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BILL.

An Act to enable Municipal Corporations in Upper Canada to invest their surplus Clergy Reserve money for Educational purposes in certain securities, and to legalize such investments already made, and for other purposes.

Received and read first time, Thursday, 20 August, 1863.

Second reading, Thursday, 27th August, 1863.

Hon. Mr. AINSWORTH

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BILL.

An Act to enable Municipal Corporations in Upper Canada to invest their surplus Clergy Reserve money for Educational purposes in certain securities, and to legalize such investments already made, and for other purposes.

WHEREAS Municipalities in Upper Canada, desiring to invest any of the moneys accruing to them from the Upper Canada Municipalities Fund, are bound by law to make such investments by purchasing Provincial, Consolidated Loan Fund, or Municipal Debentures; and it is expedient that further discretion should be allowed them as regards such investments; and whereas it is also expedient to authorize Boards of School Trustees to borrow such moneys from Municipal Corporations for the purchase of school sites or the erection of school-houses, or, having surplus moneys for educational purposes, to invest the same; therefore Her Majesty, &c., enacts as follows:

1. From and after the passing of this Act, any Municipal Corporation having surplus moneys derived from the Upper Canada Municipalities Fund, shall have power by By-law to set such surplus apart for educational purposes, and to invest the same, as well as any other moneys held by such Municipal Corporation for, or by it lawfully appropriated to, educational purposes in first mortgages secured on real estate held and used for farming purposes, and to be the first lien on or against such real estate, and from time to time, as such securities mature, to invest in other like securities, or in the securities already mentioned by law, as may be directed by such By-law, or by other By-laws passed for that purpose: Provided always that no Municipal Corporation shall invest in such real estate securities any sum exceeding one-third of the value of the real estate on which it is secured, according to the last revised and corrected assessment roll at the time it is so invested.

Power to invest in certain securities

Proviso

2. And whereas several Municipalities have heretofore invested moneys derived from the said fund and set apart for special purposes, in real estate security; be it enacted that any By-law heretofore passed setting apart and authorizing the investing of such moneys, and under which By-law such moneys have been actually invested, shall be held to be a good and valid By-law.

Investments already made confirmed.

3. The Board of School Trustees of any city or town in Upper Canada having surplus moneys for educational purposes, may invest the same in the purchase of Provincial, Consolidated Loan Fund, or Municipal Debentures, or in such securities as are described in the first section of this Act, subject to the provisions, conditions, limitations and restrictions therein contained; and any by-law of any such Corporation heretofore made for authorizing any such investment, under which any such money has been so invested, shall be held to be a good and valid by-law.

Investments by School Trustees of surplus moneys for educational purposes.

Municipal Corporations, may lend such moneys to Boards of School Trustees. 4. Any Municipal Corporation having surplus moneys derived from the Upper Canada Municipalities Fund shall have power by by-law to set such surplus apart for educational purposes, and to invest the same in a loan or loans to any Board or Boards of School Trustees within the limits of the Municipality, for such term or terms, and at such rate or rates of interest as may be agreed upon by and between the parties to such loan or loans respectively, and set forth in such by-law. 45

Boards of School Trustees may borrow such moneys from Municipal Corporation for what purposes. 5. Any Board of School Trustees may, with the consent of the freeholders and householders of their school section first had and obtained at a special meeting duly called for that purpose, by by-law authorize the borrowing from any Municipal Corporation of any such surplus moneys as aforesaid, for such term and at such rate of interest as may be set forth in such by-law, for the purpose of purchasing a school site or school sites, or erecting a school-house or school-houses; and any sum or sums so borrowed shall be applied to that purpose and to that only. 55

Investment of moneys in contravention of law to be a misdemeanor. 6. Any member of any Municipal Corporation or Board of School Trustees who shall take part in, or in any way be a party to the investment of any such moneys as are mentioned in this Act, by or on behalf of the corporation of which he is a member, otherwise than is authorized by this Act or by the eleventh section of the Act respecting Clergy Reserves, or by any other law in that behalf made and provided, shall not only be held personally liable for any loss sustained by such corporation, but shall also be guilty of a misdemeanor and be liable to conviction in any Court of competent jurisdiction in Upper Canada, and upon conviction to be sentenced to fine or imprisonment, or both, in the discretion of such Court. 65

Limitation. 7. This Act shall apply to Upper Canada only.