

C H A P . 28

An Act concerning the deposit, in certain cases, of moneys intended for the sinking-funds of municipal and school corporations, and to amend the Revised Statutes, 1909, the Revised Statutes, 1888, and the Quebec Municipal Code, in respect thereto

[Assented to 9th February, 1918]

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

R. S., 1909, 1493a *et seq.*, enacted. **1.** The Revised Statutes, 1909, are amended by inserting therein after section twenty-fourth, of chapter Fifth, of Title Fourth, the following section and articles:

“SECTION XXIVA

“DEPOSIT OF MONEYS INTENDED FOR THE SINKING-FUNDS OF MUNICIPAL AND SCHOOL CORPORATIONS.

Sinking-fund must be sufficient for interest and annual instalments, when payable annually.

“**1493a.** When the capital of a loan contracted, or of bonds issued, by a municipality incorporated by special act or under the provisions of the general law, is repayable by annuity instalments or by a series of consecutive and yearly instalments covering the whole term of the loan or of the bond issue, the moneys set aside each year for the sinking-fund shall be sufficient to meet each instalment, and shall be used for such purpose at each date on which an instalment becomes due.

When payable otherwise, must be sufficient to pay whole capital at maturity.

When such capital is repayable otherwise, the moneys intended for the sinking-fund shall be sufficient every year, with the interest accrued thereon, to pay the whole of the capital at maturity, and shall be deposited every year in the office of the Provincial Treasurer, at Quebec, and so much of said deposit as may be required shall be used to meet instalments, if any, at the dates on which they respectively fall due.

Lt.-Gov. in C. may authorize deposit elsewhere.

The Lieutenant-Governor in Council, upon the report of the Minister of Municipal Affairs, to the effect that it is advisable and in the interest of the municipality that the sinking-fund be deposited elsewhere than in the office of the Provincial Treasurer or be otherwise invested, may authorize that the sinking-fund required to redeem an issue of bonds made, or to repay a loan contracted, by

that municipality, be deposited elsewhere than in the office of the Provincial Treasurer or be otherwise invested.

"1493b. A municipal or school corporation which has effected a loan for which a sinking-fund must be created under the laws governing the same, or which has issued bonds, shall, within the thirty days immediately following the completion of the loan, or the delivery of the bonds, make to the Provincial Treasurer a report, under the oath of office of the warden or mayor and that of the secretary-treasurer or clerk in the case of a municipal corporation, or under the oath of office of the chairman and that of the secretary-treasurer, in the case of a school corporation.

Such report shall set forth:

Contents of
report.

- a. The particulars of the by-law or resolution under which the loan was contracted or the bonds were issued;
- b. The amount of the loan or of the bonds, the amount of each instalment, if any, the maturity dates and the places of payment of the principal or capital;
- c. The date of the completion of the loan or of the delivery of the bonds, the name of the lender or purchaser, and the net amount received by the corporation out of the money borrowed or out of the sale of the bonds.

Such report shall be accompanied by a certified copy of the by-law or resolution, as the case may be.

"1493c. The moneys deposited in conformity with this section shall bear interest at the rate of three and one-half per cent per annum, from the date of their deposit to the date of their withdrawal, and such interest shall be compounded yearly.

Moneys
deposited to
bear
interest.

At maturity of the loan or of the bonds, such moneys, together with the interest accrued as aforesaid, shall be paid over, by the Treasury Department, to the order of the bank or banks where the loan or the bonds are made payable.

Payment at
maturity.

"1493d. The moneys deposited in conformity with this section and the interest accrued thereon shall be unseizable, save and except in execution of a final judgment from a competent court rendered in favor of the lender, or of one or more of the bondholders, for whose benefit the sinking-fund has been created.

Moneys
deposited
to be
unseizable.
Exception.

The moneys seized shall be distributed rateably amongst all the holders of the bonds.

Distribu-
tion.

Investment
of moneys
deposited.

"1493e. The moneys deposited with the Provincial Treasurer in conformity with this section, may be invested in Dominion or Provincial stock or bonds, in public securities of the United Kingdom or of the United States of America, or in the stock or bonds of any municipal or school corporation in the Province.

Provisions
applicable.

"1493f. Articles 839 to 845 inclusive of the Revised Statutes, 1909, shall apply, *mutatis mutandis*, to this section.

Regulations
by Lt.-Gov.
in C.

"1493g. The Lieutenant-Governor in Council may make such regulations as he may deem proper, concerning the formalities to be followed in connection with this section. He may also establish a tariff of duties and fees payable by the interested corporations, in connection with the deposits and their reimbursement.

Penalties.

"1493h. The mayor, secretary-treasurer or clerk of a municipality, or the president or secretary-treasurer of a school board, who refuses or neglects to comply with the provisions of article 1493b, or with the regulations made under article 1493g, or who gives false or obviously insufficient information, shall be liable to a fine of not less than fifty dollars nor more than five hundred dollars."

Art. 4525 of
R. S., 1888,
replaced.

2. Article 4525 of the Revised Statutes, 1888, is replaced by the following:

Sinking-
fund to be
used or
deposited
yearly.

"4525. The moneys intended for the sinking-fund shall be used yearly, or, as the case may be, deposited yearly in the office of the Provincial Treasurer, at Quebec, in conformity with section XXIVa of chapter fifth of title fourth of the Revised Statutes, 1909 (articles 1493a to 1493h).

Action to
compel
deposit.

Whenever, according to law, it is obligatory to deposit the moneys, and such deposit is not made as prescribed, any trustee, bondholder, ratepayer or other interested party may by an action in law compel the municipality to make such deposit, and in case a judgment to that effect is obtained against the corporation, the provisions of the law concerning the execution of judgments against municipalities and contained in articles 4570 to 4583, shall apply."

R. S., 2728c,
replaced.

3. Article 2728c of the Revised Statutes, 1909, as enacted by section 12 of the act 5 George V, chapter 36, and amended by section 4 of the act 7 George V, chapter 27, is replaced by the following:

Sinking-
fund to be

"2728c. The moneys intended for the sinking-fund shall be used yearly, or, as the case may be, deposited yearly in

the office of the Provincial Treasurer, at Quebec, in conformity with section XXIVa of chapter fifth of title fourth of these Revised Statutes, (articles 1493a to 1493h). used or deposited yearly.

Whenever, according to law, it is obligatory to deposit such moneys, and the deposit is not made as prescribed, any trustee, bondholder, ratepayer or other interested party may by an action in law compel the municipality to make such deposit, and in case a judgment to that effect is obtained against the corporation, the provisions of the law concerning the execution of judgments against municipalities, and contained in articles 2905 to 2927, shall apply." Action to compel deposit.

4. Article 5778 of the Revised Statutes, 1909, is replaced by the following: R. S., 5778, replaced.

"**5778.** The moneys intended for the sinking-fund shall be used yearly, or, as the case may be, deposited yearly in the office of the Provincial Treasurer, at Quebec, in conformity with section XXIVa of chapter fifth of title fourth of these Revised Statutes, (articles 1493a to 1493h). Sinking-fund to be used or deposited yearly.

Whenever, according to law, it is obligatory to deposit such moneys, and the deposit is not made as prescribed, any trustee, bondholder, ratepayer or other interested party may by an action in law compel the municipality to make such deposit, and in case a judgment to that effect is obtained against the corporation, the provisions of the law concerning the execution of judgments against municipalities, and contained in articles 5870 to 5883, shall apply." Action to compel deposit.

5. Article 638 of the Quebec Municipal Code is amended: Q. M. C., art. 638, am.

a. By replacing the second paragraph thereof by the following:

"However, when the moneys are intended to form a sinking-fund for the repayment of the principal of a loan or for the redemption of bonds issued, the corporation shall use the same yearly, or, as the case may be, deposit the same yearly in the office of the Provincial Treasurer, at Quebec, in conformity with section XXIVa of chapter fifth of title fourth of the Revised Statutes, 1909 (articles 1493a to 1493h)."; Sinking-fund to be used or deposited yearly.

b. By replacing the fourth paragraph thereof by the following:

"Any bank or other institution in which the sinking-fund mentioned in the third paragraph has been deposited, may pay over all such money, as well as the interest accrued thereon, to such corporation, on receiving a duly certified copy of a resolution to that effect." Discharge for bank.

Q. M. C., art. 767, am. **6.** Article 767 of the Quebec Municipal Code is amended by replacing the last three paragraphs thereof by the following:

Sinking-fund to be used or deposited yearly. "The moneys intended for the sinking-fund shall be used yearly, or, as the case may be, deposited yearly in the office of the Provincial Treasurer, at Quebec, in conformity with section XXIVa of chapter fifth of title fourth of the Revised Statutes, 1909 (articles 1493a to 1493h).

Action to compel deposit. Whenever, according to law, it is obligatory to deposit such moneys and the deposit is not made as prescribed, any trustee, bondholder, ratepayer or other interested party may by an action in law compel the municipality to make the deposit, and in case a judgment to that effect is obtained against the corporation, the provisions of the law concerning the execution of judgments against municipalities, and contained in articles 811 to 825, shall apply."

Interpretation. **7.** All provisions of law inconsistent with those enacted by this act shall be construed so as to give to this act its full force and effect.

Application of act. **8.** This act shall apply only to the loans contracted, or issues of bonds made, by a municipal or school corporation, under by-laws or resolutions passed after the coming into force of this act.

Coming into force. **9.** This act shall come into force on the day fixed by proclamation of the Lieutenant-Governor in Council, published in the *Quebec Official Gazette*.

CHAP. 29

An Act to amend the law respecting certain public officers

[Assented to 9th February, 1918]

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

R. S., 1501, am. **1.** Article 1501 of the Revised Statutes, 1909, is amended by inserting therein, after the word: "fees", in the fourth and in the eighth lines thereof, the words: "and salary".

Coming into force. **2.** This act shall come into force on the day of its sanction.