

# ALBERTA HERITAGE SAVINGS TRUST FUND ACT

## Chapter A-23

### *Table of Contents*

|     |   |
|-----|---|
| 1   | Definitions                               |
| 2   | Alberta Heritage Savings Trust Fund       |
| 3   | Investments by the Heritage Fund          |
| 4   | Agreements respecting financial matters   |
| 5   | Management and pooled investment of funds |
| 6   | Standing Committee                        |
| 8   | Investment income of Fund                 |
| 9.1 | Transfers re Access to the Future Fund    |
| 9.2 | Appropriated funds                        |
| 10  | Other funds paid into Heritage Fund       |
| 11  | Inflation-proofing                        |
| 13  | Operating costs                           |
| 14  | Auditor                                   |
| 15  | Quarterly reports                         |
| 16  | Annual reports                            |
| 17  | Regulations                               |

### **Preamble**

WHEREAS the mission of the Heritage Fund is to provide prudent stewardship of the savings from Alberta's non-renewable resources by providing the greatest financial returns on those savings for current and future generations of Albertans;

THEREFORE HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

### **Definitions**

**1** In this Act,

- (a) "Heritage Fund" means the Alberta Heritage Savings Trust Fund referred to in section 2;
- (b) "Minister" means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;

(c) “net income of the Heritage Fund” means net income of the Heritage Fund from operations as reported in the “Statement of Operations and Accumulated Surplus” contained in the Heritage Fund’s financial statements;

(d) “Standing Committee” means the Standing Committee established under section 6.

RSA 2000 cA-23 s1;2013 cF-14.5 s19

#### **Alberta Heritage Savings Trust Fund**

**2(1)** There is hereby continued the Alberta Heritage Savings Trust Fund established under the *Alberta Heritage Savings Trust Fund Act*, RSA 1980 cA-27.

**(1.1)** The Crown is the legal and beneficial owner of the Heritage Fund.

**(2)** The Minister shall hold, manage, invest and dispose of the assets of the Heritage Fund in accordance with this Act.

**(3)** The Minister shall establish and maintain a separate accounting record of the Heritage Fund.

RSA 2000 cA-23 s2;2006 c23 s6;2013 cF-14.5 s19

#### **Investments by the Heritage Fund**

**3(1)** The investments of Heritage Fund assets must be made with the objective of maximizing long-term financial returns.

**(2)** When making investments, the Minister shall adhere to investment and lending policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and obtain a reasonable return that will enable the Heritage Fund to meet its objectives.

**(3) and (4)** Repealed 2013 cF-14.5 s19.

RSA 2000 cA-23 s3;2006 c23 s6;2013 cF-14.5 s19

#### **Agreements respecting financial matters**

**4(1)** The Minister may enter into agreements providing for

(a) the lending of securities acquired or held pursuant to this Act, and

(b) the delivery to the Minister of collateral consisting of securities or classes of securities or of letters of credit.

**(2)** The Minister may enter into agreements or engage in other activities of a financial nature respecting investment under this Act, including, without limiting the generality of the foregoing, exchange agreements, futures agreements, option agreements, rate agreements, any other financial agreements or any combination of the agreements or activities referred to in this subsection.

RSA 2000 cA-23 s4;2006 c23 s6;2013 cF-14.5 s19

#### **Management and pooled investment of funds**

**5** The Minister may be a participant under section 40 of the *Financial Administration Act* on behalf of the Heritage Fund.

RSA 2000 cA-23 s5;2004 c7 s19;2013 cF-14.5 s19

#### **Standing Committee**

**6(1)** There is hereby established a standing committee of the Legislative Assembly called the “Standing Committee on the Alberta Heritage Savings Trust Fund” consisting of 9 members of the Legislative Assembly.

**(2)** The membership of the Standing Committee shall include 3 members of the Legislative Assembly who are not members of the governing party, but if there is

- (a) an insufficient number of non-government members to fill the 3 positions on the Standing Committee, or
- (b) an insufficient number of non-government members who are willing to fill the 3 positions on the Standing Committee,

the resulting vacant positions on the Standing Committee may be filled by members of the Legislative Assembly who are members of the governing party.

(3) The members of the Standing Committee shall be appointed at the commencement of each session in the same way that members are appointed to other standing committees of the Legislative Assembly.

(4) The functions of the Standing Committee are

- (a) to receive and review the quarterly reports referred to in section 15;
- (b) to approve the annual report of the Heritage Fund;
- (c) to review after each fiscal year end the performance of the Heritage Fund and report to the Legislature as to whether the mission of the Heritage Fund is being fulfilled;
- (d) to hold public meetings with Albertans on the investment activities and results of the Heritage Fund.

(5) The Standing Committee may, without leave of the Assembly, sit during any period when the Assembly is sitting or when it is adjourned or after prorogation of a session of the Legislature.

RSA 2000 cA-23 s6;2013 cF-14.5 s19;2015 cF-14.7 s14

**7** Repealed 2013 cF-14.5 s19.

#### Investment income of Fund

**8(1)** The net income of the Heritage Fund accrues to and forms part of the Heritage Fund.

(2) The net income of the Heritage Fund less the amount retained in the Heritage Fund under section 11(1) must be transferred by the Minister from the Heritage Fund to the General Revenue Fund in a manner and at the times determined by the Minister.

RSA 2000 cA-23 s8;2006 c23 s6;2013 cF-14.5 s19;  
2015 cF-14.7 s14

**9** Repealed 2015 cF-14.7 s14.

#### Transfers re Access to the Future Fund

**9.1** The Minister may transfer into the Heritage Fund from the General Revenue Fund an amount not exceeding \$3 000 000 000 to be allocated to the account referred to in section 4(4) of the *Access to the Future Act* in amounts and in a manner considered appropriate by the Minister.

2005 c12 s16;2013 cF-14.5 s19

#### Appropriated funds

**9.2** There may be paid into the Heritage Fund money appropriated by the Legislature.

2005 c12 s16;2013 cF-14.5 s19;2015 cF-14.7 s14

#### Other funds paid into Heritage Fund

**10(1)** In this section, “previous Act” means the *Alberta Heritage Savings Trust Fund Act*, RSA 1980 cA-27.

(2) Notwithstanding section 14 of the *Financial Administration Act*, money invested pursuant to section 6(1)(a) of the previous Act that is recovered through the disposition of assets owned by the Crown shall be included in and forms part of the Heritage Fund.

1996 cA-27.01 s10

### **Inflation-proofing**

**11(1)** Subject to subsection (2), the Minister must retain in the Heritage Fund from the net income of the Heritage Fund an amount equal to the lesser of

- (a) the accumulated operating surplus of the Heritage Fund as reported in the “Statement of Operations and Accumulated Surplus” contained in the financial statements of the Heritage Fund as of March 31 of the previous fiscal year multiplied by the percentage increase, if any, for that fiscal year in the Alberta Consumer Price Index specified by the Minister, and
- (b) the net income of the Heritage Fund for that fiscal year.

(2) For the purpose of subsection (1), if the percentage increase in the Alberta Consumer Price Index specified by the Minister is a negative number, that negative number shall be treated as if it were zero.

RSA 2000 cA-23 s11;2006 c23 s6;2013 cF-14.5 s19;  
2015 cF-14.7 s14

**12** Repealed 2013 cF-14.5 s19.

### **Operating costs**

**13** The Minister may charge a cost, expense or other payment to the Heritage Fund if in the opinion of the Minister the cost, expense or other payment was incurred or paid in respect of the Heritage Fund.

RSA 2000 cA-23 s13;2006 c23 s6;2013 cF-14.5 s19

### **Auditor**

**14** The Auditor General is the auditor of the Heritage Fund.

1996 cA-27.01 s14

### **Quarterly reports**

**15(1)** The Minister shall, as soon as practicable after the end of each of the first 3 quarters of every fiscal year, prepare and provide to the Standing Committee a report on the activities and financial performance of the Heritage Fund for the preceding quarter.

(2) Information contained in the report provided to the Standing Committee is to be reflected in the reports under section 6 of the *Fiscal Planning and Transparency Act*.

RSA 2000 cA-23 s15;2006 c23 s6;2013 cF-14.5 s19;  
2015 cF-14.7 s14

### **Annual reports**

**16(1)** The Minister shall, as soon as practicable after the end of each fiscal year, prepare and provide to the Standing Committee an annual report of the Heritage Fund, including a financial statement audited by the Auditor General.

(2) Once the Standing Committee has approved the annual report provided to the Standing Committee under subsection (1), the Standing Committee shall, on or before June 30 following the conclusion of the fiscal year for which the annual report was made, furnish copies of it to all members of the Legislative Assembly and to the Clerk of the Legislative Assembly and on doing so shall make the report public.

RSA 2000 cA-23 s16;2006 c23 s6;2013 cF-14.5 s19

### **Regulations**

**17** The Lieutenant Governor in Council may make regulations respecting the investments that may be made under this Act.

1996 cA-27.01 s17