
B I L L .

[As passed by the Legislative Council.]

An Act to restrain Municipalities from issuing Debentures beyond a certain amount.

IN amendment of the Act “ respecting the Municipal Institutions of Upper Canada,” Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows :

1. Besides the restrictions upon Councils imposed by the two hundred and fourteenth and following sections, and the two hundred and twenty-first and following sections of the said Act, no Council of a City, Town or Village shall pass a By-law for contracting a debt, by borrowing money or otherwise, or for levying a rate for payment of such debt, nor issue, make or give any bond, bill, note, debenture or other undertaking for the payment of a debt, whereby the liabilities of such City, Town or Village would be made to exceed one half of the assessed yearly value of the rateable property within its limits, on the average of the then last three years, and calculating the yearly value at the rate of six per cent. on the actual value of such property ; and any By-law passed, or bond, bill, note, debenture, or other undertaking, issued, made or given in contravention of this section, shall be void.

2. Besides said restrictions, no Council of a County or Township shall pass a By-law for contracting a debt, by borrowing money or otherwise, or for levying a rate for payment of such debt, nor issue, make or give any bond, bill, note, debenture or other undertaking for the payment of a debt, whereby the liabilities of such County or Township would be made to exceed three per cent. on the assessed actual value of the rateable property within its limits ; and any By-law passed, or bond, bill, note, debenture or other undertaking issued, made or given in contravention of this section, shall be void.

3. Nothing in this Act contained shall be construed to affect the validity of any By-law passed, or bond, bill, note, debenture or other undertaking issued, made or given before the passing of the same, nor to prevent the passing, or affect the validity of any By-law, or prevent the issuing, making or giving, or affect the validity of any bond, bill, note, debenture or other undertaking which it may hereafter be necessary for any Council to pass, or to issue, make or give for the purpose of redeeming any bond, bill, note, debenture or other undertaking heretofore lawfully issued, made or given by it, or by any Council whose liabilities have devolved upon it, or for the payment of interest on any such bond, bill, note, debenture or other undertaking ; nor shall the validity of any By-law lawfully passed, or bond, bill, note, debenture or other undertaking lawfully issued, made or given by any Council under this Act, be affected by any subsequent diminution in the assessed yearly value, or the assessed actual value of the rateable property under the jurisdiction of such Council.