



CHAPTER 47

An Act to facilitate and guarantee certain Federal loans to municipalities

[Assented to, the 22nd of June, 1940]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. This act may be cited as the "Act to facilitate Federal loans to municipalities". Short title.

2. In this act, the words: "municipal corporation", mean any organization charged with the administration of a territory for municipal purposes in the Province. "Municipal corporation".

3. The Lieutenant-Governor in Council may, on such conditions as he may determine, authorize any municipal corporation to enter into, with the Government of Canada, an agreement to effect loans of money intended for the execution of "self-liquidating" projects, according to the provisions of the Federal Act 2 George VI, chapter 33 (*The Municipal Improvements Assistance Act, 1938*) and the regulations contemplated by it. Agreement of the Federal Govt., authorized.

4. The Lieutenant-Governor in Council may, more-over, do, and authorize any municipal corporation to do all that is necessary to comply with the said act and such regulations. Power of Lt.-Gov. in C.

5. In the manner contemplated by the said act and the said regulations, the Lieutenant-Governor in Approval of application for loan.

Guarantee. Council may approve the application for a loan and the project submitted by the municipal corporation and undertake to guarantee to the Government of Canada the payments for interest on, and amortization of the loan, which have to be made by the municipality.

Payment of sums due by reason of guarantee. The Provincial Treasurer is authorized to pay, when need be, out of unappropriated moneys of the consolidated revenue fund, any sum due by reason of such a guarantee.

Guarantee by municipality. **6.** Any municipal corporation thus authorized may give any guarantee required by the said act and the said regulations, and notably a pledge of obligations, a hypothec on any immoveable belonging to it or a privilege on the revenues to be collected from any enterprise.

Deed conferring privilege. **7.** The privilege contemplated in the preceding section may be granted by deed registered in the manner provided in the Civil Code for real rights.

Sequestrator appointed, in case of default. **8.** The said privilege gives to the government to which it is granted or transferred the right, in the case of default in meeting, at maturity, the interest or the amortization payments, to appoint by order-in-council a sequestrator who shall thereby be vested with the right to collect the revenues of the enterprise and with any other powers granted to him by the order-in-council.

Application, etc., decreed by by-law. **9.** The application for loan and the execution of the project shall be decreed by municipal by-law approved in the manner prescribed for loans by bonds of such municipality.

Validity established by certificate. **10.** A certificate of the Deputy-Minister of Municipal Affairs, Trade and Commerce, affixed to any such by-law or note or bond to give effect thereto shall render such by-law, note or bond incontestable before any court and shall definitely establish the validity thereof.

Carrying out of this act. **11.** The Minister of Municipal Affairs, Trade and Commerce shall have charge of the carrying out of this act.

12. This act shall have effect as from December 20th, 1939. Retro-active effect.

13. This act shall come into force on the day of its sanction. Coming into force.

