

**LEGISLATIVE ASSEMBLY
OF
YUKON**

Third Session of the
Thirty-fourth Legislative Assembly

BILL NO. 301

Act to Amend the Taxpayer Protection Act

First Reading:

Second Reading:

Committee of the Whole:

Third Reading:

Assented to:

ACT TO AMEND THE TAXPAYER PROTECTION ACT

EXPLANATORY NOTE

This Bill amends the *Taxpayer Protection Act* and the *Financial Administration Act* to:

- provide the Yukon Legislative Assembly with increased oversight and control over the amount of debt which the Government of Yukon may enter into by establishing a legislated borrowing limit of \$209.5 Million;
- ensure that borrowing beyond a legislated debt cap of \$209.5 Million would require the Yukon Legislative Assembly to vote in favour of amending the *Taxpayer Protection Act* first;
- require Cabinet to enact regulations limiting the temporary borrowings by government corporations and their subsidiaries; and
- increase public transparency by requiring government to report annually on all the details of borrowing by government corporations and their subsidiaries.

BILL NO. 301

Thirty-fourth Legislative Assembly

Third Session

ACT TO AMEND THE TAXPAYER PROTECTION ACT

The Commissioner of Yukon, by and with the advice and consent of the Legislative Assembly, enacts as follows

1 This Act amends the *Taxpayer Protection Act*.

Section 1 amended

2 The following definitions are added in alphabetical order

“government corporation” means a corporation that is expressly declared by or under the *Corporate Governance Act* or another enactment to be an agent of the Government of the Yukon, and includes a wholly-owned subsidiary of a government corporation;

“public borrowing” means any obligation or liability that is a borrowing for the purposes of subsections 23 (2) and (4) of the *Yukon Act* (Canada);

“public entity” means

- (a) the government
- (b) government corporations
- (c) a wholly-owned subsidiary of a government corporation
- (d) any other entity which engages in borrowing that is considered a public borrowing.

“public entities” means each and every public entity.

“temporary borrowings” means any obligation or liability authorized by the Commissioner in Executive Council pursuant to Section 52 or 53 of the *Financial Administration Act*, and all financial lines of credit;

“total debt” means the total debt of the Government of Yukon and its entities according the audited public accounts;

“wholly-owned subsidiary” means a corporation that is wholly owned directly by one or more government corporations or indirectly through one or more subsidiaries each of which is wholly

owned directly or indirectly by one or more government corporations, and for the purposes of this Act includes the Yukon Energy Corporation.”

Sections 9 to 11 added

3 The following sections are added immediately after section 8

“Borrowing limit established

9 (1) The total borrowing by all public entities shall not exceed \$209.5 million.

(2) A public entity must neither undertake a public borrowing nor issue a security that would increase the Government of Yukon’s total debt above a limit of \$209.5 million.

(2) A public entity must not enter into a capital lease that would increase the Government of Yukon’s total debt above a limit of \$209.5 million.

Accountability for temporary borrowings by government corporations

10 (1) The Commissioner in Executive Council shall make regulations limiting temporary borrowing by government corporations, including the maximum amount each corporation may borrow through money overdrafts and lines of credit.

(2) The Minister of Finance shall make a report annually on all the specifics of all borrowings by government corporations, including the dates when temporary borrowings were required, the total amounts required and the costs of any such borrowings, and shall table it in the Legislative Assembly.

Paramountcy

11 This Act supersedes every other Act unless it is expressly declared by the other Act that it shall supersede this Act including, for greater certainty, the *Financial Administration Act*.

Financial Administration Act amended

4 Section 49.01 of the Financial Administration Act is replaced with the following

“Authority to borrow

49.01 A public entity must neither undertake a public borrowing nor issue a security unless the borrowing or the issuance of the security, as the case may be, is

(a) authorized by this or another Act;

(b) approved by the management board; and

(c) approved by the Legislature.
