

2009 Bill 33

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Second Session, 27th Legislature, 58 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 33**

## **FISCAL RESPONSIBILITY ACT**

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THE MINISTER OF FINANCE AND ENTERPRISE

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First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

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## BILL 33

2009

### FISCAL RESPONSIBILITY ACT

(Assented to , 2009)

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

#### **Definitions**

**1** In this Act,

- (a) “accumulated debt” means the aggregate amount of
  - (i) unredeemed Government securities that have not matured and that are issued in respect of money raised under section 56(1) of the *Financial Administration Act*, excluding
  - (A) any amounts raised for the purpose of making advances to or purchasing securities of a Provincial corporation pursuant to section 58 of the *Financial Administration Act*,

- (B) the amount of Government securities acquired and held under section 60 of the *Financial Administration Act*,
  - (C) any amounts raised for the purpose of financing capital investment on or after April 1, 2003,
  - (D) any amounts raised on or after April 1, 2008 for the purpose of constructing, purchasing or extending the life of capital assets of school boards under the *School Act*, regional health authorities under the *Regional Health Authorities Act* and public post-secondary institutions under the *Post-secondary Learning Act*, and
  - (E) any amounts raised for the purpose of paying to the post-1992 fund all or any portion of the amounts determined by the Minister of Finance and Enterprise to be owing in accordance with the *Teachers' Pension Plan Act*,
- (ii) the total outstanding borrowings of the Alberta Social Housing Corporation pursuant to section 25(3) of the *Alberta Housing Act*, excluding any borrowings for the purpose of financing capital investment on or after April 1, 2003, and
  - (iii) the liability for future funding, as reported in the consolidated annual report, to enable school boards to repay debentures issued to the Alberta Capital Finance Authority, excluding any debentures issued for the purpose of financing capital spending by school boards on or after April 1, 2003;
- (b) “actual expense” means, with respect to a fiscal year, actual expense of the Crown for all purposes as reported in the consolidated annual report for that year but does not include increases or decreases in liabilities respecting pensions;
  - (c) “actual revenue” means, with respect to a fiscal year, actual revenue of the Crown from all sources as reported in the consolidated annual report for that year;

- (d) “capital investment” means an amount expended to construct, purchase or extend the life of capital assets of the Crown;
- (e) “consolidated annual report” means a consolidated annual report prepared under section 10 of the *Government Accountability Act*;
- (f) “consolidated fiscal plan” means the consolidated fiscal plan prepared under section 4 of the *Government Accountability Act* that is tabled with the main estimates for a fiscal year;
- (g) “Crown” includes a Provincial agency;
- (h) “Provincial agency” has the meaning given to it by section 1(1)(p) of the *Financial Administration Act* but does not include the Provincial agencies referred to in section 2(5) of that Act or The Workers’ Compensation Board under the *Workers’ Compensation Act*;
- (i) “quarterly budget update” means a report made under section 9(1)(a), (b) or (c) of the *Government Accountability Act*.

**No deficit**

**2(1)** Actual expense for a fiscal year shall not exceed actual revenue for that year plus any amounts allocated from the Alberta Sustainability Fund under section 3(3)(b).

**(2)** This section applies to the 2009-10 fiscal year and subsequent fiscal years.

**Alberta Sustainability Fund**

**3(1)** The purpose of this section is to provide funding through the Alberta Sustainability Fund for those years where actual expense exceeds actual revenue, with a view to adding to or replenishing the Fund in years in which there are cash surpluses.

**(2)** The Alberta Sustainability Fund is continued as an account within the General Revenue Fund and consists of

- (a) the amount in the Alberta Sustainability Fund at the end of the 2008-09 fiscal year, as reported in the consolidated annual report for that fiscal year, and
  - (b) the amount in the Capital Account at the end of the 2008-09 fiscal year, as reported in the consolidated annual report for that fiscal year.
- (3)** Within the General Revenue Fund,
- (a) if actual revenue exceeds actual expense at the end of a fiscal year, an amount equal to that difference shall be allocated to the Alberta Sustainability Fund, and
  - (b) subject to subsection (6), if actual expense exceeds actual revenue at the end of a fiscal year, an amount equal to that difference shall be allocated from the Alberta Sustainability Fund.
- (4)** The Capital Account is discontinued.
- (5)** Amounts under this section may be adjusted due to the timing of when cash is received, changes in the net financial assets of Provincial agencies and regulated funds, capital cash requirements and other cash requirements as identified by the Treasury Board.
- (6)** The financial assets of the Alberta Sustainability Fund may not be reduced to an amount less than zero.

**Changes from the budget**

- 4(1)** Subject to section 2, in a quarterly budget update, an amount that is not more than 1% of total ministry operating expense as set out in the consolidated fiscal plan, less any commitments made in previous quarterly budget updates for that fiscal year, may be committed for operating expense that was not included in the consolidated fiscal plan for that year.
- (2)** The following are not commitments for the purposes of subsection (1):
- (a) an increase in operating expense during a fiscal year that is required because of a public emergency or disaster declared by the Lieutenant Governor in Council to be a public emergency or disaster for the purpose of this section;



- (b) an increase in the amount authorized to be spent under a supply vote under section 24(2) of the *Financial Administration Act* and an increase in any other expense that is offset by additional revenue received for the specific purpose of that expense;
- (c) commitments made for the fiscal year for the cost of a settlement with a First Nation;
- (d) commitments made for the fiscal year for the amounts paid or payable under the *Natural Gas Price Protection Act*.

#### **Debt Retirement Account**

**5(1)** The Debt Retirement Account is continued as an account within the General Revenue Fund to repay the accumulated debt.

**(2)** The financial assets in the Debt Retirement Account at the end of a fiscal year must be equal to or greater than the amount of the accumulated debt as reported in the consolidated annual report for that fiscal year.

#### **Consequential amendments**

**6(1) The *Auditor General Act* is amended by repealing section 22(2) and substituting the following:**

- (2)** The chair of the Audit Committee
  - (a) shall, on request of the Auditor General, call a meeting of the Audit Committee to review any matter that the Auditor General considers should be brought to the attention of the Audit Committee, and
  - (b) may inquire into any matter relating to the financial affairs of the Crown in accordance with a request of the President of the Treasury Board.

**(2) The *Financial Administration Act* is amended by adding the following after section 26:**

#### **Special warrants**

**26.1(1)** Notwithstanding section 26 or any Act authorizing the expenditure of public money by special warrant, the Lieutenant



## Explanatory Notes

**6(1)** Amends chapter A-46 of the Revised Statutes of Alberta 2000. Section 22(2) presently reads:

*(2) The chair of the Audit Committee shall, on request of the Auditor General, call a meeting of the Audit Committee to review any matter that the Auditor General considers should be brought to the attention of the Audit Committee.*

(2) Amends chapter F-12 of the Revised Statutes of Alberta 2000. Special warrants.

Governor in Council may not, subject to subsection (2), order a special warrant to be prepared authorizing the expenditure.

**(2)** The Lieutenant Governor in Council may order a special warrant authorizing the expenditure of public money in accordance with this Act or any other Act only in the following circumstances:

- (a) if the Legislative Assembly is dissolved and is not yet convened after a general election;
- (b) at any time if, in the opinion of the Lieutenant Governor in Council, the money is urgently required because of a public emergency or disaster.

**Repeal**

**7** The *Fiscal Responsibility Act*, RSA 2000 cF-15, is repealed.

**Coming into force**

**8** This Act is deemed to have come into force on April 1, 2009.

**7** Repeal.

**8** Coming into force.

**RECORD OF DEBATE**

Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
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