

1989 BILL 10

First Session, 22nd Legislature, 38 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 10

FINANCIAL ADMINISTRATION AMENDMENT ACT, 1989

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 10

BILL 10

1989

FINANCIAL ADMINISTRATION AMENDMENT ACT, 1989

(Assented to , 1989)

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

1 The Financial Administration Act is amended by this Act.

2 Section 1(1) is amended

(a) in clause (u) by striking out “or” at the end of subclause (ix) and by adding “or” at the end of subclause (x);

(b) in clause (w) by striking out “or” at the end of subclause (iii), by adding “or” at the end of subclause (iv) and by adding the following after subclause (iv):

(v) pursuant to section 43(1);

3 Section 4(1) is amended by striking out “or more than 7”.

4 Section 18.1(4) is amended by striking out “, including those agencies listed in section 2(5),”.

Explanatory Notes

- 1 This Bill will amend chapter F-9 of the Revised Statutes of Alberta 1980.
- 2 Section 1(1) presently reads in part:

1(1) In this Act,

 - (u) "revolving fund" means*
 - (ix) the revolving fund established under section 8 of the Department of Forestry, Lands and Wildlife Act, or*
 - (x) the revolving fund established under section 18.1 of this Act,*
 - (xi) the revolving fund established under section 9.1 of the Department of Tourism Act,*
 - and includes a fund designated as a revolving fund by the regulations;*
 - (w) "statutory appropriation" means an amount permitted or directed to be paid from the General Revenue Fund by this or any other Act but does not include an amount paid*
 - (i) under the authority of a supply vote,*
 - (ii) pursuant to section 50, 51 or 57,*
 - (iii) pursuant to section 75, or*
 - (iv) to reduce the principal amount of any Government securities;*
- 3 Section 4(1) presently reads:

4(1) There is hereby established a board called the "Treasury Board" composed of the Provincial Treasurer, who shall be the chairman, and not fewer than 4 or more than 7 other members of the Executive Council appointed by the Lieutenant Governor in Council.
- 4 Section 18.1(4) presently reads:

(4) The Provincial Treasurer may make payments from the revolving fund to acquire equipment, supplies and services required to provide financial and general management services to the Treasury Department and to Provincial agencies, including those agencies listed in section 2(5), and may charge to the Treasury Department and the Provincial agencies the cost of the services provided.

5 *Section 50 is amended*

(a) in subsection (1.2) by adding the following after clause (d):

(e) a pooled fund established under section 50.2.

(b) by adding the following after subsection (3):

(3.1) Subject to subsection (3.2), the Provincial Treasurer may charge a cost, expense or other payment to a fund referred to in subsection (1.2) or to any other fund approved by the Lieutenant Governor in Council if the cost, expense or other payment, in the opinion of the Provincial Treasurer,

(a) is directly attributable to the investment, evaluation, management or disposal of all or any part of the assets of the fund, or

(b) is directly attributable to the evaluation or analysis of potential investments to be made from the fund.

(3.2) An amount charged to a fund pursuant to subsection (3.1) shall not include the administrative costs of the part of the Treasury Department that is responsible for managing investments.

(c) in subsection (5)(b) by adding “or of letters of credit” after “subsection (1)”;

(d) in subsection (6) by adding the following after clause (e):

(e.1) a pooled fund established under section 50.2;

5 Section 50(1), (1.1), (1.2) and (5) presently read:

50(1) The Provincial Treasurer may, on behalf of the General Revenue Fund, invest in any or all of the following securities and other forms of investment and in rights or interests in respect of any of them:

- (a) securities of a Provincial corporation;*
- (b) securities of a city, town, village, municipal district, county, drainage district or hospital district in Alberta or of the board of trustees of a school district or school division in Alberta;*
- (c) certificates of deposit, deposit receipts or other evidence of indebtedness given by a bank or treasury branch in consideration of a deposit or deposits made with the bank or treasury branch;*
- (d) securities unconditionally guaranteed by a bank as to repayment of principal and interest;*
- (e) investment certificates as defined in the Trust Companies Act issued or entered into by a trust company registered under that Act;*
- (f) securities of the Alberta Energy Company;*
- (g) securities of the Export Development Corporation under the Export Development Act (Canada);*
- (h) an investment within the classes of investments enumerated in section 63(1) of the Canadian and British Insurance Companies Act (Canada);*
- (i) securities of a loan company designated as a mortgage investment company under the Loan Companies Act (Canada);*
- (j) the bonds, debentures or other evidences 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);*
- (l) an instrument evidencing an interest in a debt obligation where the payment of the debt and the interest on the debt is insured by a company registered under the Canadian and British Insurance Companies Act (Canada).*

(1.1) In addition to the power of investment under subsection (1), the Provincial Treasurer may invest not more than 7% of the value at cost of the assets of a fund referred to in subsection (1.2) in

- (a) investments and loans that are within the classes of investments and loans permitted by subsection (1), notwithstanding that those investments do not meet the financial tests imposed by section 63(1) of the Canadian and British Insurance Companies Act (Canada), and*
- (b) any classes of investments and loans that may be approved from time to time by the Lieutenant Governor in Council.*

(1.2) Subsection (1.1) applies with respect to the following funds:

- (a) the Alberta Heritage Scholarship Fund;*

6 *The following is added after section 50.1:*

50.2(1) In this section, “pooled fund” means a pooled fund established under subsection (2).

(2) The Provincial Treasurer may establish and maintain one or more pooled funds.

(3) A pooled fund established under subsection (2) is a pooled fund for the purposes of section 50(1)(k)(ii).

(4) The Provincial Treasurer may divide a pooled fund into units.

(5) The Provincial Treasurer may, on behalf of a pooled fund, invest in any or all of the securities or other forms of investment referred to in section 50(1) and in rights or interests in respect of any of them.

(6) The Provincial Treasurer may

(a) make payments from a pooled fund to acquire, for cancellation or reissuing, all or part of a unit of the pooled fund, or

(b) distribute income earned by the pooled fund to unit holders in proportion to the number of units or parts of units each holds.

7 *Section 52 is amended*

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

52(1) The Provincial Treasurer may establish and maintain one or more Consolidated Cash Investment Trust Funds of which he shall be the trustee.

- (b) the Alberta Heritage Foundation for Medical Research Endowment Fund;*
- (c) the Accident Fund referred to in section 85 of the Workers' Compensation Act;*
- (d) the Pension Fund established under the Pension Fund Act.*
- (5) The Provincial Treasurer may enter into agreements providing for*
 - (a) the lending of securities acquired or held pursuant to this Part as assets of a fund referred to in subsection (6), and*
 - (b) the delivery to the Provincial Treasurer of collateral consisting of securities or classes of securities enumerated in subsection (1).*
- (6) Subsection (5) applies with respect to the following:*
 - (a) the General Revenue Fund;*
 - (b) the Alberta Heritage Scholarship Fund;*
 - (c) the Alberta Heritage Foundation for Medical Research Endowment Fund;*
 - (d) the Accident Fund referred to in section 85 of the Workers' Compensation Act;*
 - (e) the Pension Fund established under the Pension Fund Act;*
 - (f) any other fund administered by the Provincial Treasurer and approved for the purposes of this subsection and subsection (5) by the Lieutenant Governor in Council.*

6 Pooled funds.

7 Section 52(1) and (2) presently read:

- 52(1) The Provincial Treasurer shall establish and maintain a fund called the "Consolidated Cash Investment Trust Fund" of which he shall be the trustee.*
- (2) Subject to subsection (3), the Provincial Treasurer may by order*

(b) in subsection (2) by adding the following after clause (a):

(a.1) if more than one Investment Fund is established, identify the Investment Funds of which a designated person is a depositor,

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

(2.1) If the Provincial Treasurer establishes more than one Investment Fund, a reference in this or any other Act to the Consolidated Cash Investment Trust Fund, the CCITF or the Investment Fund is deemed to be a reference to all the Investment Funds established under this section or to the Investment Funds identified under subsection (2)(a.1) in respect of a depositor.

8 Section 65(1) is amended by striking out “\$7 500 000 000” and substituting “\$9 500 000 000”.

9 Section 69(2)(e) is amended by adding “, including the cost of obtaining a rating of Government securities,” after “expenses and charges”.

- (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 fund of that depositor from the Investment Fund.

8 Section 65(1) presently reads:

65(1) The amount of the unredeemed Government securities issued in respect of money raised for the purposes referred to in section 61(1)(a.1) and (b) less the amount of the sinking funds established for the retirement of Government securities and the interest accrued on those sinking funds shall at no time exceed \$7 500 000 000.

9 Section 69(2) presently reads in part:

(2) Money required in connection with Government securities or in connection with money raised pursuant to section 61 other than by the issue of Government securities

(e) to pay the costs, expenses and charges incurred in negotiations entered into in respect of the raising of money or in the raising of money by the Crown or in the issuing, reissuing, cancelling, redeeming, servicing, paying or managing of obligations in respect of money raised and Government securities issued or reissued in respect of those obligations,

(f.2) to purchase Government securities in order to cancel or reissue those Government securities;

shall be paid

(g) from the Loan Fund in respect of money raised pursuant to section 61(1)(a) to the extent that sufficient funds are available in the Loan Fund to meet the requirements,

(g.1) from the Farm Credit Stability Fund in respect of money raised pursuant to section 61(1)(b.1),

(g.2) from the Small Business Term Assistance Fund in respect of money raised pursuant to section 61(1)(b.01),

(h) from the General Revenue Fund in respect of money raised pursuant to section 61(1)(a) to the extent that sufficient funds are not available in the Loan Fund to meet the requirements,

(h.1) from the Capital Fund in respect of money raised pursuant to section 61(1)(a.1) to the extent that sufficient funds are available in the Capital Fund to meet the requirements,

(h.2) from the General Revenue Fund in respect of money raised pursuant to section 61(1)(a.1) to the extent that sufficient funds are not available in the Capital Fund to meet the requirements, and

(i) from the General Revenue Fund in all other cases,

except where the payment is made from a sinking fund or by other means pursuant to subsection (1).

10 Section 73(1)(g) is amended by striking out “Corporation” and substituting “corporation”.

11 The following is added after section 92:

93(1) In this section,

- (a) “benefit fund” means a fund established pursuant to this section;
 - (b) “participant” means a public employee, a member of the Legislative Assembly, a master in chambers of the Court of Queen’s Bench, a judge of the Provincial Court or any person approved by the Treasury Board in the directive that establishes the benefit fund;
 - (c) “plan” means a plan to provide benefits to participants.
- (2) The Treasury Board may by directive establish a benefit fund for the purpose of facilitating the administration of a plan.
- (3) A directive under this section
- (a) shall designate a person or group of persons as the fund administrator of the benefit fund;
 - (b) may authorize the fund administrator to enter into an agreement with any person under which that person is made responsible for the payment of benefits under the plan or for any other administrative aspects of the plan;
 - (c) may provide for the disposition of the income of the benefit fund;
 - (d) may provide for the disposition of the net proceeds in the benefit fund after the termination of the plan in respect of which it was established;
 - (e) may provide that the fund administrator may be designated as a depositor, on behalf of the benefit fund, of the Consolidated Cash Investment Trust Fund;
 - (f) may provide for any other matter respecting the administration of the benefit fund, payments into and out of the fund and the powers and duties of the fund administrator in respect of the fund.
- (4) The fund administrator of a benefit fund shall keep a separate accounting of the fund.
- (5) The following may be paid into a benefit fund:
- (a) contributions by the Crown authorized by a supply vote for the purposes of the plan;
 - (b) contributions by participants in the plan;
 - (c) any other contributions payable into the benefit fund pursuant to the plan or a directive in respect of the plan.
- (6) The following may be paid out of a benefit fund:
- (a) amounts payable to a person pursuant to the plan;

10 Corrects a printing error.

11 Benefit funds.

- (b) expenses related to the administration of the plan;
 - (c) payments to a person who is a party to an agreement referred to in subsection (3)(b) in accordance with the agreement.
- (7) Unless the directive under this section provides otherwise, the income of a benefit fund accrues to and forms part of the fund.
- (8) Notwithstanding section 32, the authority to make disbursements from the balance of that part of a benefit fund made up of payments under the authority of a supply vote not charged with a liability, in this subsection referred to as the balance, does not lapse until the balance exceeds the obligations of the Crown under the plan.

