

1960

c 275 Ontario Municipal Improvement Corporation Act

Ontario

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CHAPTER 275

The Ontario Municipal Improvement Corporation Act

1. In this Act, "municipality" means a county, city, town, ^{Interpretation}village, township, improvement district or school board, and ^{tion}"municipal" has a corresponding meaning. 1955, c. 57, s. 1.

2.—(1) The Ontario Municipal Improvement Corporation, ^{Corporation}constituted on behalf of Her Majesty in right of Ontario as a ^{continued;}body corporate and politic, without share capital, is ^{objects}continued as such and has as its object the purchase from municipalities in Ontario of debentures issued by them for any of the following municipal works and undertakings,

- (a) waterworks and water supply distribution systems;
- (b) sewage works, treatment works, sewer system or sewer, as defined in section 380 of *The Municipal Act*; ^{R.S.O. 1960 c. 249}
- (c) plants and works for the incineration of garbage, refuse and wastes; and
- (d) drainage works under *The Municipal Drainage Act*; ^{R.S.O. 1960 c. 252}
- (e) school board undertakings. R.S.O. 1950, c. 263, s. 1 (1); 1955, c. 57, ss. 1, 2 (1).

(2) The Ontario Municipal Improvement Corporation, ^{Membership}hereinafter called the Corporation, shall be composed of not less than three and not more than five members appointed by the Lieutenant Governor in Council.

(3) *The Corporations Act* does not apply to the Corporation. ^{Application of R.S.O. 1960, c. 71} 1955, c. 57, s. 2 (2).

(4) The members for the time being of the Corporation ^{Board of Directors}shall form and be its board of directors and the Lieutenant Governor in Council shall designate one of them as chairman and one of them as vice-chairman of the board. R.S.O. 1950, c. 263, s. 2 (3); 1955, c. 57, s. 2 (3).

(5) Subject to the regulations, the affairs of the Corporation ^{Management}are under the management and control of the board of directors and in the absence of the chairman, or if at any time that office is vacant, the vice-chairman has all the powers and shall perform the duties of the chairman.

Administration (6) In the administration of the affairs of the Corporation, the board of directors shall be assisted by such officers and other employees in the public service of Ontario as the Treasurer of Ontario may assign for the purpose. R.S.O. 1950, c. 263, s. 2 (4, 5).

Remuneration (7) The Corporation may pay such of its members as are not officers in the public service of Ontario such remuneration and expense allowance as are from time to time fixed by the Lieutenant Governor in Council. 1955, c. 57, s. 2 (4).

Quorum (8) A majority of the directors for the time being constitutes a quorum at meetings of the board of directors. 1957, c. 87, s. 1.

Borrowing powers **3.—**(1) Subject to the approval of the Lieutenant Governor in Council and to section 13, the Corporation may from time to time borrow or raise by way of loan such sums of money as the Corporation may deem requisite for any of the purposes of the Corporation in any one or more, or partly in one and partly in another, of the following ways:

- (a) by the issue and sale of debentures, bills or notes of the Corporation in such form or forms, in such denomination or denominations, bearing interest at such rate or rates and payable as to principal and interest at such time or times, in such currency or currencies and at such place or places as the Corporation may determine; and
- (b) by temporary loans or loans from any chartered bank or banks or from any person either by way of bank overdraft or loan or in any other manner whatsoever as the Corporation may determine.

Purposes of Corporation (2) The purposes of the Corporation, without limiting the generality thereof, include,

- (a) the carrying out of the object of the Corporation mentioned in section 2;
- (b) the payment, refunding or renewal from time to time of the whole or any part of any sum or sums of money raised by way of loan or of any securities issued by the Corporation;
- (c) the repayment in whole or in part of any advances made by Ontario to the Corporation or of any securities of the Corporation issued and delivered to the Treasurer of Ontario in respect of any advances; and
- (d) the payment of the whole or any part of any obligation, liability or indebtedness of the Corporation.

(3) Subject to the approval of the Lieutenant Governor in Council, the Corporation may sell any debentures, bills or notes of the Corporation either at, or at less or more than, the par value thereof and may charge, pledge or otherwise deal with any such debentures, bills or notes as collateral security.

Sale, etc.,
of Cor-
poration's
securities

(4) A recital or declaration in any resolution or minute of the Corporation authorizing the issue and sale of debentures, bills or notes of the Corporation to the effect that it is necessary to issue and sell such debentures, bills or notes for the purposes of the Corporation in the amount authorized is conclusive evidence to that effect.

Authoriza-
tion

(5) Debentures, bills or notes of the Corporation shall be sealed with the seal of the Corporation and may be signed by the chairman or vice-chairman of the Corporation and by the secretary or other officer of the Corporation and any interest coupon that may be attached to any debenture, bill or note of the Corporation may be signed by the secretary or other officer of the Corporation.

Sealing,
signing,
etc.

(6) The seal of the Corporation may be engraved, lithographed, printed or otherwise mechanically reproduced on any debenture, bill or note and any signature upon any debenture, bill or note and upon any coupon may be engraved, lithographed, printed or otherwise mechanically reproduced, and the seal of the Corporation when so reproduced has the same force and effect as if manually affixed and any such signature is for all purposes valid and binding upon the Corporation notwithstanding that any person whose signature is so reproduced has ceased to hold office. 1957, c. 87, s. 2, *part.*

Mechanical
reproduc-
tion of seal
and
signature
authorized

4. Any debenture, bill or note of the Corporation may be made redeemable in advance of maturity at such time or times, at such price or prices and on such terms and conditions as the Corporation may determine at the time of the issue thereof. 1957, c. 87, s. 2, *part.*

Securities
of
Corporation
redeemable
in advance

5. Where a debenture, bill or note of the Corporation is defaced, lost or destroyed, the board of directors may provide for its replacement on such terms as to evidence and as to indemnity as the board may require. R.S.O. 1950, c. 263, s. 6.

Lost
debentures

6.—(1) The Lieutenant Governor in Council may authorize the Treasurer of Ontario to guarantee payment by the Province of any debentures, bills or notes issued by or of any temporary loan made to the Corporation under the authority of this Act.

Guarantee
of payment
by Province

Form of guaranty

(2) The form of guaranty and the manner of execution shall be determined by the Lieutenant Governor in Council.

Validity of guaranty

(3) Every guaranty given or purporting to be given under the authority of this section is binding upon the Province and is not open to question upon any ground whatsoever.

Guaranteed debentures, etc., to be indefeasible

(4) Any debenture, bill or note issued by or temporary loan made to the Corporation, payment whereof is guaranteed by the Province under this section, is valid and binding upon the Corporation, its successors and assigns according to its terms, and the validity of any debenture, bill or note or temporary loan so guaranteed is not open to question on any ground whatsoever. R.S.O. 1950, c. 263, s. 7.

Trustees, etc., investments in debentures

7. Notwithstanding anything in any other Act, debentures issued by the Corporation are at all times a lawful investment for municipal, school and trust funds. R.S.O. 1950, c. 263, s. 8.

Purchase of municipal debentures

8.—(1) The Corporation, with the approval of the Lieutenant Governor in Council and subject to the regulations, may from time to time purchase from any municipality in Ontario debentures issued by the municipality for any of the purposes specified in subsection 1 of section 2.

Approval and validation required

(2) The Corporation shall not purchase any municipal debentures under the authority of this Act until,

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(a) the Ontario Municipal Board has issued its order pursuant to section 64 of *The Ontario Municipal Board Act* authorizing the municipality to proceed with the work or undertaking with respect to which the debentures are required; and

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(b) the municipality has had the debentures validated by the Ontario Municipal Board under sections 58 to 60 of *The Ontario Municipal Board Act*. R.S.O. 1950, c. 263, s. 9.

Municipal debentures to rank *pari passu*
R.S.O. 1960, c. 335

9. Notwithstanding *The Public Utilities Act*, every debenture of a municipality purchased by the Corporation under the authority of this Act, with respect to payment of principal and interest thereon, ranks *pari passu* with all other debentures of that municipality and the payment of principal and interest thereon. R.S.O. 1950, c. 263, s. 10.

Sale, etc., of municipal debentures purchased by Corporation

10. The Corporation has power, with the approval of the Treasurer of Ontario and subject to the regulations, to sell, hypothecate or otherwise dispose of any debentures purchased by the Corporation under the authority of this Act. R.S.O. 1950, c. 263, s. 11.

11. The books and accounts of the Corporation shall be audited annually by the Provincial Auditor or such other auditor as the Lieutenant Governor in Council may designate and such auditor shall make an annual report of the audit to the Treasurer of Ontario, and the Treasurer shall table the report in the Assembly if it is in session or, if not, at the next ensuing session. R.S.O. 1950, c. 263, s. 12.

12.—(1) The Lieutenant Governor in Council may authorize the Treasurer of Ontario, Sale of Corporation's securities to Province and provincial advances to Corporation authorized

- (a) to purchase any debentures, bills or notes of the Corporation; and
- (b) to make advances to the Corporation in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council may deem expedient.

(2) The moneys required for the purposes of subsection 1 shall be paid out of the Consolidated Revenue Fund. 1957, c. 87, s. 3, *part*. Idem

13.—(1) The Corporation shall not borrow or raise by way of loan any sums of money if, after giving effect to such borrowing or loan, the aggregate principal amount of the outstanding debentures, bills and notes issued by the Corporation, of temporary loans raised by the Corporation and of outstanding advances to the Corporation from the Treasurer of Ontario, would exceed \$150,000,000. Limit of borrowing powers

(2) This section does not apply to moneys borrowed or raised by way of loan for the purposes mentioned in clauses *b* and *c* of subsection 2 of section 3. 1957, c. 87, s. 3, *part*. Application of section

14. The Lieutenant Governor in Council may make regulations governing, Regulations

- (a) the management, control and administration of the affairs of the Corporation;
- (b) the arrangements that the Corporation may make for purchase of debentures of municipalities and the purchase of such debentures;
- (c) the mode in which municipalities may apply to the Corporation for its purchase of their debentures and the forms, records and proofs to be furnished with such applications;
- (d) the conditions to be imposed in regard to the purchase by the Corporation of debentures of municipalities;

- (e) the consideration and granting by the Corporation of applications for its purchase of debentures of municipalities;
- (f) the sale, hypothecation or other disposition by the Corporation of any debentures of municipalities purchased by the Corporation;
- (g) any matter necessary or advisable to carry out effectively the intent and purpose of this Act. R.S.O. 1950, c. 263, s. 13; 1957, c. 87, s. 4.

Administra-
tion of Act

15. The Treasurer of Ontario shall administer this Act and the regulations made under this Act. R.S.O. 1950, c. 263, s. 14.
