) and (6) are subject to *The Public Service Employee Relations Act* and any agreement made pursuant to that Act by the Company.

(6) The Board may make by-laws

(a) establishing job classification and salary ranges for its employees and governing the application of salary ranges,

(b) governing the attendance and hours of work of employees of the Company,

(c) governing the granting of holidays,

(d) governing overtime,

(e) governing annual vacations, sick leave, educational leave and any other form of leave of absence,

(f) governing the settlement of employee grievances,

(g) regulating the transfer, promotion or demotion of employees of the Company,

(h) governing the conduct, discipline, dismissal or suspension of its employees, and

(i) governing any other matters relating to the terms and conditions of employment of its employees.

- Pensions **9** *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.
- Liability **10** The members of the Board and the employees of the Company and persons acting under instructions of any of them or under the authority of this Act or the regulations are not personally liable for loss or damage suffered by any person by reason of anything done or omitted to be done in good faith in the exercise or purported exercise of any powers conferred by this Act or the regulations.
- Duties by regulation **11** The Company shall carry out any duties or functions which may be assigned to it by the Lieutenant Governor in Council by regulation.
- Transfer of funds **12**(1) From time to time the Provincial Treasurer may transfer to the Fund, upon the request of the Company, such sums as may be required to carry out the provisions of this Act out of money appropriated to the Fund in accordance with section 2(1).
- (2) The total amount of loans outstanding and guarantees made by the Company shall not at any time total more than \$100 000 000.
- (3) If at any time it appears to the Lieutenant Governor in Council that the Company has on hand a cash surplus that is not required for financing the operations of the Company, the Lieutenant Governor in Council may order that the cash surplus be paid into and form part of the General Revenue Fund.
- Loans **13**(1) No loan or guarantee made under this Act may exceed \$500 000 except by order of the Lieutenant Governor in Council.
- (2) Subject to the provisions of this section, it shall be the function of the Board to approve or reject all applications for loans or guarantees.
- (3) The Board shall appoint a Loans Committee consisting of the Managing Director and not less than 3 other employees of the Company.
- (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.
- (5) The Committee may refer any application for a loan or guarantee to the Board.
- (6) Before making or guaranteeing a loan the Company shall secure all reports and appraisals that the Board or Committee, as the case may be, considers necessary.

(7) The Board or the Committee may require an applicant for a loan or guarantee to appear before it to submit evidence as to any matter related to the commercial enterprise in respect of which the application is made.

Counselling

**14(1)** The Company may

(a) recommended business management counselling where it considers it necessary, or

(b) provide business management counselling to commercial enterprises on request upon such terms and conditions as the Company may establish.

(2) Business management counselling may include advice on cost accounting, reporting procedures, industrial engineering services and other elements of general business practice.

Powers of  
Company

**15** Subject to the provisions of this Act, and the regulations, the Company may do all or any of the following:

(a) make direct loans to commercial enterprises or their owners;

(b) guarantee repayment of loans made to commercial enterprises or their owners by other financial institutions;

(c) engage the services of any bank and enter into agreements with any bank in achieving its objects;

(d) take security for the repayment of loans made or guarantees given by the Company of such nature and kind and at such times as the Company considers advisable;

(e) acquire and hold any real or personal property or any estate or interest in real property or any rights or privileges of any nature or kind, as the company considers necessary or convenient to achieve the objects of the Company and to alienate, sell, lease or dispose of any property so held as the Company considers expedient;

(f) invest and deal with in such manners as the Company considers appropriate money in the Fund not immediately required to be expended;

(g) with the approval of the Lieutenant Governor in Council, borrow money upon the credit of the Company from time to time to fulfill the objects of the Company and issue rates, bonds, debentures, debenture stock or other evidences of indebtedness;

(h) purchase or otherwise acquire shares in the capital stock of any corporation;

(i) do all other things necessary, incidental or conducive to the attainment of the objects of the Company.

Audit: annual  
report

**16**(1) The Company shall be subject to audit in respect of its accounts and financial transactions from time to time and at least once each year and shall

- (a) keep full and accurate books of account and records of its business and affairs;
  - (b) after the end of each year cause to be prepared and audited by the auditor a balance sheet of its transactions in the preceding year;
  - (c) at any other time when required to so do by the Lieutenant Governor in Council, cause to be prepared and audited a balance sheet with respect to such part of its business and covering such period as may be specified by the Lieutenant Governor in Council, and
  - (d) after the end of each year prepare a report summarizing its business and affairs during the preceding year.
- (2) The fiscal year of the Company shall end on March 31st of each year.
- (3) The Auditor General is the auditor of the Company.
- (4) When a balance sheet is prepared the company shall deliver a copy to the Minister who shall submit it to the Lieutenant Governor in Council.
- (5) When a balance sheet is prepared and audited pursuant to subsection (1)(b) or (c), the auditor shall deliver a copy to the Minister who shall submit it to the Lieutenant Governor in Council.
- (6) Upon receiving a copy of an annual report or an audited balance sheet, the Minister shall table it in the Legislative Assembly if it is then sitting, and if it is not then sitting, within 15 days after the commencement of the next sitting.

Regulations

**17** The Lieutenant Governor in Council may make regulations

- (a) establishing qualifications for commercial enterprises eligible for loans and guarantees under this Act;
- (b) assigning additional duties and functions to the Company;
- (c) governing the operation of the Fund;
- (d) governing the granting of loans and the giving of guarantees;
- (e) specifying the boards, corporations, commissions and institutions with which the Company may enter into agreements; and
- (f) respecting any matter necessary or advisable for carrying out the intent and purposes of this Act.



Coming into force **18** This Act comes into force on a date to be fixed by Proclamation.