
MUNICIPAL FINANCE AUTHORITY ACT

CHAPTER 325

Contents

Section

- 1 Definitions
- 2 Authority continued
- 3 Objects of the authority
- 4 Meetings
- 5 Head office
- 6 Treasurer and secretary
- 7 Board of Trustees
- 8 General financing transaction powers
- 9 Request for financing
- 10 Issue of securities
- 11 Interim financing
- 12 Application of sections of the *Municipal Act*
- 13 Foreign registration
- 14 Sinking funds
- 15 Debt reserve fund
- 16 Short term pooled investment funds
- 17 Operating fund
- 18 Variable tax rate system
- 19 Rates
- 20 Remuneration
- 21 Authority is a municipality for certain purposes
- 22 Notice by municipality
- 23 Restriction on security issuing bylaw by municipality
- 24 Restriction on security issuing bylaw by regional district
- 25 Notice of intention
- 26 Agreements
- 27 Obligations of regional districts
- 28 Application of other Acts
- 29 Power to make regulations

Definitions

1 In this Act:

“**authority**” means the Municipal Finance Authority of British Columbia continued under section 2;

“**collector**” means the collector of each municipality or the Surveyor of Taxes;

“**loan authorization bylaw**” means a loan authorization bylaw under the *Municipal Act*;

“municipality” means municipality as defined in the *Municipal Act* and includes the City of Vancouver, but does not include a regional hospital district or a school district;

“pooled investment fund” means a fund established under section 16, in which money received by the authority from regional districts and municipalities may be combined in common for the purpose of investment in the manner and to the extent referred to in that section and in agreements made under section 16 (1);

“population” means population as defined in the *Municipal Act*;

“public institution” means

- (a) a municipality or regional district,
- (b) a hospital under Part 1 of the *Hospital Act*,
- (c) a regional hospital district under the *Hospital District Act*,
- (d) a board of school trustees under the *School Act*,
- (e) a university under the *University Act*,
- (f) an institution under the *College and Institute Act*,
- (g) the British Columbia Institute of Technology under the *Institute of Technology Act*, and
- (h) the Open Learning Agency under the *Open Learning Agency Act*;

“regional district” means a regional district incorporated under Part 24 of the *Municipal Act*, but does not include a regional hospital district or a school district; but does include, except for the purposes of sections 2 and 7, the Greater Nanaimo Water District, the Greater Vancouver Water District, the Greater Vancouver Sewerage and Drainage District and the Greater Victoria Water District, if a notice of intention has been given under section 25;

“securities” means bonds, debentures, deposit certificates, promissory notes or other evidences of indebtedness;

“trustees” means the Board of Trustees constituted under section 7.

Authority continued

- 2 (1) The Municipal Finance Authority of British Columbia is continued as a corporation without share capital.
- (2) The members of the corporation are the persons appointed by the regional boards of each regional district in accordance with this section.
- (3) The number of votes to which a regional district is entitled is that number obtained by dividing the population of the regional district by 50 000, except that if the resulting quotient is not an integer the number of votes is the next highest integer.

-
- (4) The number of members to which a regional district is entitled is that number obtained by dividing the number of votes to which a regional district is entitled under subsection (3) by 5, except that if the resulting quotient is not an integer the number of members is the next highest integer.
 - (5) No member has more than 5 votes.
 - (6) The votes to which a regional district is entitled are to be distributed as evenly as possible among its members.
 - (7) The regional board must notify the secretary of the authority of the number of votes assigned to each member.
 - (8) When voting, a member may cast the votes assigned to the member only in a bloc.
 - (9) Not later than the last day of February in each year, the regional board of each regional district must appoint from among its directors the required number of persons as members of the authority for that year or until a successor is appointed.
 - (10) The regional board of each regional district may appoint from among its directors, persons to act as alternate members, who are to take the place of, and have the vote of, a specified member of the authority in the case of a necessary absence from a meeting of the authority.
 - (11) An alternate member may not vote on a matter, unless notice of the members appointment is filed with the secretary of the authority.

Objects of the authority

- 3 The objects of the authority are to do the following:
 - (a) provide financing of capital requirements for regional districts and for their member municipalities by the issue of its securities and lending the proceeds from them to the regional district on whose request the financing is undertaken;
 - (b) provide interim financing for public institutions for the purposes referred to in section 11;
 - (c) provide short term investment opportunities for public institutions by the establishment and operation of pooled investment funds under section 16.

Meetings

- 4
 - (1) At its first meeting, to be held not later than March 31 in each year, the members of the authority must elect one of their number as chair to hold office until a successor is elected and for this purpose each member has one vote.
 - (2) Subject to subsection (1), the members of the authority must meet at the times and places determined by the chair, but any 6 members of the authority may, at any time, by notice in writing directed to the chair, require a meeting to be called.
 - (3) A majority of the members, having among them a majority of the votes, constitute a quorum for the transaction of business.

Section 5

- (4) Except as otherwise provided, all bylaws and resolutions of the authority must be decided by a majority of the votes of the members who are at the meeting and entitled to vote on them.
- (5) A vacancy in the membership does not impair the power of the remaining members to act.

Head office

- 5 The head office of the authority is to be in the City of Victoria.

Treasurer and secretary

- 6 (1) The authority must appoint a treasurer and a secretary, who may be the same person.
- (2) Sections 239 and 240 of the *Municipal Act* apply to the secretary and treasurer respectively.

Board of Trustees

- 7 (1) The executive and administrative powers and duties of the authority are to be exercised and performed by a Board of Trustees, consisting of the chair of the authority and 9 other members of the authority, so that the trustees are
 - (a) 4 members of the authority representing the Greater Vancouver Regional District,
 - (b) one member of the authority representing the Capital Regional District, and
 - (c) 5 members of the authority from among the members representing the remaining regional districts.
- (2) At its first meeting in each year, the authority must elect the required number of trustees to hold office for that year or until their successors are elected.
- (3) Six trustees constitute a quorum for the transaction of business.
- (4) The chair of the authority is the chair of the trustees.
- (5) Subject to the provisions of a procedure bylaw adopted by the authority, the trustees must meet at the times and places determined by the chair.
- (6) Each trustee has one vote on all questions.
- (7) All questions must be decided by a majority vote of the trustees present at a meeting and entitled to vote on the question.
- (8) A resolution that is approved in writing or by telex, telegraph, telephone or other similar means of communication confirmed in writing or other graphic communication, by a majority of the trustees is as valid as if it were passed at a meeting of the trustees properly called and constituted.
- (9) The trustees may engage employees, other than the secretary and the treasurer, required to carry out the purposes of the authority.

- (10) The trustees must prepare an annual operating budget for the approval of the authority.
- (11) Without limiting subsection (1), the powers of the authority under sections 10 to 16 must be exercised by the trustees.

General financing transaction powers

- 8 (1) Securities and interest coupons held or issued by the authority under this Act may be held in trust for the authority.
- (2) Without limiting subsection (1), securities and interest coupons may be held by a depository agency in a book-based system for the central handling of securities and interest coupons that provides for the transfer of the securities by bookkeeping entry without physical delivery of the securities or interest coupons.
- (3) For any purpose under this Act, the authority may lend securities and interest coupons held by it if the loan is fully secured by cash or securities satisfactory to the trustees.
- (4) For any purpose under this Act, the authority may borrow or invest in interest rate or currency exchange swap transactions in the currency of the United States of America.

Request for financing

- 9 The authority must review the outstanding requests for financing, and in consideration of the relevant market and economic conditions, may authorize the issue and sale of securities to raise a specified amount in the manner determined by the trustees.

Issue of securities

- 10 (1) For the purposes of this Act, the trustees may
 - (a) borrow amounts of money authorized by the authority under section 9, and
 - (b) issue securities of the authority bearing interest at the rate and payable as to principal and interest at the time, and the place, and in the currency of the countries the trustees may determine.
- (2) The securities may be made redeemable in advance of maturity at the time, and at the price the trustees may determine in the resolution authorizing their issue.
- (3) For the purposes of this Act, and without limiting the generality of it, the trustees may provide for the following:
 - (a) payment, refunding or renewal of all or any part of any securities issued by the authority;
 - (b) payment of any other liability or indebtedness of the authority;
 - (c) the issue of securities in amounts sufficient to realize the amount of any securities called in and paid before maturity for a term not longer than the remainder of the term of the securities called in and paid;

Section 10

- (d) the appointment of one or more registrars or transfer agents to perform services in respect of the registration and transfer of any securities of the authority;
 - (e) the inscription, registration, transfer, management and redemption of securities;
 - (f) the reissue or reinstatement of, or otherwise dealing with, lost, stolen, destroyed, damaged, defaced or mutilated securities or interest coupons, and for their payment;
 - (g) the examination, cancellation or destruction of securities and interest coupons that have been redeemed;
 - (h) the custody and protection of securities and of materials used in their production.
- (4) The trustees may issue securities of the authority, in the principal amounts that, after payment of any discount and the costs of issue and sale, will realize the net amounts authorized by the authority under section 9.
 - (5) The recital or declaration in the resolution of the trustees authorizing the issue of securities to the effect that it is necessary to issue securities in the principal amount so authorized to realize the net amount, is conclusive evidence of that fact.
 - (6) The trustees may sell securities either at their par value or at less or more than their par value, and the purchaser is not bound to see to the application of the proceeds of a sale.
 - (7) The securities and the interest coupons, if any, attached to them are to be in the form and are to be exchangeable for other securities of the same issue on any terms and conditions the trustees may determine.
 - (8) The securities and interest coupons of the authority must be signed by the chair or by a person or persons designated by the trustees and countersigned by the treasurer or by a person or persons designated by the trustees.
 - (9) The securities of the authority must be sealed with the seal of the authority.
 - (10) The engraved, lithographed or printed signature of a person required to execute a security or interest coupon under subsection (8) is for all purposes the signature of that person and is binding on the authority even if the person whose signature is reproduced may not have held office at the date of the securities or interest coupons or at their date of delivery.
 - (11) The seal of the authority may be stamped, engraved, lithographed or printed or may be in other facsimile form and if so reproduced has the same effect as if manually sealed.
 - (12) At the request of a municipality, the trustees may allot a specified amount of any issue of securities of the authority to that municipality on its written undertaking to sell that amount by public subscription only.

- (13) The securities allotted under subsection (12) may be subtitled with the name of that municipality.
- (14) The municipality must account to the authority for money realized by the sale.
- (15) The trustees may delegate their powers under this section to a committee of one or more trustees and officers, subject to the limitations the trustees may impose.

Interim financing

- 11 (1) The authority may enter into agreements with a public institution under which the authority provides financing for one or more of the following purposes, as applicable to the public institution:
 - (a) temporary financing of capital projects under section 460 or 834 of the *Municipal Act*;
 - (b) financing of short term debts for purposes of a capital nature under section 454 or 830 of the *Municipal Act*;
 - (c) borrowing in anticipation of the receipt of tax revenues under section 453 or 829 of the *Municipal Act*;
 - (d) borrowing by way of temporary loan to meet current operating expenditures under section 31 of the *Hospital District Act*;
 - (e) borrowing in anticipation of the receipt of current revenues under the *Hospital Insurance Act*;
 - (f) borrowing to meet current operating expenses under section 139 (1) of the *School Act*;
 - (g) borrowing in anticipation of the receipt of current revenues under section 31 (1) of the *University Act*;
 - (h) borrowing in anticipation of the receipt of current revenues under section 33 (1) of the *College and Institute Act*;
 - (i) borrowing in anticipation of the receipt of current revenues under section 32 (1) of the *Institute of Technology Act*;
 - (j) borrowing in anticipation of the receipt of current revenues under section 13 (1) of the *Open Learning Agency Act*.
- (2) For the purposes of subsection (1), the trustees may borrow money and may issue securities of the authority.
- (3) Section 10 applies, but section 9, 14, 15 and 26 do not apply, to financing agreements made and securities issued under this section.
- (4) Securities issued for the purposes of this section must be payable on or before 5 years from their date of issue.

Application of sections of the *Municipal Act*

- 12 Sections 467, 469, 470 (3) and 1022 to 1025 of the *Municipal Act* apply to securities issued by the authority.

Foreign registration

- 13 The trustees may provide for registration or recognition of the authority in a foreign country or place, and may designate persons there, according to the laws of the foreign country or place, to represent the authority and to accept service for and on behalf of the authority of a proceeding.

Sinking funds

- 14 (1) Subject to this section, the authority has the power
- (a) to provide for the creation, management and application of sinking funds or other means of securing the repayment of securities issued by the authority, including the redemption by call of securities issued subject to redemption in advance of maturity, and
 - (b) subject to approval by the inspector of municipalities, if the amount of money in a sinking fund for which securities are outstanding together with anticipated interest earnings for that fund is greater than the amount anticipated to be required to repay the debt or discharge the obligation, to declare that there is an anticipated surplus in the fund of a specified amount.
- (2) A separate account must be maintained for each sinking fund security issue of the authority.
- (3) Money at the credit of the sinking fund that cannot be immediately applied toward paying the debt or discharging the obligation because no part of the debt or obligation is yet payable may be invested or reinvested by the trustees in any of the following:
- (a) securities of the government of Canada or a province of Canada;
 - (b) securities, the principal and interest of which is guaranteed by the government of Canada or a province of Canada;
 - (c) securities of a municipality or regional district in British Columbia, or of a local, municipal or regional government in another province of Canada, maturing not later than the securities, the repayment for which the sinking fund was created;
 - (d) investments guaranteed by a chartered bank;
 - (e) deposits in a savings institution, or non-equity or membership shares of a credit union.
- (4) For the purposes of subsection (3), all the securities, deposits, shares or evidences of indebtedness must be held to the credit of the sinking fund account, together with any interest, premium or exchange derived from them.
- (5) If more than one sinking fund account is involved, the securities and the interest, premium or exchange derived from them must be allocated in proportion to the money of the accounts used for the purchase.

- (6) Instead of investing money to the credit of the sinking fund in accordance with subsection (3) and (4), the trustees may apply any of the money standing to the credit of the sinking fund to the purchase of securities of the authority maturing not later than the securities for which the sinking fund account was created.
- (7) Securities purchased under subsection (6), together with interest, premium or exchange derived from them, must be held to the credit of that sinking fund account.
- (8) The trustees may resell securities purchased under subsection (6).
- (9) If the trustees consider it advantageous to the authority, they may, in advance of payments that become due under agreements with regional districts, borrow temporarily to purchase securities of the authority.
- (10) The trustees may delegate their powers under subsections (6) and (9) to a committee of one or more of the trustees and officers, subject to the limitations the trustees may impose.
- (11) If, after all the securities of a sinking fund issue have been repaid, there remains a surplus in the sinking fund account,
 - (a) the surplus must be paid over to the regional districts for which financing was undertaken by that issue, in proportion to the amount of participation of each regional district in the issue, and
 - (b) the regional district must distribute the payment it receives among the regional district and member municipalities that shared in the issue.
- (12) If there is, at any time, standing to the credit of the sinking fund account of a debt of the authority a surplus over the amount required to be in that account in accordance with the provisions of the bylaw or resolution under which the debt is created, the trustees may
 - (a) with the approval of the inspector of municipalities, provide for the application of the surplus or part of it to the payment of the amount required for the sinking fund in the succeeding year, and
 - (b) waive the equivalent amount of the principal repayment due to the authority for that year under the agreements with the regional districts relating to the debt.
- (13) If the authority declares that there is an anticipated surplus in a sinking fund under subsection (1) (b), the trustees may, with the approval of the inspector of municipalities, make any provision for the application of the anticipated surplus including, without limitation, that the surplus or a portion of the surplus must be paid or credited to the regional districts for which financing was undertaken by that sinking fund issue in proportions that take into account the following:
 - (a) the participation of each regional district in the issue;
 - (b) the term for which each regional district and its member municipalities participated in the issue;

Section 15

- (c) the amount that each regional district and its member municipalities paid into the sinking fund;
 - (d) any reinvestment factor that may properly be applied.
- (14) If a regional district receives payment or credit under subsection (11) or (13), it must distribute that payment or credit in accordance with any written directions as to proportions for distribution that the trustees may make.
- (15) If there is at any time at the credit of the sinking fund account of a debt of the authority an amount less than the amount required in the account in accordance with the provisions of the bylaw or resolution under which the debt is created, the trustees may, despite the terms of the agreements with the regional districts relating to the debt and despite any payment or credit made under subsection (13), require the regional districts to pay over to the authority the amount of the deficit in proportion to the amount that each regional district shared in the proceeds of the debt.
- (16) Section 491 of the *Municipal Act* applies to the authority.

Debt reserve fund

- 15**
- (1) The authority must establish a debt reserve fund in accordance with this section.
 - (2) Each regional district sharing in the proceeds of a security issue of the authority must pay over to the authority to repay the obligations to the authority under that security issue an amount equal to
 - (a) 1/2 the average annual installment of principal and interest in respect of its own borrowing under section 833 of the *Municipal Act*, and
 - (b) 1/2 the average annual installment of principal and interest as set out in the agreements entered into with, or securities issued to, the regional district by member municipalities with respect to financing under section 835 of the *Municipal Act*.
 - (3) Despite this Act, the amount required to be paid by each regional district under subsection (2) may be paid to the authority on the following basis:
 - (a) each regional district must, on receiving the net proceeds of the borrowing, pay an amount equal to 1% of the total principal amount borrowed;
 - (b) each regional district must, without further requirement of bylaw or resolution, secure the balance of its liability to the debt reserve fund under this section by issuing to the authority a non-interest bearing demand note for the balance under the seal of the regional district, bearing the signature of the chair and countersigned by the treasurer or other person the regional board, by resolution, may designate;
 - (c) a member municipality of the regional district must, without further requirement of bylaw or resolution, secure the balance of its liability to the regional district by issuing to the regional district a non-interest bearing

demand note for the balance under the seal of the municipality, bearing the signature of the mayor and the treasurer, or other person the council, by resolution, may designate.

- (4) If an amount required under subsection (2) has not been paid over to the authority at the dates of the settlement of the proceeds of a security issue, the authority must deduct the amounts required for the debt reserve fund from the proceeds.
 - (5) The trustees must hold that money to the credit of the debt reserve fund, and money held to the credit of that fund may be
 - (a) invested or reinvested in securities of the government of Canada or a province of Canada,
 - (b) invested or reinvested in securities, the principle and interest of which is guaranteed by the government of Canada or a province of Canada,
 - (c) deposited in, or invested or reinvested in investments guaranteed by, a chartered bank, or
 - (d) deposited in a savings institution or invested in non-equity or membership shares of a credit union.
 - (6) For the purposes of subsection (5) the securities, deposits, shares or other evidences of indebtedness must mature or be callable within 5 years, and at least 25% of the amount to the credit of the fund must be callable within 90 days.
 - (7) Money paid to the authority, under subsection (2), and interest received on it by the authority, are obligations of the authority to the regional district paying the money, and must
 - (a) be repaid to the regional district when the regional district has repaid the final installment, or
 - (b) be applied to the final installments.
 - (8) Any funds in excess of the requirements under subsection (2) that are an obligation of the authority under subsection (7) may, during the term of the issue,
 - (a) be applied to the debt reserve fund requirements of the regional district for future issues,
 - (b) be applied at the discretion of the trustees to reduce the current annual requirements of a regional district as designated in the agreements between the authority and the regional districts, or
 - (c) be applied to reduce requirements under section 27 (3).
 - (9) Despite subsections (7) and (8), if a municipality has discharged its obligation to a regional district with respect to a security issue, the authority may, during the term of the issue, repay to the regional district for the credit of the municipality a portion of the money that is an obligation to the regional district under subsections (7) and (8), and the money paid must be applied to reduce that obligation.
-

Section 16

- (10) If, at any time, the authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligation, the payments or sinking fund contributions must be made from the debt reserve fund.
- (11) The trustees, in the name of the authority, by resolution,
- (a) may, if they are of opinion that the payments made from the fund under subsection (10) may not be recovered under the terms of the loan agreements within a reasonable period, levy or impose on all taxable land and improvements in British Columbia rates sufficient to restore the fund to a level not greater than the amount that would have been in the fund had no payments been made, and
 - (b) must impose the rates if the balance in the fund is less than 50% of the amount that would have been in the fund had no payments been made.
- (12) This section does not apply to issues of the authority having a term of 2 years or less, and, if at any time the authority does not have sufficient funds to meet payments or sinking fund contributions due on those short term obligations, the trustees, in the name of the authority, by resolution, must levy or impose on all taxable land and improvements in British Columbia rates sufficient to meet the payments or sinking fund contributions.
- (13) If, after a levy under this section, all or part of the deficiency is recovered from the delinquent regional district, any money not required to maintain the debt reserve fund must be transferred to the operating fund established under section 17.

Short term pooled investment funds

- 16** (1) The authority may enter into an agreement with a public institution under which, on the terms and conditions established in the agreement, the authority, in its own name or otherwise, holds and invests money received from the public institution for the purpose of investment in pooled investment funds as permitted for the public institution.
- (2) The authority has the power to provide for the creation and management of pooled investment funds for the purposes of subsection (1).
- (3) The trustees may invest money received for investment in a pooled investment fund in any of the following:
- (a) securities that are obligations of or are guaranteed by Canada, a province, or the United States of America;
 - (b) fixed deposits, notes, certificates and other short term paper of or guaranteed by a savings institution, including swapped deposit transactions in the currency of the United States of America;
 - (c) securities issued by the authority, a municipality or regional district in British Columbia, or by a local, municipal or regional government in another province;

- (d) commercial paper issued by a company incorporated under the laws of Canada or of a province, the securities of which are rated in the highest rating category by at least 2 recognized security rating institutions;
 - (e) any of the classes of investments permitted under section 15 of the *Trustee Act*;
 - (f) despite the provisions of the *Financial Administration Act*, pooled investment portfolios established under that Act.
- (4) If money is to be invested in a pooled investment portfolio under subsection (3) (f), the Minister of Finance and Corporate Relations may enter into agreements with the authority to sell units of participation in a portfolio to the authority.
- (5) At the first meeting of the authority in each year, the trustees must present a report respecting the previous year to the authority, stating all of the following:
- (a) the pooled investment funds established;
 - (b) the public institutions investing in each fund;
 - (c) the volume of investments made in respect of each fund.
- (6) The trustees may delegate to a committee of one or more of its trustees and officers its powers under this section, subject to the limitations the trustees may impose.

Operating fund

- 17** The authority must establish an operating fund to meet the annual operating budget of the authority, and for this purpose may, in any year, impose rates not higher than the prescribed rates of all taxable land and improvements in British Columbia.

Variable tax rate system

- 18** (1) In this section:
- “**property class**” means a class of property prescribed by the Lieutenant Governor in Council under section 19 of the *Assessment Act*;
 - “**variable tax rate system**” means a system under which individual tax rates are determined and imposed for each property class.
- (2) If the authority imposes rates under section 17, it must adopt a variable tax rate system.
- (3) The Lieutenant Governor in Council may make regulations in respect of the variable tax rate system as follows:
- (a) prescribing limits on tax rates;
 - (b) prescribing relationships between tax rates;
 - (c) prescribing formulas for calculating the limits or relationships referred to in paragraphs (a) and (b);

- (d) allowing the Inspector of Municipalities under prescribed circumstances to vary, by order, the limits, relationships or formulas established under paragraph (a), (b) or (c).

Rates

- 19** (1) The rates authorized by sections 15 and 17 must be levied on the net taxable value of land and improvements on the basis provided by section 26 of the *Hospital District Act*.
- (2) The secretary must forward to the collector of every municipality in British Columbia and to the Surveyor of Taxes a certified copy of the resolution or bylaw imposing the rates.
- (3) On receiving a copy of the resolution or bylaw, the collector must cause the rates so levied to be placed on the collectors roll.
- (4) The proceeds of the rates must be paid over to the authority by the municipality or the Minister of Finance and Corporate Relations, as the case may be, by August 1 in the year the rates were levied.
- (5) Until the proceeds of the rates are received, the trustees may borrow an equivalent amount, which must be repaid from the proceeds of the rates.

Remuneration

- 20** (1) The authority may provide for the payment of remuneration to the members and for the payment of additional remuneration to the chair and to the trustees.
- (2) Any member is entitled to be reimbursed for reasonable expenses incurred by the member in connection with attending meetings of the authority or of the trustees or engaging in the business of the authority specifically authorized by the trustees.

Authority is a municipality for certain purposes

- 21** For the purposes of the *Municipal Finance Authority Act* and the objects of the Municipal Finance Authority of British Columbia, the authority is a municipality.

Notice by municipality

- 22** (1) Not later than July 2, 1970, the council of a municipality may notify the inspector of municipalities, in writing, that the municipality does not intend to finance its water, sewer and pollution control and abatement facilities through the authority.
- (2) If notice is given under subsection (1), the municipality is not eligible to finance the works either through the authority or the regional district of which it is a member.

Restriction on security issuing bylaw by municipality

- 23** (1) Despite the *Municipal Act*, and except if notice has been given by the council under section 22, the council of a municipality must not adopt a security issuing

bylaw under section 461 of that Act under a loan authorization bylaw adopted after April 3, 1970, unless the financing is to be undertaken through the authority.

- (2) Subsection (1) applies to the City of Vancouver as well as to a municipality.

Restriction on security issuing bylaw by regional district

- 24** (1) After April 3, 1970 and despite the *Municipal Act*, the regional board of a regional district must not adopt
- (a) a loan authorization bylaw under section 831 of that Act, or
 - (b) a security issuing bylaw under section 835 of that Act on behalf of a member municipality.
- (2) Subsection (1) does not apply if the financing is to be undertaken by the authority under an agreement under section 26.

Notice of intention

- 25** Despite section 22, the City of Vancouver, the Greater Nanaimo Water District, the Greater Vancouver Water District, the Greater Vancouver Sewerage and Drainage District or the Greater Victoria Water District may notify in writing the authority and the inspector of municipalities that, on and after a date specified in the notice, it intends to finance its capital requirements through the authority, and after that sections 23 and 24 apply.

Agreements

- 26** (1) If the authority is to finance on behalf of a regional district and its member municipalities, the security issuing bylaw of the regional district under section 833 or 835 of the *Municipal Act* may provide that the chair and treasurer of the regional district, on behalf of the regional district, are to enter into an agreement with the authority providing for the payment by the regional district to the authority of the amounts required to meet the obligations of the authority with respect to its borrowing.
- (2) An agreement under subsection (1) ranks as a debenture debt of the regional district and must set out
- (a) the schedule of repayment of the principal amount provided for in the security issuing bylaw, and
 - (b) the interest to be paid on unpaid amounts.
- (3) An agreement under this section may provide that if the debt, and all securities issued for it, are called in, either at the option of the trustees or the holders, in accordance with the terms of the security and paid at any time before maturity on the terms and on the notice or otherwise as may be specified in the agreement, the trustees must issue securities for terms not longer than the remainder of the terms of the securities so called in and paid, sufficient to realize the principal amount of the securities so called in and paid.

Section 27

- (4) If securities that are the subject of an agreement under subsection (3) are called in and paid in advance of maturity, the trustees must amend the agreements entered into in respect of those securities between
- (a) the regional districts and its member municipalities, and
 - (b) the authority and the regional districts
- to provide for the repayment of the principal amount provided for in the agreements together with the interest to be paid on unpaid amounts.
- (5) Amendments to the agreements made under subsection (4) must immediately be forwarded to the regional districts and municipalities involved, and despite the *Municipal Act* or this Act, have the same effect as the amount originally set out in the agreements.
- (6) If a regional district enters into an agreement under subsection (3), the agreement must also include a provision that all costs of any redemptions of securities before maturity and reissuing are to be at the sole expense of each regional district involved.

Obligations of regional districts

- 27** (1) The regional board must provide for and pay over to the authority the money required to discharge its obligations in accordance with the term of the agreement entered into under section 26.
- (2) If the money provided for under the agreement is not sufficient to meet the obligations of the board, the deficiency is a liability of the regional district to the authority.
- (3) The regional board must provide for and pay over to the authority the money required for
- (a) the payment of expenses in respect to annual bank charges for redemptions of securities, processing and paying of interest payments, and
 - (b) the annual expenses for authenticating and paying agency agreements.

Application of other Acts

- 28** (1) Part 14 of the *Municipal Act*, except section 516, applies to the authority.
- (2) The *Company Act* does not apply to the authority.
- (3) Sections 23 and 24 do not apply to borrowing under Part VIII of the *National Housing Act* (Canada).

Power to make regulations

- 29** The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.

MUNICIPAL FINANCE AUTHORITY — HISTORICAL TABLE

Legislative History

MUNICIPAL FINANCE AUTHORITY ACT

RSBC 1996, chapter 325

Section	History
1	RS1979-292-1; 1985-52-71; 1988-48-1; 1992-46-1.
2	RS1979-292-2.
3	RS1979-292-3; 1990-57-22; 1992-46-2.
4	RS1979-292-4.
5	RS1979-292-5.
6	RS1979-292-6.
7	RS1979-292-8; 1985-52-74; 1988-48-3; 1996-16-4.
8	RS1979-292-8.1; 1994-52-115.
9	RS1979-292-7; 1985-52-73.
10	RS1979-292-9; 1985-52-75.
11	RS1979-292-9.1; 1990-57-23; 1992-46-3.
12	RS1979-292-10; 1985-52-76.
13	RS1979-292-11.
14	RS1979-292-12; 1985-52-77; 1988-48-4; 1989-47-384; 1994-46-11; 1994-52-116.
15	RS1979-292-13; 1981-21-67; 1983-24-33; 1985-52-78; 1988-48-5; 1989-59-26; 1989-47-385; 1994-52-117.
16	RS1979-292-13.1; 1988-48-6; 1992-46-4.
17	RS1979-292-14; 1983-23-17, 1983-23-24; 1983-24-34.
18	RS1979-292-14.1; 1983-24-35.
19	RS1979-292-15; 1983-24-36.
20	RS1979-292-16.
21	RS1979-292-17.
22	RS1979-292-18.
23	RS1979-292-19.
24	RS1979-292-20; 1989-59-27.
25	RS1979-292-21.
26	RS1979-292-23; 1985-52-79; 1989-59-28.
27	RS1979-292-24; 1985-52-73.
28	RS1979-292-25.1.
29	RS1979-292-26.

EXPLANATORY NOTE

Amendments Not in Force: If there are any legislative changes to the Act that are not in force as of December 31, 1996, these are identified in *italics* at the beginning of the historical table. The “Section” column identifies the affected provisions of the Act. The “Citation” column identifies the amending legislation by its citation in the 1996 Statute Revision Supplement.

Legislative History: The second part of the table provides a legislative history of each section of the Act between the 1979 Statute Revision and the 1996 Statute Revision. The “Section” column identifies all sections of the Act in force on December 31, 1996. The “History” column for each section begins with the citation of the section immediately before the 1996 Statute Revision. This is followed by a list of citations for the legislation that enacted or amended the section between the 1979 Statute Revision and the 1996 Statute Revision (if a section was repealed and replaced during that period, these last citations begin at the most recent replacement).

Legislative citations have the format of “year-chapter-section”.