

1995 BILL 205

Third Session, 23rd Legislature, 44 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 205

DEBT RETIREMENT ACT

DR. PERCY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 205
Dr. Percy

BILL 205

1995

DEBT RETIREMENT ACT

(Assented to , 1995)

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

1 In this Act,

- (a) "Crown" means the Crown in right of Alberta;
- (b) "Debt Retirement Amount" means the amount shown in the Schedule for each fiscal year;
- (c) "deficit" means the difference between the revenue and expenditures during a fiscal year if expenditures are more than revenue;
- (d) "estimates" means spending estimates of the Crown transmitted to the Legislative Assembly;
- (e) "expenditures" means expenditures of the Crown for all purposes;
- (f) "revenues" means revenue of the Crown from all sources;
- (g) "surplus" means the difference between revenue and expenditures during a fiscal year if expenditures are less than revenue;
- (h) "net debt" means the difference between Crown assets and

Crown liabilities during a fiscal year if liabilities are more than assets;

- (i) "unmatured debt" means the total amount of notes, bonds, debentures, interest bearing or non-interest bearing treasury bills issued by the Crown or other securities under which the Crown is a debtor.

Purpose

2 The purpose of this Act is to propose an unfunded scheme which would demonstrate the retirement of the net debt of the Province by the fiscal year ending March 31, 2020.

**Debt Retirement
Schedule**

3(1) The Provincial Treasurer shall prepare a Debt Retirement Schedule, to be tabled in the Legislative Assembly with the estimates.

(2) The Debt Retirement Schedule shall show, for each fiscal year

- (a) the amount by which the net debt would be reduced if the Debt Retirement Amount for that fiscal year was applied to the unmaturred debt, and
- (b) the outstanding total of the net debt after the application of the Debt Retirement Amount to the unmaturred debt for that fiscal year.

**Reports on
progress**

4(1) The Provincial Treasurer shall table in the Legislative Assembly, on a quarterly basis, a report on the accuracy of the Debt Retirement Schedule to date,

- (a) with respect to the first three months of the fiscal year, on or before August 31 in that year,
- (b) with respect to the first six months of the fiscal year, on or before November 30 in that year,
- (c) with respect to the first nine months of a fiscal year, on or before February 28 in that year, and
- (d) with respect to the entire fiscal year, on or before June 30 in conjunction with the release of the consolidated

financial statements of the Province of Alberta.

- (2) If the Legislative Assembly is not sitting when a report is required by subsection (1), the Provincial Treasurer shall make copies of the report available to the public and lay the report before the Legislative Assembly within 15 days after the commencement of the next sitting.
- (3) The report referred to in subsection (1) shall contain
 - (a) a forecast consolidated statement of assets, liabilities, unmatured debt and net debt for the current fiscal year and projections for each succeeding fiscal year as required under section 2,
 - (b) a forecast of outstanding unmatured debt which shall contain a breakdown of existing long-term and short-term debt, length of maturity, any borrowing requirements to refinance maturities or redemption of unmatured debt,
 - (c) a forecast statement of the economic assumptions underlying the debt repayment schedule, including foreign exchange rates for debt held in foreign currency, interest rates, consumer price index, real and nominal gross domestic product growth per year and any other economic assumptions that the Provincial Treasurer may determine for each fiscal year as required under section 2,
 - (d) an assessment of results achieved through use of the following performance indicators:
 - (i) net and unmatured debt as a percentage of both nominal and real gross domestic product;
 - (ii) net and unmatured debt as a percentage of personal income;
 - (iii) debt servicing charges as a percentage of total revenues;
 - (iv) net and unmatured debt per capita;
 - (v) U.S.-denominated term debt as a percentage of total term debt; and

(vi) average-weighted term of unmatured debt.

Auditor General 5(1) The Auditor General

- (a) shall report on the debt retirement scheme as if it were fully funded,
- (b) may inquire into any matter relating to this Act in accordance with a request of the Provincial Treasurer or the Standing Committee on Public Accounts.

SCHEDULE
DEBT RETIREMENT AMOUNT

Fiscal year ending March 31	Millions of Dollars
1997	225
1998	245
1999	267
2000	291
2001	318
2002	346
2003	377
2004	411
2005	448
2006	489
2007	532
2008	580
2009	633
2010	690
2011	752
2012	819
2013	893
2014	973
2015	1,061
2016	1,156
2017	1,260
2018	1,374
2019	1,498
2020	1,632