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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-FOURTH LEGISLATURE

Bill 2

## **An Act to amend the Financial Administration Act and other legislation**

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### **Introduction**

**Introduced by  
Mr Gérard D. Levesque  
Minister of Finance**



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## EXPLANATORY NOTES

*This bill establishes a financing fund at the Ministère des Finances. The Minister of Finance is empowered to lend the sums borrowed by the Government and paid into the fund for that purpose to general and vocational colleges, school boards, university establishments, establishments governed by the Act respecting health services and social services, certain bodies whose borrowings can be guaranteed by the Government or repaid out of government subsidies, and to certain special funds.*

*The bill also broadens the range of securities in which surpluses occurring in the consolidated revenue fund may be temporarily invested and provides for the use of new forms of payment of public moneys.*

*Moreover, the bill amends a number of provisions pertaining to school boards, general and vocational colleges, university establishments and establishments governed by the Act respecting health services and social services in order to make contributions to the sinking funds constituted for the repayment of loans, applicable to all loans contracted by them and to allow the income of the sinking funds to be applied to reduce such contributions.*

## ACTS AMENDED BY THIS BILL:

- Financial Administration Act (R.S.Q., chapter A-6);
- General and Vocational Colleges Act (R.S.Q., chapter C-29);
- Education Act (1988, chapter 84);
- University Investments Act (R.S.Q., chapter I-17);
- Act respecting health services and social services (R.S.Q., chapter S-5).

## Bill 2

### **An Act to amend the Financial Administration Act and other legislation**

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** Section 36 of the Financial Administration Act (R.S.Q., chapter A-6) is amended by replacing the first paragraph by the following paragraph:

**“36.** The Minister may invest on short term any portion of the consolidated revenue fund not required for expenditure

(a) in securities issued or guaranteed by the government of Canada, of Québec or of another Canadian province;

(b) in securities issued by any body referred to in section 69.6;

(c) in securities issued by any municipality of Québec;

(d) by way of a deposit with any financial institution designated by the Government or in certificates, promissory notes or other short-term securities or papers issued or guaranteed by any such financial institution.”

**2.** Section 57 of the said Act is replaced by the following section:

**“57.** Every payment of public moneys upon a warrant of the Lieutenant-Governor shall be made by means of a cheque signed by the Minister, the Deputy Minister or any officer designated by the Conseil du trésor or by means of any other payment order authorized by one of such persons.

Any payment order referred to in this section may be given by means of a device authorized or in accordance with a procedure determined by the Conseil du trésor.”

**3.** Section 60 of the said Act is amended by inserting, after subparagraph c of the first paragraph, the following subparagraph:

“(d) for the purposes contemplated by section 69.5.”

**4.** Section 61 of the said Act is amended by adding, at the end, the following paragraph:

“The Government may also authorize the Minister of Finance to effect any temporary loans required for the purposes of section 69.5.”

**5.** The said Act is amended by inserting, after section 69, the following division:

#### “DIVISION VII.1

##### “FINANCING FUND

“**69.1** A fund, called the “financing fund”, to be used by the Minister to provide financing to the bodies and special funds referred to in section 69.6, is hereby established at the Ministère des Finances.

“**69.2** The Government shall determine the date on which the fund begins to operate, its assets and liabilities and the nature of the loans to be granted pursuant to section 69.6.

“**69.3** The fund shall be made up of the following sums, except interest earned on bank balances:

(1) the sums collected for the services provided and the sums received as repayment of the capital of and payment of the interest on loans granted pursuant to section 69.6;

(2) the advances paid by the Minister under the first paragraph of section 69.5.

“**69.4** The management of the sums paid into the fund shall be entrusted to the Minister. Such sums shall be paid to the order of the Minister and deposited with the financial institutions he designates.

Notwithstanding section 13, the Minister shall keep the books of account for and record the financial commitments chargeable to the

fund. He shall also certify that such commitments and the payments arising therefrom do not exceed and are consistent with the available balances.

**“69.5** The Minister may, with the authorization of the Government and subject to the conditions it determines, advance to the fund sums taken out of the consolidated revenue fund from the moneys borrowed for such purpose. The authorization of the Government shall specify the period of payment of the sums into the fund and the costs payable out of the advance or chargeable in computing the applicable rates of interest.

He may conversely advance to the consolidated revenue fund, on a short-term basis and subject to the conditions he determines, any part of the sums paid into the financing fund that is not required for its operation.

Any advance paid to a fund shall be repayable out of that fund.

**“69.6** The Minister, as the manager of the fund, may grant loans, on the terms and conditions he determines, to the following bodies and special funds:

(1) a general and vocational college governed by the General and Vocational Colleges Act (R.S.Q., chapter C-29);

(2) the Conseil scolaire de l'île de Montréal or a school board governed by the Education Act (1988, chapter 84), or a school board governed by the Education Act for Cree, Inuit and Naskapi Native Persons (R.S.Q., chapter I-14);

(3) a university establishment governed by the University Investments Act (R.S.Q., chapter I-17);

(4) a regional council or public establishment governed by the Act respecting health services and social services (R.S.Q., chapter S-5), or the Corporation d'hébergement du Québec referred to in section 178.1 of the said Act;

(5) any body whose constituting Act provides that its borrowings may be guaranteed by the Government;

(6) any body whose constituting Act provides that its borrowings may be authorized by the Government or a minister, where such borrowing is repaid in whole or in part by a subsidy granted for such purpose;

(7) any special fund or public body designated by the Government.

The Government shall determine criteria for the determination of the rates of interest that may be charged on the loans and the nature of the costs chargeable in computing the interest rates or in computing the repayment of the loans.

**“69.7** The sums required for the following purposes are taken out of the fund:

(1) the granting of a loan pursuant to section 69.6;

(2) the payment of any expense incurred for the carrying out of the functions entrusted to the Minister by this division, including the payment of the remuneration and expenses pertaining to the social benefits and other conditions of employment of the persons assigned, in accordance with the Public Service Act (R.S.Q., chapter F-3.1.1), to activities related to the fund;

(3) the payment of any sum required for the performance of any obligation contracted by the Minister in his capacity as manager of the fund in respect of loans granted under section 69.6.

**“69.8** All surpluses accumulated by the fund shall be paid into the consolidated revenue fund on the dates and to the extent determined by the Government.

**“69.9** Sections 22 to 27, 33, 35, 45, 47 to 49, 51, 57 and 70 to 72, adapted as required, apply to the fund.

**“69.10** The fiscal year of the fund ends on 31 March.

**“69.11** Notwithstanding any provision to the contrary, the Minister shall, in the event of a deficiency in the consolidated revenue fund, pay out of the financing fund the sums required for the execution of a judgment against the Crown that has become *res judicata*.”

**6.** Section 28.1 of the General and Vocational Colleges Act (R.S.Q., chapter C-29) is amended by adding, after the second paragraph, the following paragraph:

“The second paragraph applies only to loans contracted before 1 April 1990.”

**7.** The said Act is amended by inserting, after section 28.1, the following section:

**“28.2** The Minister may deposit with the Minister of Finance, to be managed by him, sums intended for the repayment of the principal of a loan in respect of which a subsidy has been granted under section 28.1, in order to constitute a sinking fund for the purpose of repaying, out of such sums, the principal of the loan, on the maturity dates under the terms of the loan.

The income of the sinking fund shall be used for the repayment of any duly authorized loan of any college, or allocated for the repayment of any loan for which a sinking fund is constituted, in replacement of the sums that would otherwise be deposited under the first paragraph.

This section applies only to loans contracted on or after 1 April 1990.”

**8.** Section 476 of the Education Act (1988, chapter 84) is amended by adding, after the third paragraph, the following paragraph:

“The third paragraph applies only to loans contracted before 1 April 1990.”

**9.** The said Act is amended by inserting, after section 477, the following section:

**“477.1** The Minister may deposit with the Minister of Finance, to be managed by him, sums intended for the repayment of the principal of a loan in respect of which a subsidy has been granted under section 476, in order to constitute a sinking fund for the purpose of repaying, out of such sums, the principal of the loan, on the maturity dates under the terms of the loan.

The income of the sinking fund shall be used for the repayment of any duly authorized loan of any school board, or allocated for the repayment of any loan for which a sinking fund is constituted, in replacement of the sums that would otherwise be deposited under the first paragraph.

This section applies only to loans contracted on or after 1 April 1990.”

**10.** Section 6.1 of the University Investments Act (R.S.Q., chapter I-17) is amended by adding, after the second paragraph, the following paragraph:

“The second paragraph applies only to loans contracted before 1 April 1990.”

**11.** The said Act is amended by inserting, after section 6.1, the following section:

**“6.2** The Minister may deposit with the Minister of Finance, to be managed by him, sums intended for the repayment of the principal of a loan in respect of which a subsidy has been granted under section 6.1, in order to constitute a sinking fund for the purpose of repaying, out of such sums, the principal of the loan, on the maturity dates under the terms of the loan.

The income of the sinking fund shall be used for the repayment of any duly authorized loan of any university establishment, or allocated for the repayment of any loan for which a sinking fund is constituted, in replacement of the sums that would otherwise be deposited under the first paragraph.

This section applies only to loans contracted on or after 1 April 1990.”

**12.** Section 178.0.2 of the Act respecting health services and social services (R.S.Q., chapter S-5) is amended by adding, after the second paragraph, the following paragraph:

“The second paragraph applies only to loans contracted before 1 April 1990.”

**13.** The said Act is amended by inserting, after section 178.0.2, the following section:

**“178.0.3** The Minister may deposit with the Minister of Finance, to be managed by him, sums intended for the repayment of the principal of a loan in respect of which a subsidy has been granted under section 178.0.2 or 178.1, in order to constitute a sinking fund for the purpose of repaying, out of such sums, the principal of the loan, on the maturity dates under the terms of the loan.

The income of the sinking fund shall be used for the repayment of any duly authorized loan of any regional council or public establishment or the loans of the corporation referred to in section 178.1, or shall be allocated for the repayment of any loan for which a sinking fund is constituted, in replacement of the sums that would otherwise be deposited under the first paragraph.

This section applies only to loans contracted on or after 1 April 1990.”

**14.** This Act comes into force on (*insert here the date of assent to this Act*).