

2005 Bill 203

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First Session, 26th Legislature, 54 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 203**

**REPORT ON ALBERTA'S LEGACY ACT**

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MR. MACDONALD

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First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

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## BILL 203

2005

### REPORT ON ALBERTA'S LEGACY ACT

(Assented to \_\_\_\_\_, 2005)

#### Preamble

WHEREAS it is the responsibility of the Government of Alberta to provide leadership in preparing for future fluctuations in Alberta's economy;

WHEREAS a policy on investing the annual budget surplus should form part of the Government's long-term fiscal planning; and

WHEREAS such a policy will create a legacy for Albertans by supporting a better quality of life and transforming Alberta's non-renewable resource wealth into permanent investments for the future;

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

#### Definitions

1 In this Act,

- (a) "Capital Account" means the Capital Account established under section 2.2 of the *Fiscal Responsibility Act*;
- (b) "Heritage Fund" means the Alberta Heritage Savings Trust Fund continued under section 2 of the *Alberta Heritage Savings Trust Fund Act*;
- (c) "surplus" means the portion of the net assets of the Alberta Sustainability Fund, established under section 2.1 of the *Fiscal Responsibility Act*, in excess of \$2 500 000 000 at the end of a fiscal year.

### **Surplus investment policy**

**2** For the purposes of this Act, “surplus investment policy” means a policy that would allocate the surplus according to the following formula to establish a legacy for future generations of Albertans:

- (a) 35% into the Heritage Fund,
- (b) 35% into an endowment fund for post-secondary education,
- (c) 25% into the Capital Account, and
- (d) 5% into an endowment fund to support the humanities, social sciences and the arts.

### **Report by Minister of Finance**

**3(1)** At the end of each fiscal year, commencing with the fiscal year ending March 31, 2005, the Minister of Finance shall prepare a report on how the financial affairs of the Government would have been affected if the surplus investment policy outlined in section 2 was implemented.

**(2)** The report required under this section shall be made public at the same time the Minister makes public the consolidated annual report for the Province of Alberta prepared pursuant to section 10 of the *Government Accountability Act*.

**(3)** The Minister of Finance shall lay the report prepared under this section before the Legislative Assembly, if it is sitting when the report is completed or, if it is not then sitting, within 15 days after the commencement of the next sitting.

**(4)** If the Legislative Assembly is not sitting when the report is completed, the Minister of Finance shall make the report public by depositing a copy with the Clerk of the Legislative Assembly and providing a copy to each Member of the Legislative Assembly.

### **Cap on endowment fund**

**4** If the report required under section 3 indicates that the surplus investment policy would result in the endowment fund to support the humanities, social sciences and the arts, exceeding \$500 000 000, then the Minister shall supplement the report with an allocation according to the following formula:

- (a) 40% into the Heritage Fund,
- (b) 35% into an endowment fund for post-secondary education, and

(c) 25% into the Capital Account.

**Review of Act**

**5** A special committee of the Legislative Assembly must begin a comprehensive review of this Act within 5 years of it coming into force and must submit to the Legislative Assembly, within one year after beginning the review, a report that includes any amendments recommended by the committee.