The Municipal Amendment Act, 1970 (No. 3)
CHAPTER 86

An Act to amend The Municipal Act

Assented to November 13th, 1970
Session Prorogued November 13th, 1970

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

1. Section 282 of The Municipal Act, as amended by R.S.O. 1960, c. 249, s. 282, section 9 of The Municipal Amendment Act, 1960-61, is amended further amended by adding thereto the following subsections:

(3a) Notwithstanding subsection 3, a local municipality having a population of not less than 20,000 as determined under The Municipal Unconditional Grants Act may by by-law, without the assent of the electors,

(a) authorize the borrowing of money by the issue of instalment debentures the last instalment of which shall mature not earlier than ten years after the date upon which they are issued and a specified sum of principal payable thereunder in the final year shall be raised by the issue of refunding debentures as provided in clause b, and it shall not be necessary to raise by special rate in the year of maturity of the debentures to be refunded an amount equal to the specified principal amount of the debentures which are being refunded; and

(b) authorize the issue of debentures to refund at maturity outstanding debentures of the municipality, provided that the refunding debentures shall be payable within the maximum period of years that was approved by the order of the Municipal Board for the repayment of debentures issued for the debt for which the outstanding debentures were issued, commencing on the date of the debentures originally issued for such debt, and
and any such by-law shall provide that the sums of principal and interest payable under the by-law shall be raised by a rate or rates imposed on such persons or property as may be specified in the by-law and such rate or rates shall be levied upon the same persons or property in each case.

(14) On request of the owner of any debenture issued by a local municipality having a population of not less than 20,000 as determined under The Municipal Unconditional Grants Act, the treasurer of the municipality may issue and deliver to such owner a new debenture or debentures in exchange therefor, for the same aggregate principal amount, bearing the same rate of interest and maturing on the same date as the debenture so exchanged and bearing all unmatured interest obligations, and the new debenture or debentures shall be deemed to be issued under the same by-law as the debentures so exchanged.

(15) Any new debenture mentioned in subsection 14 may be registered as to both principal and interest with provision for payment of interest by cheque, or may be payable to bearer with provision for registration as to principal only and have coupons attached for the payment of interest but in all other respects shall be of the same force and effect as the debenture surrendered for exchange.

(16) All debentures surrendered for exchange under subsection 14 shall be cancelled and destroyed in the presence of the treasurer and some other person designated for the purpose by by-law or resolution of the council of the municipality and they shall certify in the Debenture Registry Book that the debentures have been cancelled and destroyed and enter therein particulars of any new debentures issued in exchange.

(17) A money by-law may provide for exchanges of debentures as provided for in subsection 14 on such terms and conditions as to notice or otherwise as the by-law may provide.

R.S.O. 1960, c. 249, amended

2. The Municipal Act is amended by adding thereto the following section:
282a. Notwithstanding any other provision in this Act, a money by-law of a local municipality having a population of not less than 20,000 as determined under The Municipal Unconditional Grants Act may provide that all or a portion of the debentures to be issued thereunder shall be payable on a fixed date, subject to the obligation of the municipality to redeem by lot annually on each anniversary of the date of such debentures a specified principal amount of such debentures upon payment by the municipality of such principal amount plus accrued interest to the date of redemption and upon giving notice as provided in this section;

(b) the principal amount of every debenture that is called for redemption shall become due and payable on the date set for the redemption thereof and, after such date, interest ceases to accrue thereon where provision is duly made by the municipality for the payment of the principal amount thereof;

(c) the debentures to be redeemed on each anniversary of the date of such debentures shall be selected by lot by the treasurer of the municipality at a public meeting of the council and when redeemed shall be cancelled and shall not be reissued, provided always that the principal amount of the debentures to be redeemed in any year may be reduced by the principal amount of any debentures purchased by the municipality, at a price or prices not exceeding the principal amount thereof, and surrendered for cancellation on the date fixed for redemption;

(d) notice of intention to redeem any debenture shall be sent by prepaid mail at least thirty days prior to the date set for such redemption to the person, if any, in whose name the debenture may be registered at the address shown in the Debenture Registry Book;

(e) notice of intention to redeem any debenture shall be published at least thirty days prior to the date set for such redemption in such manner as the by-law may provide;

(f) where only a portion of the debentures issued under a by-law is payable on a fixed date, the obligation
obligation of the municipality to redeem by lot annually a specified principal amount of such debentures does not apply in any year in which an installment of principal of the remaining debentures issued under such by-law becomes due and payable; and

(g) the aggregate amounts of principal and interest, or the amounts of principal, payable in each year during the currency of debentures issued under this section shall be approximately equal.

3. Section 284 of The Municipal Act is repealed and the following substituted therefor:

284.—(1) Notwithstanding section 282 and subject to the approval of the Department, a local municipality having a population of not less than 20,000 as determined under The Municipal Unconditional Grants Act may provide in any money by-law for the issuing of debentures that the principal shall be made payable on a fixed date with interest payable annually or semi-annually, in which case the debentures issued under the by-law shall be known as sinking fund debentures.

(2) The by-law shall provide for the raising in each year during the currency of the debentures, by a special rate on all the rateable property in the municipality, of

(a) a specific amount, sufficient to pay the interest on the debentures; and

(b) a specific amount for the sinking fund which, with interest at a rate not to exceed 5 per cent per annum, compounded yearly, will be sufficient to pay the principal of the debentures at maturity,

to the extent that such sums have not been provided for by any special rate or rates imposed on persons or property made especially liable therefor by the by-law or by any other by-law or by-laws passed by the municipality or any other municipality in accordance with any general or special Act.

(3) Every money by-law passed under this section shall provide that the municipality shall, under the terms of an agreement approved by the Department, deposit with a chartered bank or a trust company

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that is registered under The Loan and Trust Corporations Act the annual amount to be raised under clause (b) of subsection 2 and such amount shall be so deposited on or before the anniversary date in each year of the currency of the debentures.

(4) The bank or trust company shall receive all specific amounts raised for sinking fund purposes and the income from all the investments of the sinking fund and shall from time to time invest the money so received and may vary any investment.

(5) The bank or trust company may invest,

(a) in securities in which a trustee may invest under the provisions of The Trustee Act;

(b) in securities issued by the United States of America;

(c) in such other securities as are authorized by the Lieutenant Governor in Council;

(d) in the debentures to the payment of which the sinking fund is applicable; and

(e) with the approval of the Department, not more than 25 per cent of the total sinking fund at any one time in other debentures of the municipality,

provided that the securities in which the sinking fund or any part thereof is invested shall mature or be redeemable at the option of the holder not later than the maturity date of the debentures to the payment of which the sinking fund is applicable.

(6) The bank or trust company shall, not later than the 31st day of January in each year, submit to the Department and to the auditor of the municipality a financial statement of the sinking fund at the close of the previous calendar year and such statement shall contain a list of the investments held in the sinking fund.

(7) When, at the 31st day of December in any year, there is a balance in the sinking fund in excess of the amount then required for the retirement of the sinking fund debentures as certified by the auditor, such balance or part thereof shall, upon the written request of the municipality, be applied by
Deficiency in sinking fund

(8) When, at the 31st day of December in any year, the amount of a sinking fund is less than the amount then required for the retirement of the sinking fund debentures as certified by the auditor, the municipality shall pay to the bank or trust company an amount sufficient to make up the deficiency in the sinking fund.

Disposition of sinking fund at maturity of debentures

(9) At the maturity of the debentures for which the sinking fund was established, the bank or trust company shall pay to the treasurer of the municipality the amount accumulated in the sinking fund.

R.S.O. 1969, c. 249, s. 285, subsection 3, re-enacted

Approval of Department

4. Subsection 3 of section 285 of The Municipal Act is repealed and the following substituted therefor:

Debentures payable in foreign currency

(3) No by-law for the borrowing and raising of money by the issue of debentures expressed and payable in the currency of Great Britain or of the United States of America shall be passed until approved by the Department.

R.S.O. 1960, c. 259

(4) Notwithstanding any other provision of this Act or any other Act, and in addition to all other types of debentures authorized to be issued under this Act, a local municipality having a population of not less than 75,000 as determined under The Municipal Unconditional Grants Act may by by-law, without the assent of the electors but subject to the prior approval of the Lieutenant Governor in Council, authorize the borrowing of money by the issue of debentures payable as to principal and interest and redemption premium, if any, in a currency other than that of Canada, the United States of America or Great Britain as the council of the municipality considers expedient.

R.S.O. 1960, c. 249, Pt. XII, amended

5. Part XII of The Municipal Act is amended by adding thereto the following section:

Regulations

293a. The Lieutenant Governor in Council may make such regulations as he considers necessary for carrying out the purposes of this Part.
6. Sections 313, 314, 315 and 316 of The Municipal Act are repealed.

7. Section 323 of The Municipal Act is amended by adding thereto the following subsections:

(4) A debenture may be registered as to both principal and interest in which case the interest thereon shall be paid by cheque and the debenture may be referred to as a fully registered debenture.

(5) Where debentures are payable in a currency other than that of Canada, the council may provide that the Debenture Registry Book of the corporation in respect of such debentures be maintained outside Canada by a corporation or person other than the treasurer and may make such other provisions for the registration and transfer of such debentures as the council may deem appropriate.

8. This Act comes into force on the day it receives Royal Assent.

9. This Act may be cited as The Municipal Amendment Act, 1970 (No. 3).