

Relevant Legislation - Fire Departments Capital Borrowing

Municipal Government Act

Section 65 Power to expend money

The council may expend money required by the municipality for:

(g) equipping and maintaining fire departments or emergency service providers

Section 66 Power to borrow money

- (1) A municipality may borrow to carry out an authority to expend funds for capital purposes conferred by this Act or another Act of the Legislature.
- (2) The authority to borrow and expend money conferred by this Section may be exercised in respect of any land, building or undertaking owned by the municipality, even if all or part of the land, building or undertaking is located in another municipality
- (3) Where a municipality or village enters into a joint undertaking with a municipality, village or service commission for a purpose for which it is authorized to borrow and expend money, it may borrow its portion of the cost of the undertaking irrespective of which party of inter-municipal corporation will own the undertaking
- (4) A municipality may borrow money
 - e) For the purpose of making a loan to a registered fire department or registered emergency services provider

Section 294 Registration as a fire department

- (1) A body corporate may apply to a municipality for registration as a fire department.
- (2) A municipality shall not refuse to register a body corporate that complies with this Act if the
 - a. Municipality is satisfied that the body corporate is capable of providing the services it offers to provide
 - b. Body corporate carries liability insurance, as required by the municipality
 - c. Body corporate does not provide the fire services for profit and
 - d. Municipality does not provide the same services for the same area
- (3) A fire department, including a fire department of a municipality, village or fire protection district, shall register in each municipality in which it provides emergency services
- (4) A registered fire department shall provide the municipality with a list of specific emergency services it will endeavour to provide and the area in which the services will be provided
- (5) Registration continues in force until withdrawn by the municipality for cause or the fire department requests that the registration be revoked
- (6) A municipality may grant or lend money to, or guarantee a loan for, a registered fire department for operating or capital purposes
- (7) A municipality may grant or lend assets, without charge, to a registered fire department
- (8) Registration does not make a fire department an agent of a municipality

- (9) A registered fire department is not a municipal enterprise pursuant to *the Municipal Finance Corporation Act*.

Municipal Finance Corporation Act

Section 2

(f) "municipal enterprise" means any body corporate the borrowings of which are or may be guaranteed by a municipality, any body corporate to which a municipality may lend money and any body corporate the deficit of which is or may be paid by a municipality, and includes a school board as defined in the Education Act but does not include a hospital;

(h) "service commission" means a board, commission or corporation created by or under the authority of any Act and having power to:

- provide, for an area or the residents of an area, services similar to one or more of those which may be provided by a municipality for its residents, and
- levy rates and taxes, or require a municipality or an official of a municipality to levy rates and taxes, other than or in addition to water or electric rates fixed or approved under the Public Utilities Act, and includes fire protection commissioners incorporated under the Rural Fire District Act or to whom the Rural Fire District Act applies by virtue of Section 56 thereof but does not include a municipality of a county or district, an incorporated town, a city, village commissioners or a school board as defined in the Education Act. R.S., c. 301, s. 2.

Rural Fire District Act

Borrowing powers and title to property

38 (1) The commissioners are authorized to borrow or raise by way of loan on the credit of the commissioners such sum or sums as the commissioners deem necessary for any of the following purposes:

- (a) erecting, acquiring, purchasing, altering, adding to, improving, furnishing or equipping buildings for housing fire apparatus, machinery and implements, and for other uses in connection with the operation of the fire department;
- (b) acquiring, purchasing or improving land for such buildings;
- (c) equipping a fire department and acquiring or purchasing apparatus, machinery and implements for use in extinguishing fires.

(2) The commissioners may assess for, levy, collect and expend out of current revenue, any amount required to defray the cost of any of the objects set out in subsection (1).

(3) The title to all property and assets acquired in whole or in part from funds of the commissioners or from funds for repayment of which the commissioners are responsible shall be held by the commissioners. R.S., c. 406, s. 38.

Borrowing where postponement of issue of debenture

39 (1) When the commissioners have obtained the approvals required by the Municipal Government Act to borrow or raise any sum of money by an issue of debentures, and they deem it expedient to postpone the issue of such debentures, they may, with the approval of the Minister, borrow such sum or part thereof from any chartered bank in the Province, for such time and on such terms as are agreed upon, and may, from time to time, with the approval of the Minister, extend such time or alter such terms.

(2) Every sum so borrowed may be repaid in whole or in part from revenue or other lawful source but, unless so paid, shall be repaid from the proceeds of the debentures when sold.

(3) The interest on any money so borrowed shall be paid from revenue and not from the issue of debentures. R.S., c. 406, s. 39; 1998, c. 18, s. 578.

Borrowing by or from municipality for commissioners

40 (1) A municipality within which all or part of a district lies is authorized to borrow or raise by way of loan on the credit of the municipality such sums of money as it deems necessary, and to pay the same over to the commissioners for any of the purposes referred to in Section 38, or the municipality may, with the approval of the Minister, advance from current revenue, surplus, special reserve fund or any other lawful source, all or any part of the amount and recover the same from the commissioners with interest at the rate and on the terms agreed upon.

(2) Such borrowing shall be deemed to be for a municipal purpose within the meaning of the Municipal Government Act.

(3) Unless some other agreement is made, the municipality shall deduct each fiscal year the amounts required to pay interest and repay principal on such advance from the amounts payable to the commissioners pursuant to Section 46. R.S., c. 406, s. 40; 1990, c. 19, s. 89; 1998, c. 18, s. 578.

41 to 44 repealed 1998, c. 18, s. 578.