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This document is *not* the official version of the statute printed pursuant to the authority of the [Queen's Printer Act](#) R.S.P.E.I. 1988, Cap. Q-1.

This Act and the amendments as printed under the authority of the Queen's Printer for the province should be consulted when determining the authoritative statement of the law.

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CHAPTER M-12

MUNICIPAL DEBENTURE GUARANTEE ACT

- 1.** In this Act
- Definitions
- (a) “Minister” means the Minister of the Crown designated by the Lieutenant Governor in Council to have the administration of this Act; Minister
- (b) “municipal authority” means the council of a municipality; municipal authority
- (c) “town” means any incorporated town; town
- (d) “village” means an incorporated village and includes a community established under the *Municipalities Act* R.S.P.E.I. 1988, Cap. M-13. R.S.P.E.I. 1974, Cap. T-5, s.1; 1975,c.30,s.1; 1983,c.33,s.66. village
- 2.** (1) On the recommendation of the Provincial Treasurer, the Lieutenant Governor in Council is hereby empowered to guarantee payment of the principal and interest of bonds, debentures or certificates of indebtedness issued by a town or village for the purpose of constructing water and sewage systems or other capital projects. Guarantee for indebtedness *re* water & sewer construction & other capital projects
- (2) The guarantee referred to in subsection (1) shall be clearly indicated upon such bonds, debentures or certificates of indebtedness over the signature and seal of the Provincial Treasurer and constitute a charge upon the Operating Fund of the province. Guarantee, to be indicated on bonds etc.
- (3) A guarantee by the Lieutenant Governor in Council under subsection (1) shall not exceed ten per cent of the total of the market value assessments of the taxable real property in the town or village; the total of the market value assessments of the taxable real property shall be in such amount as shall be determined by the Director of Assessment of the Provincial Treasury. R.S.P.E.I. 1974, Cap. T-5, s.2; 1983, c.1, s.6; 1986, c.5, s.2; 1993, c.29, s.4; 1997,c.20,s.3. Maximum amount of guarantee
- 3.** Where a guarantee of debentures is given, the Lieutenant Governor in Council shall require that proper sinking funds be maintained by the town or village for the payment of the principal and interest of the debentures. R.S.P.E.I. 1974, Cap. T-5, s.3. Sinking funds
- 4.** (1) Where a municipal authority has, in the opinion of the Minister, defaulted in the payment of principal or interest with respect to bonds, debentures or certificates of indebtedness issued by a town or village as the case may be and guaranteed by the Lieutenant Governor in Council Appointment of administrator where default in payment of bonds, etc.

under this Act, the Minister may appoint by order in writing an official administrator who shall replace the municipal authority.

Power of administrator

(2) The official administrator shall have all the duties, powers and functions of the municipal authority or of a regularly elected municipal authority of the town or village.

Reinstatement of municipal authority

(3) When the Minister is satisfied that all such outstanding obligations have been discharged or arrangements satisfactory to the Minister have been made, the Minister may provide for the reinstatement of the municipal authority of the town or village or for the election of a new municipal authority.

Remuneration of administrator

(4) The official administrator shall be paid from the funds in his control while exercising his powers, duties and functions, such remuneration as may from time to time be fixed by the Minister.

Election provision in abeyance

(5) Subject to subsection (6), while an official administrator holds office, the provisions in relation to the holding of elections of the Act under which the municipal authority he replaces is governed, are in abeyance.

Directions for new election

(6) At a convenient time before the termination of the tenure of office of the official administrator, the Minister shall give any necessary directions for the holding of a new election of a municipal authority, to hold office until the termination of the then current uniform period provided for elections of such municipal authority.

Directions by Minister

(7) Notwithstanding anything contained in the Act governing the municipal authority or in any other Act, the Minister may at the time he gives the directions referred to in subsection (6) or any other time

(a) direct when the municipal authority to be elected to replace the official administrator shall take office;

(b) direct that the official administrator shall continue to hold office until the municipal authority referred to in clause (a) is sworn into and takes office;

(c) appoint, direct and empower the official administrator to appoint a returning officer or officers and other election officials and clerks necessary for the conduct of the election of the municipal authority referred to in clause (a) or necessary for the doing of anything preparatory to such election, including without limiting the generality of the foregoing the preparation and revision of lists of electors;

(d) take or direct and empower the official administrator to take any other necessary action preparatory to or for the conduct of the

election of the municipal authority referred to in clause (a) for the taking of office of such municipal authority;

(e) give any other directions or take any other action he considers necessary or advisable to carry out effectively the intent and purpose of this section. R.S.P.E.I. 1974, Cap. T-5, s.4; 1983, c.33, s.66.