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**HONOURABLE COLIN HANSEN
MINISTER OF ECONOMIC DEVELOPMENT AND MINISTER
RESPONSIBLE FOR THE ASIA-PACIFIC INITIATIVE AND THE OLYMPICS**

BILL 8 -- 2005

**SOUTHERN INTERIOR DEVELOPMENT
INITIATIVE TRUST ACT**

Contents

Section

Part 1 -- Interpretation

- 1 Definitions

Part 2 -- Southern Interior Development Initiative Trust

Division 1 -- Regional Advisory Committees

- 2 Establishment of regional advisory committees
- 3 Composition of regional advisory committees
- 4 Procedures

Division 2 -- Establishment and Structure of the Southern Interior Development Initiative Trust

- 5 Southern Interior Development Initiative Trust established
- 6 Directors of the Southern Interior Development Initiative Trust
- 7 First directors of the Southern Interior Development Initiative Trust
- 8 Subsequent directors

- 9 Vacancies among the directors
- 10 Proceedings of directors
- 11 Appointment of chief executive officer and chief financial officer
- 12 Officers and employees
- 13 Operating expenses and remuneration

Part 3 -- Public Accountability

- 14 Strategic plans
- 15 Annual reports
- 16 Audit

Part 4 -- Allocations

- 17 Limit on the Southern Interior one-time development allocation
- 18 Management of Regional Account
- 19 Interest and other income on invested money
- 20 Purpose of Regional Account
- 21 Regional advisory committees may advise on projects
- 22 Investments

Part 5 -- General

- 23 Winding up
- 24 *Offence Act*
- 25 Power to make regulations
- 26 Review of this Act
- 27 Commencement

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

Part 1 -- Interpretation

Definitions

1 In this Act:

"Columbia-Kootenay region" has the meaning prescribed by regulation;

"qualified individual" means an individual who is not

- (a) an elected official of a municipality or a regional district,
- (b) a Member of the Legislative Assembly,
- (c) an employee of the government,
- (d) a member of the board of directors of the Southern Interior Development Initiative Trust,
- (e) a member of a regional advisory committee, or
- (f) a person who is
 - (i) the spouse, parent or child of any individual referred to in paragraph (d) or (e), or
 - (ii) any other relative residing with that individual;

"region" means the Columbia-Kootenay region or the Thompson-Okanagan region;

"Regional Account" means the account established under section 7 (2) (a);

"regional advisory committee" means a regional advisory committee established under this Act;

"Southern Interior area" means that area of British Columbia comprising the Columbia-Kootenay region and the Thompson-Okanagan region;

"Southern Interior Development Initiative Trust" means the Southern Interior Development Initiative Trust established under section 5 (1);

"Southern Interior one-time development allocation" means any money paid by the government to the Southern Interior Development Initiative Trust;

"Thompson-Okanagan region" has the meaning prescribed by regulation.

Part 2 -- Southern Interior Development Initiative Trust

Division 1 -- Regional Advisory Committees

Establishment of regional advisory committees

2 (1) There is established, for each region, a regional advisory committee comprising the following:

- (a) the mayors of each of the municipalities that

(i) is within the region, and

(ii) on the coming into force of this Act, has a population greater than 500;

(b) the chairs of each regional district that is, in whole or in part, within the region;

(c) the Members of the Legislative Assembly who have been elected, in whole or in part, by electors from the region.

(2) The term of membership on a regional advisory committee for each individual referred to in subsection (1) expires on the earlier of

(a) the date that is 6 months after the coming into force of this Act, and

(b) the date on which he or she ceases to hold the position referred to in subsection (1).

(3) Within 6 months after the coming into force of this Act, each of the regional advisory committees must

(a) appoint 4 directors of the Southern Interior Development Initiative Trust in accordance with sections 6 (2) (a) and 8 (1), and

(b) subject to section 3,

(i) determine the size of, and the manner of appointing members to, the regional advisory committee, and

(ii) determine the role of, and the manner of appointing, the chair of the regional advisory committee.

(4) On the coming into force of this Act, the following persons are the first chairs of the regional advisory committees:

(a) for the regional advisory committee for the Columbia-Kootenay region, the mayor of Nelson;

(b) for the regional advisory committee for the Thompson-Okanagan region, the mayor of Kamloops.

(5) The first chair of a regional advisory committee must call and chair the meeting or meetings necessary to allow that regional advisory committee to perform its obligations under subsection (3).

Composition of regional advisory committees

3 A regional advisory committee, whether under section 2 (3) (b) or otherwise, may from time to time determine the size of, and the manner of appointing members to, the regional advisory committee and the role of, and the manner of appointing, the chair of the regional advisory committee, but in doing so the members of the regional advisory committee must

(a) ensure that the only persons who are eligible to become members of the regional advisory committee are

(i) elected officials of municipalities or regional districts that are, in whole or in part, within the region, or

(ii) Members of the Legislative Assembly who have been elected, in whole or in part, by electors from the region,

(b) provide an opportunity for municipalities or regional districts within the region that have populations of less than 500 to be represented on the regional advisory committee,

(c) establish the terms of office for members of the regional advisory committee, and

(d) ensure that if a member of the regional advisory committee ceases to meet the qualifications for membership set out under paragraph (a), that individual immediately ceases to be a member of the regional advisory committee.

Procedures

4 The members of a regional advisory committee must appoint one of their number as chair and may, subject to section 3, otherwise establish their own procedures.

Division 2 -- Establishment and Structure of the Southern Interior Development Initiative Trust

Southern Interior Development Initiative Trust established

5 (1) There is established a corporation known as the Southern Interior Development Initiative Trust consisting of the directors referred to in section 6.

(2) The Southern Interior Development Initiative Trust has the powers and capacity of an individual of full capacity.

(3) The Southern Interior Development Initiative Trust is not an agent of the government.

Directors of the Southern Interior Development Initiative Trust

6 (1) Directors of the Southern Interior Development Initiative Trust must be appointed in accordance with this Division.

(2) Subject to section 7 and to subsection (8) of this section, the board of directors of the Southern Interior Development Initiative Trust is to consist of 13 individuals of whom

(a) 8 are to be appointed by the regional advisory committees, with each of the 2 regional advisory committees appointing 4 of their number as directors, and

(b) 5 are to be appointed by the Lieutenant Governor in Council.

(3) Subject to section 7 (3), the term of office of a director of the Southern Interior Development Initiative Trust is,

(a) if the director is appointed under subsection (2) (a) of this section, 2 years from the expiry of the term of the retiring director that he or she replaces, and

(b) if the director is appointed under subsection (2) (b) of this section, 3 years from the expiry of the term of the retiring director whom he or she replaces.

(4) Nothing in this Act prevents

(a) a regional advisory committee from removing and replacing, in accordance with any procedures it has established for that purpose, any individual the regional advisory committee has appointed as a director of the Southern Interior Development Initiative Trust, and

(b) the Lieutenant Governor in Council from removing and replacing any individual the Lieutenant Governor in Council has appointed as a director of the Southern Interior Development Initiative Trust.

(5) If a director is removed and replaced under subsection (4),

(a) the regional advisory committee or the Lieutenant Governor in Council, as the case may be, must promptly notify the directors of the Southern Interior Development Initiative Trust of the replacement appointment, and

(b) the term of office of the replacement director is the remainder of the term of the director he or she replaces.

(6) A director of the Southern Interior Development Initiative Trust is removed as, and ceases to be, a director of the Southern Interior Development Initiative Trust on the passing of a resolution to that effect by all of the remaining directors.

(7) An act or proceeding of the directors of the Southern Interior Development Initiative Trust is not invalid merely because fewer than the number of directors required by subsection (2) are in office or in attendance.

(8) An individual who is a Member of the Legislative Assembly must not be appointed as a director of the Southern Interior Development Initiative Trust.

First directors of the Southern Interior Development Initiative Trust

7 (1) On the coming into force of this Act, the first directors of the Southern Interior Development Initiative Trust are

(a) from the regions, the following persons:

(i) from the Columbia-Kootenay region, the mayors of Cranbrook, Trail, Golden and Grand Forks;

(ii) from the Thompson-Okanagan region, the mayors of Kelowna, Vernon, Princeton and Salmon Arm, and

(b) 5 individuals appointed as directors by the Lieutenant Governor in Council.

(2) The first directors of the Southern Interior Development Initiative Trust

(a) must establish a Regional Account,

(b) must receive the Southern Interior one-time development allocation and deposit it into the Regional Account,

(c) subject to section 22, may invest any or all of the Southern Interior one-time development allocation and any other money in the Regional Account, and

(d) subject to paragraphs (b) and (c) of this subsection and to section 20 (2), must not make any use of the Southern Interior one-time development allocation.

(3) The term of office of the first directors of the Southern Interior Development Initiative Trust expires 6 months after the date of the coming into force of this Act.

Subsequent directors

8 (1) On or before the expiry of the term of any directors it appoints under section 6 (2) (a) and on or before the expiry of the term of the directors from its region referred to in section 7 (1) (a), a regional advisory committee must appoint 4 of their number as directors to replace the retiring directors, and must promptly notify the directors of the Southern Interior Development Initiative Trust of those replacement appointments.

(2) On or before the expiry of the term of directors appointed under section 6 (2) (b) or 7 (1) (b), the Lieutenant Governor in Council must appoint 5 individuals to replace those directors, and must promptly notify the directors of the Southern Interior Development Initiative Trust of those appointments.

Vacancies among the directors

9 (1) A director of the Southern Interior Development Initiative Trust ceases to hold office when

- (a) the director's term of office expires,
- (b) the director ceases to be a member of the regional advisory committee by which he or she was appointed, or
- (c) the director dies, resigns or is removed from office.

(2) If one of the directors of the Southern Interior Development Initiative Trust ceases to hold office, a replacement for that director must be appointed in the same manner as that director was appointed.

(3) A replacement director appointed under subsection (2) holds office until the end of the term of the director he or she replaces.

Proceedings of directors

10 (1) The directors of the Southern Interior Development Initiative Trust

- (a) must appoint one of their number as chair, and
- (b) may, subject to this Division, otherwise establish their own procedures.

(2) Subject to section 22, the directors of the Southern Interior Development Initiative Trust may invest any or all of the Southern Interior one-time development allocation.

(3) In appointing a chief executive officer and a chief financial officer under section 11 (1) and a review committee under section 26 (1), the directors are to be guided by the guidelines set out in the following as amended or replaced from time to time:

- (a) the *Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations* published by the British Columbia Board Resourcing and Development Office;
- (b) the *Review of the Governance Framework for Canada's Crown Corporations -- Meeting the Expectations of Canadians* published by the Treasury Board of Canada Secretariat.

Appointment of chief executive officer and chief financial officer

11 (1) Subject to section 10 (3), the directors must appoint a qualified individual as the chief executive officer of the Southern Interior Development Initiative Trust, and the same or a different qualified individual as the chief financial officer of the Southern Interior Development Initiative Trust, to carry out

(a) the functions and duties of the chief executive officer and chief financial officer, respectively, under this Act, and

(b) the functions and duties that the directors specify.

(2) The directors may set the remuneration of the chief executive officer and chief financial officer.

Officers and employees

12 (1) The chief executive officer, to the extent authorized by the directors, may do one or more of the following:

(a) enter into contracts on behalf of the Southern Interior Development Initiative Trust to carry out any of its purposes;

(b) appoint other officers and employees considered necessary to carry out the operations of the Southern Interior Development Initiative Trust;

(c) define the duties and set the remuneration of the individuals appointed under paragraph (b);

(d) provide a system of organization to establish responsibility and promote efficiency.

(2) The *Public Service Act*, the *Public Service Benefit Plan Act*, the *Public Sector Pension Plans Act* and the *Public Service Labour Relations Act* do not apply to the Southern Interior Development Initiative Trust, the chief executive officer, the chief financial officer or a director, officer or employee of the Southern Interior Development Initiative Trust.

Operating expenses and remuneration

13 (1) The directors may use money from the Regional Account to satisfy those expenses that are reasonably and necessarily incurred in order to allow the directors and officers to perform their obligations under this Act.

(2) A director of the Southern Interior Development Initiative Trust must not accept remuneration from that corporation other than for reasonable travelling and out of pocket expenses necessarily incurred by the director in discharging his or her duties.

Part 3 -- Public Accountability

Strategic plans

14 (1) For the purposes of public accountability, the directors must prepare strategic plans in accordance with this section.

(2) The directors must

(a) each year establish a 3 year strategic plan for the Southern Interior Development Initiative Trust including goals for each year of the strategic plan relating to the fulfillment of the purposes identified in section 20 in relation to the Regional Account,

(b) provide a copy of each strategic plan prepared under this section to each of the regional advisory committees, and

(c) publish each strategic plan prepared under this section in a manner that can reasonably be expected to bring the plan to the attention of the public.

(2) The directors must prepare

(a) the first strategic plan required under subsection (1) on or before the earlier of

(i) the date on which the Southern Interior Development Initiative Trust makes any of the payments contemplated by section 20, and

(ii) the first anniversary of the coming into force of this section, and

(b) after that, a strategic plan before the first day of each fiscal year of the Southern Interior Development Initiative Trust.

Annual reports

15 (1) Within 4 months after the end of each fiscal year of the Southern Interior Development Initiative Trust, the directors must

(a) prepare an annual report that complies with subsection (2) (a), and

(b) prepare, in accordance with generally accepted accounting principles, financial statements for the Southern Interior Development Initiative Trust for that fiscal year and have those financial statements audited in accordance with section 16.

(2) The directors must,

- (a) in each annual report referred to in subsection (1) of this section,
 - (i) report on the goals set by the directors for the preceding fiscal year under section 14 (2), indicate how, if at all, those goals have been met and detail how those achievements met the intent of the purposes identified in section 20 in relation to the Regional Account,
 - (ii) compare actual results for the preceding fiscal year with the expected results identified in the strategic plan for that fiscal year, and
 - (iii) include the audited financial statements referred to in subsection (1) (b),
- (b) provide a copy of that annual report to each of the regional advisory committees, and
- (c) publish each annual report in a manner that can reasonably be expected to bring the annual report to the attention of the public.

Audit

16 (1) The Southern Interior Development Initiative Trust must, on or before the end of each fiscal year, appoint, as auditor for the Southern Interior Development Initiative Trust, an individual who is authorized to be an auditor of a company under section 205 of the *Business Corporations Act* to audit the accounts, transactions and financial statements of the Southern Interior Development Initiative Trust for the following fiscal year.

(2) The accounts, transactions and financial statements of the Southern Interior Development Initiative Trust must, at least once in every year, be audited and reported on by the auditor and the costs of the audit must be paid by the Southern Interior Development Initiative Trust.

(3) An oral or written statement or report made under this Act by the auditor or a former auditor of the Southern Interior Development Initiative Trust has qualified privilege.

Part 4 -- Allocations

Limit on the Southern Interior one-time development allocation

17 Despite any other enactment, if the government makes Southern Interior one-time development allocation payments to the Southern Interior Development Initiative Trust, the total of those payments must not exceed \$50 million.

Management of Regional Account

18 (1) The Southern Interior Development Initiative Trust must manage the Regional Account.

(2) If any donation is made to the Southern Interior Development Initiative Trust, the directors of the Southern Interior Development Initiative Trust must deposit that money into the Regional Account.

Interest and other income on invested money

19 The interest or other income earned in relation to the Regional Account must be paid into that account.

Purpose of Regional Account

20 (1) The purpose of the Regional Account is to support investment in the following in the Southern Interior area:

- (a) forestry;
- (b) pine beetle recovery;
- (c) transportation;
- (d) tourism;
- (e) mining;
- (f) Olympic opportunities;
- (g) small business;
- (h) economic development;
- (i) energy;
- (j) agriculture.

(2) Without limiting section 18 (1), money may be paid out of the Regional Account for any of the purposes referred to in subsection (1) or section 13, including, without limitation, any payments required under sections 11 (2) and 12 (1) (c).

Regional advisory committees may advise on projects

21 (1) Each regional advisory committee may identify, for the directors of the Southern Interior Development Initiative Trust, projects that the regional advisory committee considers are appropriate for application of the money in the Regional Account.

(2) The directors of the Southern Interior Development Initiative Trust may reject any recommendation made to them by a regional advisory committee under subsection (1).

Investments

22 The Southern Interior Development Initiative Trust must invest the Southern Interior one-time development allocation, and any other money in the Regional Account, only as permitted under the provisions of the *Trustee Act* respecting the investment of trust property by a trustee.

Part 5 -- General

Winding up

23 (1) Promptly after the Regional Account has been reduced to a nil balance, the directors must

(a) in accordance with the direction of the regional advisory committees, distribute the remaining assets of the Southern Interior Development Initiative Trust, if any,

(i) firstly in satisfaction of any outstanding liabilities of the Southern Interior Development Initiative Trust, and

(ii) after that, to the municipalities and regional districts in the Southern Interior area, or to any of them, in the proportions or amounts the regional advisory committee may direct,

(b) close the account, and

(c) publish notice of the closing of the account, and the consequent dissolution of the Southern Interior Development Initiative Trust, in a manner that can reasonably be expected to bring those matters to the attention of the public.

(2) On the closing of the Regional Account,

(a) the Southern Interior Development Initiative Trust is dissolved and disestablished,

(b) the appointment of each member of the board of directors of the Southern Interior Development Initiative Trust is rescinded, and

(c) the regional advisory committees are dissolved and disestablished.

Offence Act

24 Section 5 of the *Offence Act* does not apply to this Act.

Power to make regulations

25 The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.

Review of this Act

26 (1) Subject to section 10 (3), on or before the fifth anniversary of the coming into force of this section, and on or before every fifth anniversary after that, the directors must, if the Southern Interior Development Initiative Trust has not by that date been dissolved and disestablished under section 23, appoint a committee of qualified individuals to review this Act and evaluate how it is functioning.

(2) The review committee may consult with business, labour, education providers, government and any other person or organization it considers appropriate.

(3) If a review committee is appointed, it must publish a report of its findings in a manner that can reasonably be expected to bring the report to the attention of the public.

Commencement

27 This Act comes into force by regulation of the Lieutenant Governor in Council.
