

**CAPITAL FINANCING AUTHORITY REPEAL
AND DEBT RESTRUCTURING ACT****CHAPTER 6***Assented to May 13, 1998****Contents******Section***

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

Definitions**1 In this Act:**

“**authority**” means the British Columbia Educational Institutions Capital Financing Authority or the British Columbia School Districts Capital Financing Authority;

“**educational institution**” means

- (a) a university or an institution as defined in the *College and Institute Act*,
- (b) the British Columbia Institute of Technology, or
- (c) the agency as defined in the *Open Learning Agency Act*;

“**school board**” means a board or a francophone education authority as defined in the *School Act*.

Acts repealed**2 The following Acts are repealed:**

- (a) the *Educational Institution Capital Finance Act*, R.S.B.C. 1996, c. 105;
- (b) the *School District Capital Finance Act*, R.S.B.C. 1996, c. 413.

Transfer of authorities' assets and liabilities

- 3 (1)** On and after April 1, 1998, the assets and liabilities of the authorities become the assets and liabilities of the government.

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- (2) On and after April 1, 1998, a reference to an authority in any commercial paper, contract, lease, licence, permit or other instrument or document is deemed to be a reference to the government.
- (3) The Minister of Finance and Corporate Relations may make payments out of the consolidated revenue fund, without an appropriation other than this subsection, for the payment of liabilities transferred to the government under this section.

Restructuring of school and educational institution debt

- 4 (1) The debt obligations owed to the authorities are released and any debentures evidencing the debt obligations are cancelled.
- (2) The sinking funds established for repayment of the debt obligations referred to in subsection (1) are deemed to be held for the benefit of the government.
- (3) The obligations of school boards and educational institutions, including those that arise under an enactment or a bylaw, to make payments into sinking funds established for the repayment of the debt obligations owed to an authority are released.
- (4) The debt obligations owed by school boards and educational institutions to the government under the certificate of approval program are released.

Transitional – School Act

- 5 (1) Despite section 110 (2) of the *School Act*, the reference in that section to March 30 is deemed to be a reference to April 30 with respect to the estimate made by the Minister of Education in 1998.
- (2) Despite section 114 of the *School Act*, the Minister of Finance and Corporate Relations is not required to pay grants for debt service expenses under that section with respect to the period from April 1, 1998 to June 30, 1998 in so far as those expenses relate to debt obligations owed to an authority, or owed to the government under the certificate of approval program.
- (3) Despite section 156 (7) of the *School Act*, the Minister of Finance and Corporate Relations may
 - (a) recover a debt service surplus of a school board as determined by the Minister of Education for the 1997/98 fiscal year by subtracting the amount of the surplus from the grant payable to the board under section 114 of the *School Act* during the period from April 1, 1998 to June 30, 1998, and
 - (b) fund a debt service deficit of a school board as determined by the Minister of Education for the 1997/98 fiscal year out of the consolidated revenue fund during the period from April 1, 1998 to June 30, 1998, without an appropriation other than this subsection.

Transitional regulations

- 6 (1) The Lieutenant Governor in Council may make regulations considered necessary or advisable to more effectively bring this Act into operation and to facilitate the transition from the operation of the Acts repealed by this Act.
- (2) A regulation under subsection (1) may be made effective retroactively to a date on or after April 1, 1998.

Consequential Amendments***College and Institute Act***

- 7 *Section 31 (2) of the College and Institute Act, R.S.B.C. 1996, c. 52, is repealed.*
- 8 *Section 34 (4) is repealed.*
- 9 *Section 35 is repealed.*

Financial Administration Act

- 10 *The definition of "government body" in section 1 of the Financial Administration Act, R.S.B.C. 1996, c. 138, is amended by repealing paragraph (c) and substituting the following:*
- (c) a university or an institution as defined in the *College and Institute Act*,
 - (c.1) the British Columbia Institute of Technology,
 - (c.2) the agency as defined in the *Open Learning Agency Act*, and .
- 11 *Section 21 (2) is amended by striking out "44," and substituting "44, 56.1,".*
- 12 *The following section is added:*

Prepaid capital advance

- 56.1 (1) In this section, "institution" means
- (a) a board or a francophone education authority as defined in the *School Act*,
 - (b) a university or an institution as defined in the *College and Institute Act*,
 - (c) the British Columbia Institute of Technology,
 - (d) the agency as defined in the *Open Learning Agency Act*,
 - (e) a regional hospital district as defined in the *Hospital District Act*,
 - (f) the Health Facilities Association of British Columbia, or
 - (g) British Columbia Transit.

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- (2) The Minister of Finance and Corporate Relations may make from the consolidated revenue fund a prepaid capital advance to an institution for its capital expenditures.
- (3) The Minister of Finance and Corporate Relations must
 - (a) amortize a prepaid capital advance made under this section in accordance with accounting practices approved by the Treasury Board, and
 - (b) include in the estimates of revenue and expenditure for a fiscal year the amount amortized under this section for that year.

Freedom of Information and Protection of Privacy Act

- 13 *Schedule 2 of the Freedom of Information and Protection of Privacy Act, R.S.B.C. 1996, c. 165, is amended by striking out the following:*

Public Body: British Columbia Educational Institution Capital Financing Authority
Head: Minister of Finance and Corporate Relations
Public Body: British Columbia School Districts Capital Financing Authority
Head: Minister of Finance and Corporate Relations.

Institute of Technology Act

- 14 *Section 23 (4) of the Institute of Technology Act, R.S.B.C. 1996, c. 225, is repealed.*

Open Learning Agency Act

- 15 *Section 10 (2) of the Open Learning Agency Act, R.S.B.C. 1996, c. 341, is repealed.*

School Act

- 16 *Section 145 of the School Act, R.S.B.C. 1996, c. 412, is amended*

- (a) *in subsection (2) by striking out* "British Columbia School Districts Capital Financing Authority," *wherever it appears and substituting* "Minister of Finance and Corporate Relations,"; *and*
- (b) *in subsection (4) by striking out* "British Columbia School Districts Capital Financing Authority, which" *and substituting* "Minister of Finance and Corporate Relations, who".

- 17 *Section 146 is amended*

- (a) *in subsection (1) by striking out* "the British Columbia School Districts Capital Financing Authority or", *and*
- (b) *by repealing subsection (4) and substituting the following:*

- (4) Despite the other provisions of this Act, debentures issued by a board under this Act to be sold to the Minister of Finance and Corporate Relations may contain any terms and conditions agreed to by the board and the Minister of Finance and Corporate Relations.

University Act

18 Section 29 (2) of the University Act, R.S.B.C. 1996, c. 468, is repealed.

19 Section 58 (3) is repealed.

Commencement

- 20** This Act is deemed to have come into force on April 1, 1998 and is retroactive to the extent necessary to give it effect on and after that date.

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