

The Municipal Financing Corporation Act

being

Chapter M-28 of *The Revised Statutes of Saskatchewan, 1978* (effective February 26, 1979) as amended by the *Statutes of Saskatchewan, 1983, c29 and c77; 1983-84, c34; 1984-85-86, c32; 1986-87-88, c27; 1988-89, c42; 1989-90, c5; 1998, cP-42.1; 2005, cM-36.1; 2007, c15; 2010, c23; 2014, cE-13.1; 2015, c21; 2017, cP-30.3; 2018, c24 and c42; 2019, c8; and 2021, c6.*

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER M-28

An Act to establish the Municipal Financing Corporation of Saskatchewan

Short title

1 This Act may be cited as *The Municipal Financing Corporation Act*.

Interpretation

2 In this Act:

(a) “**corporation**” means the Municipal Financing Corporation of Saskatchewan established under section 3;

(b) “**municipality**” includes:

(i) a board of education, and the conseil scolaire, within the meaning of *The Education Act, 1995*; and

(ii) the provincial health authority within the meaning of *The Provincial Health Authority Act*.

RSS 1978, cM-28, s2; 1983, c77, s48; 2005, cM-36.1, s443; 2007, c15, s3; 2017, cP-30.3, s11-1.

Continuation of corporation

3 The Municipal Financing Corporation of Saskatchewan consisting of the members of the board of directors appointed under section 9 is continued.

RSS 1978, cM-28, s3.

Capacity to contract and to sue and be sued

4 The corporation shall have perpetual succession and a common seal and capacity to contract and to sue and be sued in its corporate name in respect of any right or obligation acquired or incurred by it on behalf of the Crown in right of Saskatchewan as if the right or obligation had been acquired or incurred on its own behalf; and the corporation may also sue in respect of any tort and may be sued in respect of any liabilities in tort to which it is made subject by this Act.

RSS 1978, cM-28, s4.

Liability for torts

5 The corporation is subject to all those liabilities in tort to which, if it were a private person of full age and capacity it would be subject:

(a) in respect of a tort committed by any of its employees or agents;

(b) in respect of any breach of those duties that a person owes to his or her employees or agents by reason of being their employer; and

(c) in respect of a breach of the duties attaching to the ownership, occupation, possession or control of property;

but no proceedings shall lie against the corporation by virtue of clause (a) in respect of any act or omission of an employee or agent of the corporation unless the act or omission would, apart from this Act, have given rise to a cause of action in tort against that employee or agent or his or her personal representative.

RSS 1978, cM-28, s5; 2018, c24, s3.

Agent of Crown

6 The corporation is for the purposes of this Act an agent of the Crown in right of Saskatchewan and its powers may be exercised only as such agent; but it shall not be necessary, in contracts entered into by the corporation to make specific reference to the Crown or Her Majesty.

RSS 1978, cM-28, s6.

Property of corporation deemed property of Crown

7 All property, real and personal, and all moneys received, administered or held by the corporation and all profits earned by the corporation shall be the property of the Crown in right of Saskatchewan and shall be exempt from taxation of whatever nature and description.

RSS 1978, cM-28, s7.

Head office

8 The head office of the corporation shall be in the City of Regina.

RSS 1978, cM-28, s8.

Board of directors

9(1) The affairs and business of the corporation shall be managed by a board of directors consisting of the Minister of Finance who shall be the chairperson and not more than four other members appointed by the Lieutenant Governor in Council.

(2) The board of directors shall designate one of their number to be vice-chairperson of the board.

(3) The chairperson shall preside at all meetings of the board of directors and in his or her absence or if the office is vacant the vice-chairperson has all the powers and shall perform the duties of the chairperson.

RSS 1978, cM-28, s9; 2015, c21, s30 and s64.

Quorum and resolutions of the board

10(1) A majority of the members of the board of directors shall constitute a quorum and a decision of a majority of the directors present at a meeting of the board at which a quorum is present constitutes a decision of the board.

(2) Except as otherwise provided in this Act, the corporation may exercise any of its powers by resolution of the board of directors.

RSS 1978, cM-28, s 10.

Delegation of authority by and payment of board

11(1) The board of directors may, by resolution, delegate to any director, officer, employee or agent of the corporation power to act in the conduct of the affairs of the corporation in all matters that are not by this Act specifically required to be done by the board of directors.

(2) The corporation may pay to those members of the board of directors that are not officers in the public service of Saskatchewan such remuneration and expenses as may be fixed by the Lieutenant Governor in Council.

RSS 1978, cM-28, s 11.

Contracts, etc., to be signed by chairperson

12 Subject to section 20, the chairperson of the board of directors shall, unless otherwise provided by the board, sign all contracts, agreements, orders, rules and other documents whatever on behalf of the board.

RSS 1978, cM-28, s 12; 2015, c 21, s 64.

Meetings of directors

13 The board of directors shall meet for the dispatch of business at such times as may be determined by them and shall, at the call of the chairperson, meet at any other time specified for the purpose by the chairperson.

RSS 1978, cM-28, s 13; 2015, c 21, s 64.

Staff

14(1) The corporation may employ such officers and other employees as it requires to perform its duties and exercise its powers.

(2) For the purposes of giving effect to the employment of officers and employees and determining the duties, powers and conditions of employment and remuneration of persons employed pursuant to this section:

(a) the corporation is deemed to be a ministry within the meaning of *The Public Service Act, 1998*; and

(b) the corporation's officers and employees are deemed to be members of the public service within the meaning of *The Public Service Act, 1998*.

(3) *The Public Service Superannuation Act* applies to persons employed under subsection (1).

RSS 1978, cM-28, s 14; 1998, cP-42.1, s 42; 2018, c24, s 4.

Expenses

15 The corporation may incur and pay expenses necessary to carry out its affairs.

RSS 1978, cM-28, s 15.

Objects and powers of corporation

16 In addition to the powers vested in a corporation by *The Legislation Act*, the corporation may:

- (a) enter into any agreements with any governments or authorities, municipal, local or otherwise, that may seem conducive to assisting municipalities in financing their capital requirements and may obtain from any such government or authority any rights, privileges and concessions that the corporation considers desirable or necessary, and to carry out, exercise and comply with any such rights, privileges and concessions;
- (b) purchase, lease or otherwise acquire and hold any real property and any rights or privileges that the corporation considers necessary or convenient for the purposes of its business;
- (c) maintain, sell or otherwise deal with or dispose of all or any part of the property and rights of the corporation including municipal debentures or other municipal securities held by the corporation;
- (d) register or cause the corporation to be registered and recognized in places or countries outside the province and designate persons in those places or countries:
 - (i) to represent the corporation; and
 - (ii) to accept service for and on behalf of the corporation of any legal process;
- (e) draw, make, accept, endorse, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments;
- (f) lend moneys to municipalities;
- (f.1) for the purposes of clause (f):
 - (i) enter into agreements with municipalities;
 - (ii) purchase or otherwise acquire securities of municipalities; and
 - (iii) hold, charge, pledge, hypothecate, transfer, realize on, sell or otherwise dispose of or deal with any securities of municipalities;
- (g) do such other things connected with or incidental to the powers and objects mentioned in this section.

RSS 1978, cM-28, s 16; 2007, c 15, s 4; 2019, c 8, s 11.

Bylaws

17(1) The corporation may make bylaws relating to such matters or things as appear to the corporation to be requisite or proper for the conduct or regulation of the affairs of the corporation and without limiting the generality of the foregoing the corporation may make bylaws for all or any of the following purposes:

- (a) prescribing the procedure for calling regular and special meetings of the board of directors and the procedure governing meetings of the board;
- (b) providing for the disposition of moneys received in respect of the affairs of the corporation, prescribing the institutions in which the moneys are to be deposited and the manner in which accounts are to be kept and managed, and prescribing the manner in which withdrawals are to be made from such deposits;
- (c) establishing reserve funds and controlling, managing and disposing of such funds and prescribing the purposes for which payments are to be made out of the reserve funds;
- (d) providing for the borrowing by way of temporary loans from chartered banks by line of credit, pledging debentures or by any other manner and providing for the execution of cheques, promissory notes or other instruments for the purpose of such temporary borrowings;
- (e) providing for the execution of bonds, debentures and other securities of the corporation, and providing for facsimile seals and signatures;
- (f) providing for the sale and pledging of securities and the appointment of fiscal agents to negotiate loans and sell securities of the corporation;
- (g) providing for the creation and application of sinking funds; and
- (h) providing for the management and administration of the property of the corporation.

RSS 1978, cM-28, s 17.

Investment

18 The corporation may from time to time invest such moneys of the corporation not required for any of its purposes in any classes of securities authorized for the investment of moneys in the general revenue fund pursuant to *The Financial Administration Act, 1993*.

RSS 1978, cM-28, s 18; 1983, c29, s24; 1988-89, c42, s66; 2018, c24, s5.

Borrowing powers of the Minister of Finance

19(1) The Lieutenant Governor in Council may authorize the Minister of Finance to raise by way of loan upon the credit of the province such sums within the borrowing limitation prescribed by section 22 as the Lieutenant Governor in Council deems requisite for the purpose of this Act.

(2) The sums mentioned in subsection (1) are to be raised in accordance with *The Financial Administration Act, 1993*.

(3) After deduction and payment of any discount and commission applicable to a loan made pursuant to this section, the balance of money raised shall be paid into the general revenue fund and shall be advanced by the Minister of Finance to the corporation for the purposes of this Act by way of advances in such amounts, at such times and upon such terms as may be determined by the Lieutenant Governor in Council.

(4) The corporation shall reimburse the Minister of Finance for all charges and expenses incurred in raising money under this section.

RSS 1978, cM-28, s 19; 1983, c 29, s 24; 1988-89, c 42, s 66; 2018, c 24, s 6.

Borrowing powers of corporation

20(1) Subject to the approval of the Lieutenant Governor in Council and subject to the borrowing limitation prescribed by section 22, the corporation may for its purposes borrow or raise by way of loan such sums of money as the corporation deems requisite and may issue notes, bonds, debentures and other securities bearing such interest, if any, and payable as to principal and interest in the currency of the country and at such place and time and in such manner as the corporation may determine.

(2) The notes, bonds, debentures and other securities of the corporation may be made redeemable in whole or in part in advance of maturity at the time and on the terms and at the price, either with or without a premium, as the corporation may determine at the time of the issue thereof.

(3) The notes, bonds, debentures and other securities may be issued in such amounts as will realize the net sum required by the corporation for its purposes, and a recital or declaration in the resolution or minutes of the corporation authorizing the issue of securities to the effect that the amount of the securities so authorized is necessary to realize the net sum required for the purposes of the corporation is conclusive evidence of the fact.

(4) Subject to the approval of the Lieutenant Governor in Council, the corporation may:

- (a) sell or otherwise dispose of any notes, bonds, debentures and other securities at such values as it considers advisable; and
- (b) charge, pledge, hypothecate, deposit or otherwise deal with any securities as collateral security.

(5) The notes, bonds, debentures and other securities of the corporation and the coupons, if any, attached thereto, shall be in such form and shall be executed in such manner as the corporation may determine.

(6) The corporation may provide that the seal of the corporation may be engraved, lithographed, printed or otherwise mechanically reproduced on any notes, bonds, debentures and other securities and that any signature upon any notes, bonds, debentures or other securities, and upon the coupons, if any, attached thereto, may be engraved, lithographed or printed or otherwise mechanically reproduced thereon, and the seal of the corporation when so mechanically reproduced has the same force and effect as if manually affixed, and any such mechanically reproduced signature is for all purposes valid and binding upon the corporation as if manually affixed notwithstanding that the person whose signature is so reproduced has ceased to hold office before the date of the security or before the issue thereof.

(7) Subject to the approval of the Lieutenant Governor in Council, the corporation may, for its purposes, borrow by way of temporary loans from any chartered bank or from any person or body corporate such sums of money, upon such terms as the corporation may determine, and either by way of line of credit, or by the pledging as security for such temporary loans, of notes, bonds, debentures or other securities of the corporation pending the sale thereof or in lieu of the sale thereof or in such other manner as the corporation may determine, and any cheques, promissory notes or other instruments that may be necessary or desirable to be executed in connection with the borrowing of money and the obtaining of advances by way of temporary loan may be executed in such manner as the corporation may determine.

(8) The corporation, with the approval of the Lieutenant Governor in Council, has power to provide for the creation, management and application of sinking funds or other means of securing the repayment of any loan raised or securities issued by the corporation, including the redemption by call of any securities issued subject to redemption in advance of maturity.

RSS 1978, cM-28, s20.

Guarantee by province

21(1) The principal and interest of any borrowings of or securities issued by the corporation are hereby guaranteed by the province.

(2) The guarantee, in such form and manner as the Lieutenant Governor in Council may approve, may be endorsed upon any notes, bonds, debentures or other securities issued by the corporation and may be signed on behalf of the Crown in right of Saskatchewan by the Minister of Finance or by such other person as the Lieutenant Governor in Council may designate.

(3) The signature of the Minister of Finance, or of such other person designated by the Lieutenant Governor in Council, on the guarantee endorsed upon a note, bond, debenture or other security of the corporation may be engraved, lithographed or otherwise mechanically reproduced; and when so endorsed is conclusive proof that the relevant provisions of this Act have been complied with.

RSS 1978, cM-28, s21; 2018, c42, s65.

Maximum borrowing

22(1) Notwithstanding the powers set out in sections 19 and 20, neither the corporation nor the Minister of Finance shall borrow any money under the authority of this Act by the issue and sale of notes, bonds, debentures or other securities or by way of temporary loans where the borrowing would cause the aggregate principal amount outstanding on the notes, bonds, debentures and other securities issued by the corporation and issued by the Minister of Finance under the authority of this Act together with the amount outstanding on temporary loans raised by the corporation and raised by the Minister of Finance under the authority of this Act, to exceed \$500,000,000.

(2) Nothing in this section prevents the corporation from borrowing or raising money by way of loan for the purpose of paying, refunding or renewing in whole or in part any temporary loans or any notes, bonds, debentures or other securities of the corporation from time to time outstanding.

(3) For the purpose of calculating the borrowing limitation imposed pursuant to subsection (1), one dollar of the United States of America is deemed to be the equivalent of one Canadian dollar.

RSS 1978, cM-28, s22; 1984-85-86, c32, s2;
2010, c23, s2; 2018, c24, s7.

Municipal securities

23 The corporation shall not accept any securities of a municipality unless the municipality has complied with all of the legal requirements governing the issue of the securities.

RSS 1978, cM-28, s23.

Purchase of securities by Minister of Finance

24 The Minister of Finance may purchase the securities of the corporation and pay for them out of the general revenue fund.

RSS 1978, cM-28, s24; 2018, c24, s8.

Audit

25(1) The Provincial Auditor or any other auditor or firm of auditors that the Lieutenant Governor in Council may appoint shall:

- (a) annually; and
 - (b) at any other time that the Lieutenant Governor in Council may require;
- audit the accounts and financial statements of the corporation.

(2) The audit report prepared pursuant to subsection (1) shall be laid before the Legislative Assembly in accordance with section 13 of *The Executive Government Administration Act*.

1986-87-88, c27, s6; 2014, cE-13.1, s62.

Annual report

26(1) There shall be submitted annually to the Lieutenant Governor in Council:

- (a) a report of the corporation respecting its business for the immediately preceding fiscal year; and
- (b) a financial statement showing the business of the corporation for that fiscal year, in such form as may be required by the Treasury Board.

(2) The report and statement under subsection (1) shall be laid before the Legislative Assembly in accordance with section 13 of *The Executive Government Administration Act*.

RSS 1978, cM-28, s26; 2014, cE-13.1, s62.

Corporation responsible to Minister of Finance

27(1) The corporation is responsible to the Minister of Finance in the performance of the duties and exercise of the powers imposed or conferred upon it by or under this Act.

(2) In the conduct of its affairs the corporation is also subject to any orders that may be made and any directives that may be issued by Treasury Board.

RSS 1978, cM-28, s27; 1983-84, c34, s13.

Non-application of *The Business Corporations Act, 2021* and *The Securities Act, 1988*

28 *The Business Corporations Act, 2021* and *The Securities Act, 1988* do not apply to the corporation.

2021, c6, s23-17.

Winding up and dissolution

29(1) The Lieutenant Governor in Council may by order wind up the affairs of the corporation and dissolve the corporation and may, in the same or another order, make such disposition of its assets and deal in such way with its obligations as may be deemed advisable and in the public interest.

(2) The Clerk of the Executive Council shall at least three weeks before winding up proceedings are commenced, publish in *The Saskatchewan Gazette* and in one issue of a newspaper circulating in the City of Regina a notice of the intended winding up, showing the proposed disposition of the assets and the proposed dealings with respect to the obligations of the corporation.

RSS 1978, cM-28, s29.

Surplus

30 Any surplus of moneys of the corporation may from time to time be transferred to and deposited as revenue in the general revenue fund.

RSS 1978, cM-28, s30; 2018, c24, s10.

Payment of guarantee

31 Where it becomes necessary or desirable to make any payment under the guarantee provided for under section 21, the Lieutenant Governor in Council may:

- (a) direct that the payment required be made out of the general revenue fund; or
- (b) raise the money required for the payment in the manner specified in *The Financial Administration Act, 1993*.

RSS 1978, cM-28, s31; 1983, c29, s24; 1988-89, c42, s66; 2018, c24, s11.

Borrowing by municipalities, etc.

32(1) Subject to subsection (2), a municipality may borrow moneys from the corporation by the issue and sale of its securities to the corporation, by pledge or by trust certificates, notes or other securities acceptable to the corporation, notwithstanding any provision of any Act or charter applying to or governing the municipality.

(2) Nothing in this section shall be construed to relieve a municipality from compliance with any statutory requirement relating to the approval and assent of the Saskatchewan Municipal Board or the ratepayers where approval or assent is required by the provisions of any other Act or charter.

RSS 1978, cM-28, s 32; 1989-90, c 5, s 10.

Regulations

33 The Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act but not defined in this Act;
- (b) prescribing the rates of interest that the corporation may charge for loans;
- (c) prescribing the fees and charges that the corporation may make with respect to any services offered by it;
- (d) governing the manner in which, and the terms and conditions under which, the corporation may give loans and the purposes or services for which loans may be given by the corporation;
- (e) prescribing any matter or thing required or authorized by this Act to be prescribed in the regulations;
- (f) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act.

2018, c24, s 12.