

BILL

No. 22 of 1918.

An Act to empower Municipal Districts to Borrow Money
on Government Guarantee to Supply Seed Grain to
Settlers.

(Assented to , 1918.)

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

SHORT TITLE.

1. This Act may be cited as "*The Municipal Districts
Seed Grain Act.*"

INTERPRETATION.

2. In this Act, unless the context otherwise requires, the
expression—

- (a) "Council" means the council of any municipal
district;
- (b) "Reeve" and "secretary-treasurer" mean the reeve
and secretary-treasurer of any such municipal
district;
- (c) "Minister" means the Minister of Municipal
Affairs.

3. The Lieutenant Governor in Council may, upon the
application of any municipal district and upon such terms
and conditions and for such maximum amount as he may
deem advisable, guarantee the repayment of moneys which
it may borrow pursuant to and under the authority of this
Act and of a by-law duly passed thereunder, together with
all interest accrued thereon, and may direct by whom said
guarantee shall be signed, and is hereby authorized to
make arrangements for supplying the money necessary to
fulfil the requirements of the said guarantee, and such
guarantee may be in the following form, printed or stamped
on each of the promissory notes given by the municipal
district for moneys borrowed by it under the provisions
of this Act:

"By virtue of the powers conferred by the Legislative
Assembly of the Province of Alberta, Canada, and of an
order of the Lieutenant Governor in Council, the Province
of Alberta does hereby guarantee payment of the principal
and interest of the within promissory note.

"Dated this.....day of..... A.D. 19....

.....
Provincial Treasurer (*or other person
authorized to sign guarantee*)."

Provided that the rate of interest on amounts so guaran-
teed shall not exceed eight per centum per annum.

4. Upon complying with the provisions of section 3
hereof any municipal district may borrow from any person,
bank or corporation such sum as shall appear to its municipal

council to be required to supply seed grain to resident farmers in such municipal district who, owing to adverse conditions, may be unable to procure the same for the next ensuing spring seeding season, and the municipal district may repay such sum to the lender, together with interest at such rates not exceeding eight per cent. per annum, and at such time or times, subject as hereinafter mentioned, as shall be agreed upon between it and the lender, and the said loan shall not limit or control any of the other borrowing powers of such municipal district under any Statute in force relating thereto.

5. For the purpose of effecting such loan for such purpose the council of the municipal district shall have power to pass a by-law or by-laws authorizing it to borrow for the purpose of granting aid by way of seed grain advances, as hereinbefore mentioned, such sum or sums, subject to the maximum provided for in section 3 hereof, as it shall from time to time deem necessary therefor upon the security of the promissory note or notes of such municipal district:

Provided that no by-law for the purpose of enabling any municipal district to borrow money for the purpose of seed grain advance shall require the assent of the electors, but the council shall have power upon the same day and at the same sitting thereof to give three consecutive readings to such by-law and to finally pass the same, and such by-law so passed shall thereupon, subject to the approval of the Minister, become valid and binding and shall have the same force and effect as if it had received the assent of the electors thereto:

Provided further that any by-law to be passed under the provisions of this section shall be according to form A in the schedule hereto, and upon the final passing thereof such by-law shall be deemed to be and shall, in any court be held to be conclusive evidence that the municipal district has been legally constituted and had power to pass such by-law and that such by-law is valid and binding upon the municipal district, and that any promissory note or notes given by the municipal district for moneys borrowed by it under the authority thereof is a valid debt of the municipal district.

6. All promissory notes which may be given by any municipal district for moneys borrowed under the authority of any by-law passed in pursuance of this Act shall be signed by the reeve of the municipal district and by the secretary-treasurer thereof and shall be made payable at a date not later than the thirty-first day of December next after the making thereof, and such note or notes shall notwithstanding any Act or law to the contrary be a first charge upon the special rate assessed under the authority of section 12 hereof for the payment of the price of all seed grain advances and interest thereon made by such municipal district thereunder.

7. Any moneys borrowed by a municipal district under the authority of this Act shall be held by the council and by the secretary-treasurer thereof as a separate fund distinct from all other funds of the municipal district, and the council of such municipal district shall cause to be kept by the secretary-treasurer thereof a separate and distinct account of such moneys.

8. Any municipal district which has borrowed money under this Act shall have authority and it shall be the duty of the council of such municipal district from time to time to expend such money or such part thereof as may be sufficient to fulfil the purposes of this Act according to the intent thereof in the purchase and distribution of seed grain to be supplied by such municipal district to such persons being farmers therein resident as may be unable to purchase the same without assistance by reason of the failure of their crops or other adverse conditions; but the municipal district shall not advance a quantity of seed grain of greater value than \$300 in respect of any one quarter section nor so that a sum in excess of \$300 shall stand as a charge for principal for seed grain advances in respect of any one quarter section at any one time, nor for sowing upon lands the patent whereof has not issued from the Crown, nor to a tenant without the consent in writing of the owner; and in no case shall money out of the said fund, either in lieu of seed grain or in addition thereto, be advanced upon any security whatsoever by the municipal district to any person for the purpose of procuring seed grain or for any purpose whatsoever; the intention of this Act being that the purchase of all seed grain and the distribution thereof shall be entirely done and carried on by the council of the municipal district or by such person or persons as may be appointed by resolution of the council and in the manner appearing to them best calculated to carry out the purpose of this Act:

Provided that the price to be charged by the municipal district to any purchaser of seed grain shall be such amount as shall be fairly deemed sufficient to cover the cost of the seed grain and the expenses entailed by the purchase and distribution thereof.

9. Municipal districts supplying seed grain to any person under the authority of this Act shall forthwith require and take from such person his promissory note or notes for the selling price of the seed grain so supplied to him, and said note or notes shall bear interest at a rate not exceeding the rate payable by the municipal district upon the amount borrowed by it under this Act for the purpose of the said seed grain distribution and shall be made payable upon demand at the office of the secretary-treasurer of the municipal district.

10. The secretary-treasurer shall take from every person to whom seed grain is so supplied, at the time of the signing of any such demand note, a written agreement for a lien, which may be in form B in the schedule hereto, in favour of the municipal district upon all crops grown upon the land named in his application during the year in which the note is given.

(2) The secretary-treasurer shall cause notice of each such lien agreement, which notice may be in form C in the schedule hereto, to be duly registered within thirty days of the date of the agreement with the registration clerk for chattel mortgages in the registration district in which the land so named is situated in the manner provided by *The Bills of Sale Ordinance*. Upon payment in full of the amount of the lien agreement the secretary-treasurer shall, if so requested, give a discharge of the lien agreement, which said discharge may be registered in a manner similar

to that provided for the registration of the lien, and said discharge may be in form D in the schedule hereto:

Provided, however, that the affidavits mentioned in section 6 of the said Ordinance shall not be required to accompany such lien agreement or discharge thereof, nor shall any fees be payable in respect of the registration thereof.

(3) It shall be the duty of the secretary-treasurer to enforce any such lien on behalf of the municipal district if the full amount of principal and interest due under the demand note be not paid prior to the.....day of..... of the year in which the note is given; and the remedies provided by *The Municipal Districts Act* for the collection of taxes, with costs, by distress or suit shall be available for the collection of the said indebtedness at any time after the date herein mentioned.

(4) Any person who, while such note remains wholly or in part unpaid, with intent to prevent the enforcement of any such lien, sells, ships or otherwise disposes of the grain covered thereby whether by himself or through his servant or agent except as the property and for the account of the municipal district, shall be guilty of an offence and shall be liable on summary conviction to a penalty not exceeding \$100 exclusive of costs; and on default of payment thereof to imprisonment for a term not exceeding two months.

11. Notwithstanding the provisions of *An Ordinance respecting Limitation of Actions in Certain Cases* the cause of action under any promissory note given for seed grain under this Act shall not be barred or impaired by lapse of time so long as any sum (whether for principal or interest) payable under such note remains unpaid or unsatisfied.

12. Any sum which may be owing by any person to a municipal district upon a promissory note given in payment of an advance of seed grain under the provisions of this Act and under the authority of a by-law passed hereunder shall, whether such sum has been demanded or not, be deemed to be and shall be a special rate assessed upon such person in respect of the land upon which such seed grain was, according to the application or promissory note or lien agreement given therefor, intended to be sown and upon such land and shall from the time of the making of the seed grain advance for which such note was given be a charge upon such land, and the council of the municipal district is hereby authorized and empowered to take all proceedings by declaration of charge, foreclosure or otherwise necessary to realize said special rate, with costs, at any time after the thirty-first day of December of the year in which the charge was created.

(2) Such charge shall have precedence over all other incumbrances against the land except taxes and other sums which may by law be charged against the land in the same manner as taxes, and except first mortgages, whether they are first mortgages at the time when the charge is created or lodged or become so by the discharge of previous mortgages, also except such liens as the province may file or have to secure the payment of any tax imposed or fee payable to it under the provisions of any provincial Statute.

(3) The secretary-treasurer shall enter up in a list to be kept by him for the purpose all seed grain advances as they are from time to time made by the municipal district, together with the names of the applicants and the lands upon which according to the application such seed grain was to be sown, the promissory notes and seed grain liens taken in settlement therefor and all payments made thereon:

Provided that the penalty imposed for nonpayment of taxes by section 301 of *The Municipal Districts Act* shall not apply to the charges created under the provisions of this Act, but interest as provided for by the said demand notes shall be collected to date of payment.

(4) The secretary-treasurer shall also enter upon the tax roll of the municipal district for each year in a special column under the heading of "Seed Grain Advances" the amount of such advance outstanding, and shall in a similar manner give the said information upon all tax certificates issued by him after the date of such advance.

13. Any person who with intent to defraud obtains seed grain from any municipal district under the provisions of this Act or disposes of any seed grain so obtained for any purpose other than seeding purposes as specified in his application shall be liable upon summary conviction thereof to a penalty not exceeding \$100 and costs and in default of payment thereof to imprisonment for a term not exceeding two calendar months:

Provided that no prosecution under this section shall be entertained save upon the information of some person duly authorized by resolution of the council to lay such information.

14. Any member of the council of any municipal district or any officer thereof who shall vote for or knowingly permit the improper borrowing or misapplication of any moneys received under the authority of this Act or the misapplication of any seed grain purchased under the authority thereof contrary to the true intent and meaning thereof shall be liable upon summary conviction to a penalty not exceeding \$100 and costs and in default of payment forthwith after conviction to imprisonment for a term not exceeding two calendar months.

15. The secretary-treasurer of each municipal district advancing money in any year under the authority of this Act shall, on or before the first day of August in each such year, prepare and forward to the Minister a return on a form prescribed by him showing the names of all persons to whom advances have been made, the amounts thereof and the amounts repaid on account of said advances, in such a way that the net amount of outstanding advances shall be clearly set forth.

SCHEDULE.

FORM A.

(Section 5.)

BY-LAW NO. OF THE MUNICIPAL DISTRICT OF
A By-law relating to Seed Grain Loans.

Under the authority of *The Municipal Districts Seed Grain Act*, the Council of the Municipal District of enacts as follows:

1. This municipal district may for the spring seeding season of 19.... advance seed grain on credit to farmers residing on patented lands within the municipal district who, owing to bad crops or other adverse conditions, are unable to procure the same, and the council may, to enable it to make such advances, borrow upon the promissory note or notes of the municipal district \$..... for the purchase of a supply thereof for distribution.

2. The purchase price of all seed grain advanced hereunder shall be secured by promissory notes due on demand and by registered seed grain liens in favour of the municipal district upon all crops grown upon the lands named in the application for the season after the date thereof and by a charge upon said lands.

Done and passed at..... this..... day
of..... A.D. 19. .

(SEAL.)

.....
Reeve.

.....
Secretary.

FORM B.

(Section 10.)

LIEN.

I,....., of the Municipal District of
....., in the Province of Alberta, farmer,
having obtained an advance of seed grain from the said
municipal district to the value of..... dollars,
for which I have this day given said municipal district my
promissory note, payable on demand, with interest at the
rate of..... per cent. per annum, which said seed grain
is to be sown on..... Section..... Township.....
Range..... west of the..... Meridian in said province,
hereby agree that the said amount and interest shall be
and remain a lien and charge upon all crops grown upon
the said lands during the current year and shall also be
a charge upon said lands.

Signed at....., in the Province of Alberta,
the... day of..... A.D. 19....

.....
(Witness sign here.)

.....
(Borrower sign here.)

FORM C.

(Section 10.)

NOTICE OF LIEN.

Notice is hereby given that the Municipal District of claims a lien of dollars, with interest at the rate of per cent. per annum from the day of A.D. 19...., for an advance of seed grain to of, upon all crops grown upon Section Township Range west of the Meridian in said province, during the current year.

Dated at, in the Province of Alberta, this day of A.D. 19....

.....
Secretary-Treasurer.

FORM D.

(Section 10.)

DISCHARGE OF LIEN.

I do certify that, of the Municipal District of, in the Province of Alberta, farmer, has satisfied all money due on or to grow due on the lien agreement on the Section Township Range west of the Meridian, in the Province of Alberta, which said lien agreement was registered in the Registration District of on the day of 19.... as No....., and that such lien is therefore discharged.

Dated this day of A.D. 19....

(SEAL)

.....
Secretary-Treasurer of the Municipal District of

No. 22.

FIRST SESSION
FOURTH LEGISLATURE
8 GEORGE V
1918

BILL

An Act to empower Municipal
Districts to Borrow Money on
Government Guarantee to Supply
Seed Grain to Settlers.

Received and read the

First time

Second time

Third time

HON. MR. GARIEPY.

EDMONTON:
J. W. JEFFERY, KING'S PRINTER
A.D. 1918