

BILL

No. 81 of 1926.

An Act to amend The Debt Adjustment Act.

(Assented to _____, 1926.)

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

1. This Act may be cited as "*The Debt Adjustment Act Amendment Act, 1926.*"

2. *The Debt Adjustment Act*, being chapter 43 of the Statutes of Alberta, 1923, is amended by striking out section 2 thereof.

3. Section 4 of the said Act is amended as to paragraph (a) thereof by striking out the words "for the whole or any part or parts of an area."

4. Part II of the said Act is hereby struck out:

Provided, however, that the repeal effected by this section shall not in any way affect the efficacy of any certificate granted under the said Part prior to the.....day of1926, nor the power to cancel the same and that during its subsistence, the rights, duties, powers and responsibilities of the Director, the resident to whom a certificate has been granted, his creditors or any other person or persons, shall be as is set out in the said Part.

5. Part II is added to the said Act as follows:

"PART II.

"7. In this Part 'local authority' shall include a municipality, the Minister of Municipal Affairs in respect of an improvement district and the Board of Trustees of a school district or of a hospital district.

"8. This Part shall apply to every resident who within two years from the first day of May, one thousand nine hundred and twenty-six:

"(1) makes an agreement with unsecured creditors, other than the Crown or local authorities, in accordance with the provisions of Part I hereof; or

"(2) makes an authorized assignment under the provisions of *The Bankruptcy Act*, to the Director as an authorized trustee; and

"(3) at the date of the said agreement or assignment owes two years or more of tax arrears, within the meaning of *The Tax Recovery Act*, in respect of the land upon which he carries on farming operations.

"9. In the event of any such agreement as is hereinbefore mentioned being effected by the Director, the Crown and, with the approval of the Director, every local authority, shall have power to enter into an agreement with

the resident, for the consolidation of taxes, rates, assessments or other debts or sums of money due by the resident to or collectible from the resident by any local authority or the Crown and for an extension of time for the payment of the said consolidated taxes, rates, assessments, debts or sums of money (hereinafter called the consolidated debt), and for the payment thereof to the Director; and such agreement shall provide for:

- “(a) interest at seven per cent;
- “(b) the instalments in which the consolidated debt is to be payable and the dates whereon such instalments are to be payable;
- “(c) the period within which the consolidated debt must be paid, not exceeding ten years;
- “(d) the conditions upon which advance payments may be made;
- “(e) a covenant on the part of the resident not to transfer his interest in the land affected during the subsistence of the agreement and to duly pay all taxes accruing due in respect of such land during such subsistence;
- “(f) conditions for the defeasance of the agreement;
- “(g) a notification to the Director by the applicant of any act of party or operation of law, whereby the interest of the resident in the said land is affected;
- “(h) the distribution of the money received by the Director.

“10. Upon the completion of a consolidated agreement, the Director shall notify the Registrar of Land Titles of the District within which any land affected thereby is situated.

“11. Upon the receipt of such notification, the Registrar shall place a memorandum thereof on the certificate or certificates of title to the lands mentioned therein, and such memorandum shall be in the following form:

“‘By virtue of a debt adjustment agreement, dated theday of.....192.., the interest ofin these lands is protected by the provisions of *The Debt Adjustment Act*.’

“12. As long as the consolidation agreement subsists:

- “(a) no transfer of any land affected thereby shall be made by the Crown, a local authority or the resident, and, if so made, either before or after the making of the consolidation agreement, shall not be registered, nor shall any certificate of title based upon any such transfer be issued but every local authority and Registrar of Land Titles shall do all acts prescribed by *The Tax Recovery Act, 1922*, which are not expressly forbidden by this section.
- “(b) no proceedings outside the provisions of *The Tax Recovery Act, 1922*, shall be taken or maintained for the recovery of the consolidated debt or any part thereof.
- “(c) Notwithstanding anything in any other statute to the contrary, no penalties shall be incurred in respect of any taxes comprised in such agreement.

“13.—(1) At any time, when it is made to appear to the Director, by the Crown or any local authority affected, that a resident has made default in carrying out any of the provisions of a consolidation agreement, or that he has ceased

to be entitled to the possession of the lands affected thereby, the Director may notify the resident that the consolidation agreement has ceased to have any operation with respect to matters subsequent to such default or cesser and immediately after such notification to the resident, he shall notify the said Registrar, who shall cancel the said memorandum, and thereafter the prohibitions contained in the previous section shall cease to operate and any proceedings may be taken by any person or authority to recover any tax, rate or assessment or other debt or sum of money, and the penalties that would have accrued in respect thereof but for the provisions of this Act, less such part thereof as may have been discharged while the agreement was subsisting, and as if such agreement had not been entered into:

"Provided, however, that in any case where proceedings have to be taken within a limited time, the period of the subsistence of the agreement shall be excluded in the computation of such time.

"(2) When the resident has completely carried out the terms of a consolidation agreement, the Director shall notify said Registrar thereof, who shall thereupon cancel the said memorandum.

"(3) Any person, becoming entitled upon the intestacy or under the will of the said resident may make application to the Director for a continuance of the said agreement for such period as the applicant may continue to be entitled to the possession of the said lands, and if the Director grants any such application, he shall notify the Registrar who shall continue or restore the said memorandum, as the case may be.

"14. In the event of any composition, extension or scheme of arrangement being proposed by a resident, who has made an authorized assignment, the Crown and every local authority shall have power to join therein with respect to any debt or liability of the resident provable in bankruptcy.

"15. In the event of any such composition, extension or scheme of arrangement being approved by a judge exercising jurisdiction in bankruptcy in Alberta, the Crown, and, with the approval of the Director, every local authority, shall have power to make a compromise agreement with the resident for the acceptance of a less sum of money than the amount of any tax, rate or assessment imposed upon the resident or upon any of his property under the law of Alberta and for an extension of time for the payment thereof, and for the payment thereof to the Director, which agreement shall provide for the matters hereinbefore directed to be provided for in the case of a consolidation agreement.

"16. Upon the completion of any such compromise agreement the Director shall notify the Registrar of Land Titles of the district within which any land affected thereby is situated and thereafter the provisions of sections 11, 12 and 13 of Part II of this Act relating to a consolidation agreement, shall apply to the compromise agreement, as if they were here repeated with the substitution of 'compromise agreement' for 'consolidation agreement.'"

6. The schedule to the said Act is hereby struck out.

7. This Act shall come into force on.....

No. 81.

SIXTH SESSION
FIFTH LEGISLATURE
17 GEORGE V
1926

BILL

An Act to amend The Debt
Adjustment Act.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. REID.

EDMONTON:
W. D. McLEAN, ACTING KING'S PRINTER
A.D. 1926.