

2009 Bill 8

Second Session, 27th Legislature, 58 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 8

FEEDER ASSOCIATIONS GUARANTEE ACT

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 8

2009

FEEDER ASSOCIATIONS GUARANTEE ACT

(Assented to , 2009)

Table of Contents

1	Definitions
2	Guarantee
3	Incorporation requirement
4	Purpose requirement
5	Maximum liability
6	Prohibition re advances
7	Security deposit
8	Subrogation of rights
9	Powers
10	Delegation and identification
11	Regulations
12	Repeal
13	Coming into force

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

Definitions

1 In this Act,

- (a) “feeder association” means an association that enters into agreements with its members for the members to grow, finish or otherwise deal with livestock or livestock products owned by the feeder association;

- (b) “guarantee” means a guarantee given under this Act;
- (c) “guaranteed loan” means a loan to a feeder association in respect of which a guarantee is given;
- (d) “livestock” means cattle, sheep or any another animals specified in the regulations;
- (e) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;
- (f) “personal information” means personal information as defined in the *Freedom of Information and Protection of Privacy Act*.

Guarantee

2(1) The Lieutenant Governor in Council, on the recommendation of the Minister, may by order authorize the Minister of Finance and Enterprise to give guarantees on behalf of the Government with respect to loans made to feeder associations.

(2) The Minister of Finance and Enterprise may give a guarantee with respect to a loan made to a feeder association

- (a) if authorized by an order referred to in subsection (1), and
- (b) subject to the requirements of this Act and the regulations.

Incorporation requirement

3 A guaranteed loan may only be made to a feeder association that is incorporated under an Act of the Legislature.

Purpose requirement

4 A guaranteed loan may only be used by a feeder association for a purpose provided for in the regulations.

Maximum liability

5(1) The Lieutenant Governor in Council shall, in an order made under section 2, set out the maximum amount of the total outstanding contingent liability of the Crown as a result of the guarantees.

(2) The Minister shall, with the consent of the Minister of Finance and Enterprise, set the maximum amount of the total outstanding contingent liability of the Crown as a result of a guarantee in respect of a specific feeder association.

Prohibition re advances

6(1) The Minister may, by order, prohibit further advances under a guaranteed loan made to a feeder association if the Minister is of the opinion that the feeder association

- (a) is not complying with this Act or the regulations, or
- (b) is being operated in an unsound manner.

(2) The Minister shall immediately deliver or send by registered mail a copy of the order to

- (a) the feeder association,
- (b) the lender, and
- (c) the Minister of Finance and Enterprise.

(3) Any advances made by a lender after the order is delivered to or received by the lender and before the order is rescinded are not guaranteed.

(4) The Minister may, with the consent of the Minister of Finance and Enterprise, rescind an order made under this section.

Security deposit

7 A feeder association shall maintain an account as security for a guaranteed loan with the lender in accordance with the regulations.

Subrogation of rights

8(1) If the Minister of Finance and Enterprise makes a payment to a lender in respect of a default by a feeder association under a guaranteed loan, the Minister of Finance and Enterprise is subrogated, with respect to the amount of that payment,

- (a) to all the rights of the lender under any security or negotiable instruments given to the lender by the feeder association,

- (b) to any action that the lender has against the feeder association,
- (c) to all rights of the feeder association under any security or negotiable instruments given to the feeder association by any of its members, and
- (d) to any action that the feeder association has against any of its members.

(2) A payment made by the Minister of Finance and Enterprise under a guarantee on account of a default by a feeder association does not affect any liability of or security given by the feeder association under the guaranteed loan and, notwithstanding that a payment was made under the guarantee, the liability of and the security given, if any, by the feeder association

- (a) remains and continues in full force and effect, and
- (b) may be enforced against the feeder association by the Minister of Finance and Enterprise.

Powers

9(1) The Minister may, for the purpose of administering this Act and the regulations under this Act,

- (a) enter a place where the Minister reasonably believes that livestock or livestock products in respect of which a guaranteed loan was given are being or have been grown, finished or otherwise dealt with,
- (b) enter a place where the Minister reasonably believes the records of a lender or a feeder association are kept,
- (c) review the operations of a feeder association,
- (d) inspect livestock and livestock products,
- (e) inspect the records of the lender or a feeder association and make copies of or excerpts from the records,
- (f) remove the records of a lender or feeder association from the place where they are kept, in which case a receipt must be provided and the records returned in a reasonable time, and

(g) require a person to provide the Minister with information, including personal information, in the form and manner required by the Minister.

(2) Despite subsection (1)(a) and (b), the Minister may not enter a private residence without a court order unless the occupant consents.

(3) A person shall not obstruct the Minister in the carrying out of a power under subsection (1) and shall provide reasonable assistance to the Minister.

Delegation and identification

10(1) The Minister shall provide identification to any person who carries out the Minister's powers under section 9(1).

(2) A person carrying out a power of the Minister under section 9(1) shall produce the identification on request.

Regulations

11 The Lieutenant Governor in Council may make regulations respecting the administration of this Act

- (a) without being limited by clauses (b) to (j), respecting the requirements that must be met in order for the Minister of Finance and Enterprise to guarantee a loan;
- (b) respecting the purposes for which a guaranteed loan may be made;
- (c) respecting how the proceeds of a guaranteed loan may be used;
- (d) respecting the records to be kept by a lender or a feeder association;
- (e) governing the operation of a feeder association that is the recipient of a guaranteed loan, including but not limited to
 - (i) the requirements that must be met to be a member of a feeder association;
 - (ii) the terms and conditions under which livestock may be purchased or sold, and

- (iii) the dealings between the feeder association and its members;
- (f) respecting the operation, including the suspension, of an account referred to in section 7;
- (g) respecting forms;
- (h) specifying animals for the purpose of section 1(d);
- (i) respecting the collection, use and disclosure of information under this Act;
- (j) defining words or phrases used but not defined in this Act;
- (k) generally for carrying out the purpose and intent of this Act.

Repeal

12 The *Feeder Associations Guarantee Act*, RSA 2000 cF-11, is repealed.

Coming into force

13 This Act comes into force on Proclamation.

