

1996 BILL 19

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Fourth Session, 23rd Legislature, 45 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 19

**AGRICULTURE FINANCIAL SERVICES  
AMENDMENT ACT, 1996**

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THE MINISTER OF AGRICULTURE, FOOD  
AND RURAL DEVELOPMENT

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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*Bill 19*

## **BILL 19**

1996

### **AGRICULTURE FINANCIAL SERVICES AMENDMENT ACT, 1996**

*(Assented to \_\_\_\_\_, 1996)*

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

Amends SA  
1993 cA-12.5

*1 The Agriculture Financial Services Act is amended by this Act.*

*2 Section 8 is repealed.*

## Explanatory Notes

1 Amends chapter A-12.5 of the Statutes of Alberta, 1993.

2 Section 8 presently reads:

*8(1) Notwithstanding the legislation under which the Public Service Management Pension Plan and the Public Service Pension Plan or their successors operate,*

*(a) if, immediately before the coming into force of this Act, a person was an employee of the Alberta Agricultural Development Corporation and, immediately prior to January 1, 1991, that person*

*(i) was engaged in carrying out the business and affairs of the Alberta Agricultural Development Corporation, and*

*(ii) was a participant in the Public Service Management Pension Plan or the Public Service Pension Plan,*

*that person, while that person continues to be employed by the Corporation, may remain a participant in that pension plan and is entitled to all the rights and benefits and is subject to all the obligations provided for under the Public Service Management Pension Plan or the Public Service Pension Plan, as the case may be, or*

*(b) if, immediately before the coming into force of this Act, a person*

*(i) was an employee of the Alberta Hail and Crop Insurance Corporation, and*

3 *The following is added after section 10:*

Appeal  
committees

**10.1(1)** The Board may establish one or more appeal committees to hear appeals in respect of matters that are provided for in the regulations.

(2) An appeal committee shall consist of one or more members of the Board and one or more other persons who are neither members of the Board nor employees of the Corporation.

(3) A majority of the members of an appeal committee must be persons who are not members of the Board.

(4) The members of an appeal committee, other than persons who are also members of the Board, shall be paid remuneration for their services at rates prescribed by the Minister.

(5) The Corporation may pay the members of an appeal committee travelling and living expenses while away from their ordinary places of business in the course of their duties as members of the appeal committee at the rate determined by the Corporation.

(6) In the hearing of appeals an appeal committee is bound by policy determined by the Board that relates to the matter under appeal, and where the Board considers that the appeal committee has not properly applied that policy or the provisions of this Act and the regulations that are applicable to the matter under appeal, the Board may in writing direct the appeal committee to rehear the matter and to give fair and reasonable consideration to that policy or those provisions, and the appeal committee shall comply with the direction.

*(ii) was a participant in the Public Service Pension Plan,*

*that person, while that person continues to be employed by the Corporation, may remain a participant in that pension plan and is entitled to all the rights and benefits and is subject to all the obligations provided for under the Public Service Pension Plan.*

*(2) If a person, while employed by the Corporation, participates in a pension plan or a similar arrangement that provides for retirement benefits and that is not operated pursuant to the Public Sector Pension Plans Act, the period of time during which the person is employed by the Corporation and participates in that plan or arrangement is not eligible to be considered as prior service for the purposes of a pension plan operated pursuant to the Public Sector Pension Plans Act.*

**3** Provides for establishment of appeal committees.

(7) The Board may stay the decision of the appeal committee pending a rehearing of the subject-matter of the decision under subsection (6).

(8) Subject to subsection (6), the decision of an appeal committee is final and binding on the appellant and the Corporation.

4 *Section 15 is amended by striking out “the period from April 1 to the next following March 31” and substituting “April 1 to the following March 31”.*

5 *Section 17 is amended by adding the following after clause (b):*

(b.1) governing the matters in respect of which appeal committees established under section 10.1 may hear appeals;

(b.2) governing the practice and procedure before appeal committees;

(b.3) governing the powers and duties of appeal committees in dealing with matters appealed to them;

6 *Section 19(c) is amended by striking out “that are approved by the Minister to be carried out under Division 2 of Part 2.”.*

7 *Section 28 is repealed and the following is substituted:*

**4** Section 15 presently reads:

*15 The fiscal year of the Corporation is the period from April 1 to the next following March 31.*

**5** Section 17 presently reads in part:

*17 The Lieutenant Governor in Council may make regulations*

*(b) prescribing the remuneration payable to members of the Corporation;*

**6** Section 19(c) presently reads:

*19 For the purposes of enabling the Corporation*

*(c) to meet its obligations with respect to*

*(i) the business of providing insurance other than hail insurance, crop insurance or revenue insurance, or*

*(ii) the provision of compensation programs or plans,*

*that are approved by the Minister to be carried out under Division 2 of Part 2, and*

*the Lieutenant Governor in Council may, on any terms and conditions that the Lieutenant Governor in Council may prescribe, authorize the Provincial Treasurer to advance to the Corporation from the General Revenue Fund money required by the Corporation for those purposes.*

**7** Section 28 presently reads:

Maximum loan  
or guarantee

**28(1)** The Corporation must not

- (a) make a loan in which the Corporation advances more than \$1 000 000 of its own funds;
- (b) execute a guarantee where the Corporation's liability under the guarantee exceeds \$1 000 000;
- (c) make a loan or execute a guarantee if the sum of
  - (i) the proposed advance of the Corporation's own funds or the amount of the Corporation's liability under the proposed guarantee, as the case may be,
  - (ii) the outstanding balance of all other loans of the Corporation's own funds to or for the benefit of the same person, and
  - (iii) the amount of the Corporation's liability under any other guarantee to or for the benefit of the same person

would exceed \$1 000 000.

**(2)** Notwithstanding subsection (1), the Corporation may increase the amount of an existing loan or guarantee if

- (a) at the time of the increase the Corporation has already exceeded the allowable limit under subsection (1)(c),
- (b) the proposed increase does not exceed 10% of the sum calculated under subsection (1)(c), and
- (c) the increase is made only once in respect of any existing loan or guarantee.

**(3)** Where a loan or guarantee to which this section applies has been made or executed, the Corporation may

- (a) in the case of a loan, convert the loan in whole or in part to a guarantee, or
- (b) in the case of a guarantee, convert the guarantee in whole or in part to a loan,

if the resulting loan or guarantee or both, as the case may be, do not exceed in total the amount allowed for the original loan or guarantee under subsection (1) or as provided for under subsection (2) as the case may be.



*28(1) The Corporation must not, except with the approval of the Lieutenant Governor in Council,*

- (a) make a loan in excess of \$1 000 000,*
- (b) execute a guarantee in excess of \$1 000 000, or*
- (c) approve a loan or execute a guarantee if the sum of the amount of the loan or guarantee and the then outstanding balance of any other loan or guarantee made or executed by the Corporation to or for the benefit of the same borrower exceeds in the aggregate \$1 000 000.*

*(2) Notwithstanding subsection (1), the Corporation may increase the amount of an existing loan or guarantee without obtaining the approval of the Lieutenant Governor in Council when*

- (a) the balance outstanding of any existing loan or guarantee at the time of approval by the Corporation of any increase is then in excess of \$1 000 000,*
- (b) the increase does not exceed 10% of the balance of the loan or guarantee referred to in clause (a), and*
- (c) the increase is made once only in respect of any existing loan or guarantee.*

*(3) Where a loan or guarantee to which this section applies has been made or executed, the Corporation may*

- (a) in the case of a loan, convert the loan in whole or in part to a guarantee, or*
- (b) in the case of a guarantee, convert the guarantee in whole or in part to a loan,*

*without obtaining the approval of the Lieutenant Governor in Council if the resulting loan or guarantee or both, as the case may be, do not exceed in total the amount approved by the Lieutenant Governor in Council for the original loan or guarantee under subsection (1) or as provided for under subsection (2).*

*(4) If a conflict arises between this section and section 74 of the Financial Administration Act with respect to the operation of this section, this section prevails.*

(4) The Corporation is authorized to make and approve loans and to execute guarantees within the limitations established by this section.

8 *Section 36 is repealed and the following is substituted:*

Agreements

**36** The Government of Alberta as represented by the Minister may, with the approval of the Lieutenant Governor in Council, enter into an agreement with the Government of Canada or any other government or person for any purpose related to lending or financial assistance under this Division.

9 *Section 46 is amended*

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

Corporation's  
lien

**46(1)** From the date that the Corporation provides coverage pursuant to a contract of insurance, the Corporation has a lien for the following amounts in respect of the contract of insurance:

- (a) unpaid premiums;
- (b) charges;
- (c) amounts that the Corporation has paid to the applicant to which the applicant was not entitled;
- (d) interest on the amounts referred to in clauses (a), (b) and (c).

(b) *by repealing subsection (4) and substituting the following:*

(4) Payment of the amounts owing under subsection (1) is enforceable under Part 10, Division 9 of the *Municipal Government Act* as if the amounts owing were tax arrears.

10 *The following is added after section 52:*

Other  
payments

**52.1** In addition to payments pursuant to an insurance program or plan, the Corporation may, subject to the regulations, make payments for the purposes of a program or plan providing compensation

- (a) for loss or damage to crops or land, or
- (b) in respect of farm income disaster.

**8** Section 36 presently reads:

*36 The Minister, with the approval of the Lieutenant Governor in Council, may, on behalf of the Government of Alberta, enter into an agreement with a government or other person, pursuant to which the government or other person will make available to the Government of Alberta money to be used for the purposes of this Division.*

**9** Section 46 presently reads in part:

*46(1) From the date that the Corporation provides coverage pursuant to a contract of insurance, the Corporation has a lien for unpaid premiums owing in respect of the contract of insurance, interest on those premiums and charges with respect to the contract of insurance.*

*(4) Payment of the premium, interest and charges due to the Corporation in respect of a contract of insurance is enforceable by seizure and sale of the crops and of other goods and chattels of the applicant to the same extent and in the same manner, with all necessary modifications, as is provided for by the Municipal Taxation Act for the recovery by distress of taxes owing to a municipal district.*

**10** Compensation payments for other programs.

11 *Section 53 is amended*

(a) *by repealing clause (a)(iv);*

(b) *in clause (b)*

(i) *by adding “or in respect of farm income disaster”  
after “land”;*

(ii) *by adding the following after subclause (iii):*

(iv) *authorizing the recovery of overpayments of  
compensation or payments made in error, and  
governing the manner in which such  
overpayments and payments may be recovered;*

(c) *in clause (c) by adding the following after subclause (iii):*

(iv) *authorizing the recovery of overpayments of  
compensation or payments made in error, and  
governing the manner in which such overpayments  
and payments made be recovered.*

12 *This Act comes into force on Proclamation.*

**11** Section 53 presently reads in part:

*53 The Lieutenant Governor in Council may make regulations,*

*(a) with respect to the business of insurance,*

*(iv) providing for the settlement of disputes arising out of the adjustment of losses;*

*(b) with respect to a program or plan, other than an insurance program or plan, that provides for the payment of compensation for loss or damage to crops or land,*

*(i) establishing such a program or plan;*

*(ii) governing the operation of a program or plan established under subclause (i);*

*(iii) governing the compensation that may be provided under a program or plan established under subclause (i);*

*(c) with respect to the provision of compensation under section 52 for loss or damage to crops that is caused by wildlife,*

*(i) prescribing the loss or damage for which compensation may be paid;*

*(ii) governing the making of claims for compensation;*

*(iii) governing the payment of compensation.*

**12** Coming into force.