

1994 BILL 205

Second Session, 23rd Legislature, 43 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 205

INFORMATION ON PRIVATIZATION ACT

DR. PERCY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 205
Dr. Percy

BILL 205

1994

INFORMATION ON PRIVATIZATION ACT

(Assented to , 1994)

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

Definitions

1 In this Act,

(a) "bidder" means an individual, corporation or other person who has expressed interest in acquiring a government entity or government investment which is the subject of privatization, or is interested in providing the services or functions that are to be privatized;

(b) "cost-benefit analysis" means a study outlining the costs and benefits that will result from the privatization of a government entity or government investment;

(c) "government entity" means

(i) a department as defined in the *Financial Administration Act*,

(ii) a Provincial agency as defined under the *Financial Administration Act*;

(iii) a Provincial committee as defined under the *Financial Administration Act*;

- (iv) a Provincial corporation as defined under the *Financial Administration Act*;
 - (v) a Crown-controlled organization as defined under the *Financial Administration Act*;
 - (vi) the office of the Auditor General;
 - (vii) the office of the Chief Electoral Officer;
 - (viii) the office of the Ombudsman; and
 - (ix) the office of the Ethics Commissioner.
- (d) "government investment" means
- (i) any investment held or made by the Government of Alberta in corporate securities, provincial corporations, and joint venture projects under the Alberta Heritage Savings Trust Fund, Alberta Investment Division, pursuant to section 6 of the *Alberta Heritage Savings Trust Fund Act*;
 - (ii) any investment made by the Government of Alberta in common and preferred shares, short-term money market securities and mid-term participating certificates under the Alberta Heritage Savings Trust Fund, Commercial Investment Division, pursuant to section 6 of the *Alberta Heritage Savings Trust Fund Act*; or
 - (iii) any investment made by the Government of Alberta under the Alberta Heritage Savings Trust Fund, Capital Projects Division, pursuant to section 6 of the *Alberta Heritage Savings Trust Fund Act*.
- (e) "privatization" means the disposal or sale of a government entity, government investment, or a public or private offering of shares or securities held by the Government;
- (f) "privatization profile plan" means a plan that provides an assessment of the potential for privatization of a government entity or government investment;
- (g) "purchaser" means the individual, corporation or person that has purchased a privatized government entity or

government investment or has agreed to provide the services or functions that are currently being performed by a government entity or government investment;

(h) "solicitation" means any material circulated by the Government, or by an agent contracted by the Government, to a prospective bidder or purchaser which is used to facilitate the privatization of a government entity or government investment and includes a request or call for proposal, offering memorandum or prospectus.

Privatization
Information

2(1) No privatization shall be valid or binding unless before the sale is completed the Member of Executive Council responsible for the government entity or government investment lays before the Assembly when it is in session, or when it is not in session, shall cause to be published in *The Alberta Gazette*, the following:

(a) a privatization profile plan setting out an evaluation of the potential for privatization of a government entity or investment which shall include a comprehensive examination of whether the private sector is able and interested in providing the service, the cost-efficiencies that would be achieved by privatization, the quality of service that will be achieved through privatization, the impact of privatization on affected government employees, legal barriers to privatization of the government entity or government investment, the degree of financial risk to the Government as a result of proceeding with privatization and the resources required to ensure a cost-effectiveness and cost-efficient delivery of services;

(b) a projection of the impact of privatization on Government revenues and expenditures;

(c) a cost-benefit analysis setting out the anticipated costs and benefits of privatization of the government entity or government investment in terms of service delivery and cost-effectiveness and how such privatization would fulfill the objective of improving program or service delivery;

(d) a description of any fee-for-service costs that will be charged to consumers under privatization, in comparison to the costs charged to consumers prior to privatization;

(e) a full description of the public tendering process which will be utilized to accomplish the privatization;

(f) the solicitation that is circulated to prospective bidders, by the Government of Alberta or its agent with respect to privatization of the government entity or government investment, as part of the process of tender.

(2) A solicitation relating to the privatization of a government entity or government investment shall contain a description of the government entity or government investment, the goals and objectives to be achieved through its privatization and an invitation to submit an offer relative to the acquisition of the assets of that entity.

Implementation of
Privatization

3 Once the privatization of a government entity or government investment has been completed, the Member of the Executive Council responsible for the government entity or government investment shall lay before the Assembly when it is in session or when not in session shall cause to be published in *The Alberta Gazette*, all agreements concluded between the Government and the successful bidder or purchaser relative to the privatization of that government entity or government investment.

Regulations

4 The Lieutenant Governor in Council may make regulations:

(a) prescribing the requirements for registration and distribution of prospectuses that may be required in accordance with the *Securities Act*; and

(b) prescribing the limitations of exemptions permitted for registration and distribution of prospectuses that may be required in accordance with the *Securities Act*.