

1950

c 263 Ontario Municipal Improvement Corporation Act

Ontario

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Bibliographic Citation

Ontario Municipal Improvement Corporation Act, RSO 1950, c 263

Repository Citation

Ontario (1950) "c 263 Ontario Municipal Improvement Corporation Act," *Ontario: Revised Statutes*: Vol. 1950: Iss. 3, Article 48.

Available at: <http://digitalcommons.osgoode.yorku.ca/rso/vol1950/iss3/48>

CHAPTER 263

The Ontario Municipal Improvement Corporation Act

1.—(1) The Ontario Municipal Improvement Corporation, Corporation continued; objects. constituted on behalf of His Majesty in right of Ontario as a body corporate and politic, without share capital, shall continue as such and shall have 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 389 of *The Municipal Act*; Rev. Stat., c. 243.
- (c) plants and works for the incineration of garbage, refuse and wastes; and
- (d) drainage works under *The Municipal Drainage Act*. Rev. Stat., 1950, c. 50, s. 1 (1), amended. c. 246.

(2) The Ontario Municipal Improvement Corporation, Membership. hereinafter called the Corporation, shall be composed of three members who shall hold office as members during the pleasure of the Lieutenant-Governor in Council and who shall be such officers in the public service of Ontario as the Lieutenant-Governor in Council may from time to time appoint.

(3) The three members for the time being of the Corporation 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. Board of Directors.

(4) Subject to the regulations, the affairs of the Corporation shall be 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 shall have all the powers and perform the duties of the chairman. Management.

(5) 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. Administration. 1950, c. 50, s. 1 (2-5).

Borrowing powers;

2.—(1) To carry out the object for which it is constituted the Corporation shall have power, with the approval of the Lieutenant-Governor in Council and subject to the regulations, to raise from time to time, by way of loan, any sum or sums of money not exceeding in the aggregate \$50,000,000 outstanding at any one time, and such loans may be made in any of the following ways or partly in one and partly in any of the other or others thereof:

debentures;

(a) by the issue and sale of debentures of the Corporation issued in such form and denominations and at such rate of interest and with the principal and interest thereof payable at such periods, times and places as the Lieutenant-Governor in Council deems expedient and as the regulations may provide;

bills and notes;

(b) by the issue and sale of treasury bills or notes of the Corporation issued in such form and denominations and at such rate of interest and with the principal and interest thereof payable at such periods, times and places as the Lieutenant-Governor in Council deems expedient and as the regulations may provide; and

temporary loans.

(c) by temporary loans as the Lieutenant-Governor in Council deems expedient and as the regulations may provide.

Refunding of loans, etc.

(2) Subject to the aggregate sum of \$50,000,000 outstanding at any one time mentioned in subsection 1 not being exceeded, the Corporation shall have power, with the approval of the Lieutenant-Governor in Council and subject to the regulations, to raise from time to time, by way of loan and by any of the ways set forth in subsection 1, any sum or sums of money for any one or more of the following purposes:

(a) payment, retirement, refunding or renewal of the whole or any part of any debentures, bills or notes issued by the Corporation under clause *a* or *b* of subsection 1; and

(b) payment, retirement, refunding or renewal of the whole or any part of any temporary loan made by the Corporation under clause *c* of subsection 1. 1950, c. 50, s. 2.

Debentures to be redeemable before maturity.

3. Every debenture issued by the Corporation shall be expressed to be redeemable, at the option of the Corporation, on any date prior to maturity according to the mode, terms, periods, times and places of redemption approved by the Lieutenant-Governor in Council and as the regulations may provide. 1950, c. 50, s. 3.

4. Every debenture, bill or note issued by the Corporation shall contain a statement in the body thereof that it is issued under the authority of this Act and no debenture, bill or note purporting to be issued by the Corporation shall be valid unless such statement is so contained. 1950, c. 50, s. 4.

Debentures to state source of authorization.

5. Every advertisement for the sale by the Corporation of any of its debentures, bills or notes shall contain a statement that the issue and sale of the debentures, bills or notes are made under the authority of this Act. 1950, c. 50, s. 5.

Advertisements of sale to state source of authorization.

6. 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. 1950, c. 50, s. 6.

Lost debentures.

7.—(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.

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

Form of guaranty.

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

Validity of guaranty.

(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, shall be 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 shall not be open to question on any ground whatsoever. 1950, c. 50, s. 7.

Guaranteed debentures, etc., to be indefeasible.

8. Notwithstanding anything in any other Act, debentures issued by the Corporation shall be at all times a lawful investment for municipal, school and trust funds. 1950, c. 50, s. 8.

Trustees, etc., investments in debentures.

9.—(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 1.

Purchase of municipal debentures.

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

Approval and validation required.

(a) the Ontario Municipal Board has issued its order pursuant to section 67 of *The Ontario Municipal*

Rev. Stat., c. 262.

Board Act authorizing the municipality to proceed with the work or undertaking with respect to which the debentures are required; and

- (b) the municipality has had the debentures validated by the Ontario Municipal Board under sections 61 to 63 of *The Ontario Municipal Board Act*. 1950, c. 50, s. 9.

Municipal debentures to rank *pari passu*. Rev. Stat., c. 320.

10. Notwithstanding *The Public Utilities Act*, every debenture of a municipality purchased by the Corporation under the authority of this Act shall with respect to payment of principal and interest thereon rank *pari passu* with all other debentures of that municipality and the payment of principal and interest thereon. 1950, c. 50, s. 10.

Sale, etc., of municipal debentures purchased by Corporation.

11. The Corporation shall have 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. 1950, c. 50, s. 11.

Audit.

12. 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 it is not, then at the next ensuing session. 1950, c. 50, s. 12.

Regulations.

13. The Lieutenant-Governor in Council may make regulations governing,

- (a) the management, control and administration of the affairs of the Corporation;
- (b) the issue and sale of debentures, bills or notes and the making of temporary loans by the Corporation;
- (c) the payment, retirement, refunding or renewal of debentures, bills or notes issued and loans made by the Corporation;
- (d) the redemption before maturity of any debentures issued by the Corporation;
- (e) the registration of debentures issued by the Corporation and the keeping of debenture registers in connection therewith;
- (f) the guarantee of payment by the Province of any debentures, bills or notes issued and loans made by

- the Corporation, and the form and manner of execution of any guaranty of payment;
- (g) the arrangements which the Corporation may make for purchase of debentures of municipalities and the purchase of such debentures;
 - (h) 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;
 - (i) the conditions to be imposed in regard to the purchase by the Corporation of debentures of municipalities;
 - (j) the consideration and granting by the Corporation of applications for its purchase of debentures of municipalities;
 - (k) the sale, hypothecation or other disposition by the Corporation of any debentures of municipalities purchased by the Corporation;
 - (l) any other matter necessary or advisable to carry out effectively the intent and purpose of this Act. 1950, c. 50, s. 13.

14. The Treasurer of Ontario shall administer this Act and the regulations made under this Act. 1950, c. 50, s. 14. ^{Administration of Act.}
