

1985 BILL 29

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Third Session, 20th Legislature, 34 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 29**

**ALBERTA MUNICIPAL FINANCING CORPORATION  
AMENDMENT ACT, 1985**

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MR. CLARK

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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Bill 29  
Mr. Clark

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1985

### ALBERTA MUNICIPAL FINANCING CORPORATION AMENDMENT ACT, 1985

(Assented to \_\_\_\_\_, 1985)

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 11 is amended*

(a) *by repealing subsections (2) and (3) and substituting the following:*

(2) No person shall be elected or appointed to the Board unless he is a Canadian citizen or lawfully admitted into Canada as a permanent resident and has been a resident of Alberta for at least 1 year.

(3) Not more than 3 employees of the Government may be appointed to the Board.

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

(5) The corporation is a Provincial corporation as defined in the *Financial Administration Act* notwithstanding that from time to time the majority of the directors were not appointed by the Lieutenant Governor in Council.

3 *Section 17 is repealed and the following is substituted:*

17(1) The Board may elect from among its members a chairman and 1 or more vice-chairmen.

(2) The Board may appoint a president, general manager, secretary, treasurer and other officers that the Board considers necessary to carry out its powers.

(3) The Board may delegate in writing any power or duty conferred on it, except the power to make by-laws, to a committee appointed by it, a director or an officer or employee of the corporation.

## Explanatory Notes

**1** This Bill will amend chapter A-33 of the Revised Statutes of Alberta 1980.

**2** Section 11 presently reads:

*11(1) The Board shall consist of 4 elected directors and 5 appointed directors.*

*(2) No person shall be elected or appointed to the Board unless he is a Canadian citizen domiciled in Alberta and has been a resident of Alberta for at least one year.*

*(3) No member of the Government of Alberta and not more than one member of the public service of Alberta shall be appointed or elected to the Board.*

*(4) When there is a vacancy on the Board the remaining directors may exercise all the powers of the Board so long as a quorum of the Board remains in office.*

**3** Section 17 presently reads:

*17(1) The Board shall elect one of its members to be president of the corporation.*

*(2) The Board may elect one of its members to be chairman of the Board, who may also be the president of the corporation.*

*(3) The Board may elect from the members of the Board one or more vice-presidents.*

*(4) The Board shall appoint a general manager who is the chief executive officer of the corporation and who may exercise the powers and shall perform the duties that the Board from time to time directs.*

*(5) The Board shall appoint a secretary-treasurer or a secretary and a treasurer and may retain the services of professional, technical and clerical assistance in carrying out the business of the corporation.*

4 *Section 21 is repealed and the following is substituted:*

**21** The objects of the corporation are

- (a) to make financing available to its Class B, C, D and E shareholders at the times and on the terms and conditions that the Board considers advisable, and
- (b) any other object the Lieutenant Governor in Council may authorize.

5 *Section 22(2) is repealed.*

6 *Section 23(4) is amended*

- (a) *by striking out “by-law of the corporation” and substituting “resolution of the Board”;*
- (b) *by striking out “by the by-law” and substituting “by the resolution”.*

7 *Section 24 is repealed.*

8 *Section 25(2) is amended*

- (a) *by repealing clauses (a), (g), (i) and (j);*
- (b) *by adding the following after clause (b):*
  - (b.1) the participation of directors by a means other than personal attendance in a meeting of the Board;
  - (b.2) the making and passing by unanimous consent of the directors of a resolution of the Board other than by passing the resolution at a meeting of the Board;

**4 Section 21 presently reads:**

*21 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;*
- (b) the purchase and sale or other disposal of any one or more securities of local authorities and the lending of money to them on the security of those securities;*
- (c) the receipt, holding and investment of money of local authorities on deposit with the corporation;*
- (d) the acquisition of one or more securities of local authorities for sale to residents of Alberta.*

**5 Section 22(2) presently reads:**

*(2) The corporation may exercise any of its powers by resolution of the Board except when some other mode of exercising any power is prescribed by this Act.*

**6 Section 23(4) presently reads:**

*(4) A recital or declaration in any by-law of the corporation authorizing the issue and sale of securities of the corporation for any purpose to the effect that it is necessary to issue and sell securities of the corporation for that purpose in the amount authorized by the by-law is conclusive proof of the fact.*

**7 Section 24 presently reads:**

*24(1) The corporation may under the authority of a by-law, borrow money by the issue and sale, from time to time, of interest bearing or non-interest bearing notes, maturing not more than one year from the date thereof.*

*(2) The corporation may, by a by-law, empower the president, general manager or treasurer of the corporation subject to any terms, conditions and limitations prescribed by the by-law,*

*(a) to determine from time to time the principal amounts, dates, dates of maturity, denominations and the rates and dates of payment of interest, if any, in respect of the notes to be sold, and*

*(b) to sell any of the notes for the price or prices and on the terms and conditions that the president, general manager or treasurer, as the case may be, in his discretion from time to time considers advisable,*

*and the by-law may confer the power to issue and sell any of the notes for the purpose of paying or refunding any other notes issued under the authority of the by-law.*

**8 Section 25(2)(a), (b), (g), (i) and (j) presently read:**

*(2) Without limiting the generality of subsection (1), the Board may make by-laws relating to*

*(a) the appointment, functions, duties and removal of all officers, employees, agents or servants of the corporation and the remuneration they are to receive;*

*(b) the time and place for the holding of the annual general meeting of the corporation, the calling of regular and special meetings of the Board, and the procedure in all things at general meetings and Board meetings;*

9 Section 26 is repealed.

10 Section 29 is amended

(a) by repealing subsections (1) and (2) and substituting the following:

**29(1)** Notwithstanding section 22 or the by-laws, the corporation shall not borrow any money or issue or sell securities when, at the time the money is borrowed or the securities are issued or sold, the borrowing or issue and sale would cause the aggregate principal sum of all outstanding loans and securities to exceed \$7 000 000 000.

(b) in subsection (3) by striking out “temporary”;

(c) by repealing subsection (4);

(d) in subsection (5)

(i) by repealing clauses (a) and (b) and adding “of outstanding securities and loans” before “payable”;

(ii) by striking out “or the United States of America,”;

(iii) by striking out “temporary”.

*(g) the borrowing by way of temporary loans from banks or treasury branches by way of overdraft or line of credit or by pledging securities of the corporation as security, or in any other manner, and the execution of cheques, promissory notes or other instruments used in connection with temporary borrowings;*

*(i) the sale and pledging of securities and the appointment of fiscal agents to negotiate loans and sell securities of the corporation;*

*(j) the creation and application of sinking funds;*

**9** Section 26 presently reads:

*26(1) Subject to the approval of the Lieutenant Governor in Council, the corporation may make provision for the establishment of a deposit account into which funds and investments received from local authorities may be held.*

*(2) Money credited to the deposit account may be used by the corporation for loans to local authorities, but the amounts of any such deposits shall not exceed \$10 000 000.*

*(3) Interest at a rate which shall be prescribed by the regulations may be paid by the corporation on money deposited with the corporation.*

*(4) The repayment of money deposited with the corporation under this section together with interest thereon as prescribed by the regulations is hereby guaranteed by the Government of Alberta.*

**10** Section 29 presently reads:

*29(1) Notwithstanding anything in sections 22, 24 and 25, the corporation shall not borrow any money by the issue and sale of notes, bonds or debentures or by way of temporary loan when the borrowing would cause the aggregate principal amount of*

*(a) the outstanding securities issued by the corporation, and*

*(b) the outstanding temporary loans raised by the corporation,*

*to exceed the aggregate sum of \$7 000 000 000.*

*(2) In calculating the aggregate sum referred to in subsection (1), money deposited with the corporation pursuant to section 26 shall be deemed not to be part of the outstanding borrowings of the corporation.*

*(3) Nothing in this section prevents the corporation from borrowing or raising money by way of loan for the purpose of paying, refunding or renewing from time to time in whole or in part any temporary loans or any securities of the corporation from time to time outstanding.*

*(4) In calculating the aggregate sum referred to in subsection (1), \$1 in lawful money of the United States of America may be deemed to be the equivalent of \$1 in lawful money of Canada.*

*(5) For the purpose of calculating the aggregate sum referred to in subsection (1), the principal amount*

*(a) of outstanding securities issued under section 22, and*

*(b) of temporary loans under sections 24 and 25,*

*payable in the currency of any country other than Canada or the United States of America, shall be deemed to be the equivalent principal amount in dollars in lawful money of Canada calculated in each case in accordance with the nominal rate of exchange between the Canadian dollar and the currency of the country concerned on the business day immediately preceding the day on which the corporation authorized the issue of those*

*11 Section 38 is repealed.*

*12 Section 43 is amended by striking out “117” and substituting “118”.*

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*In accordance with section 4(1) of the Interpretation Act,  
this Bill comes into force on the date it receives Royal  
Assent.*



*outstanding securities or the raising of those outstanding temporary loans, as the case may be, as that nominal rate is determined by any bank in Canada.*

**11** Section 38 presently reads:

*38 When it becomes necessary or desirable to make any payment under the guarantee given by this Act, the Lieutenant Governor in Council may direct that the sum required be paid out of the General Revenue Fund.*

**12** Section 43 presently reads:

*43 The corporation is exempt from the requirements of sections 6, 117 to 121, 133, 162 and 304 of the Companies Act.*