
Belize City Council (Municipal Paper)

BELIZE:

BELIZE CITY COUNCIL (MUNICIPAL PAPER) ACT, 2019

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No. 13 of 2019

I assent,

(SIR COLVILLE N. YOUNG)

Governor-General

17th September, 2019.

AN ACT to provide for the issuance of Municipal Paper by the Belize City Council, the establishment of a Belize City Municipal Paper Fund and a Belize City Interest Reserve Fund in connection therewith; and to provide for matters connected therewith or incidental thereto.

(Gazetted 20th September, 2019.)

BE IT ENACTED, by and with the advice and consent of the House of Representatives and the Senate of Belize and by the authority of the same, as follows:

1. This Act may be cited as the

Short title.

BELIZE CITY COUNCIL (MUNICIPAL PAPER) ACT, 2019.

Interpretation.**2. In this Act-**

“Belize City Fund” means the fund established under section 21 of the Belize City Council Act;

“Council” means the Belize City Council constituted and established under section 3 of the Belize City Council Act;

“debt” means debt of the Council including any monies owed or accruing in respect of a loan or any other extension of credit including an overdraft facility, bond, municipal paper, debenture, note or other security, any indirect obligation such as a guarantee, surety, underwriting or security issued and any other similar financial arrangement which creates a liability;

“Holder” means a person in whose name Municipal Paper is registered and to whom a certificate of registration has been issued for the Municipal Paper;

“Interest Reserve Fund” means the Belize City Interest Reserve Fund established in section 5 of this Act;

“Minister” means the Minister with responsibility for Finance;

“Municipal Paper Proceeds” means any monies raised by the issue of Municipal Paper;

“Municipal Paper” means municipal paper issued by the Belize City Council from time to time having a maturity period of no more than twelve months; and

“Municipal Paper Fund” means the Belize City Municipal Paper Fund established in section 3 of this Act;

3.-(1) Subject to this Act, and notwithstanding the Belize City Council Act or any other law, the Council is hereby authorised to borrow by the issue in Belize of Municipal Paper together with such further Municipal Paper as shall be required to pay off at maturity Municipal Paper already lawfully issued.

Authority to issue Municipal Paper.

(2) Municipal Paper may include roll-over options providing for renewal thereof on a continuing basis.

(3) The principal sums represented by any debt outstanding at any one time shall not exceed in the aggregate the sum of fifty million dollars or such further sums as the Minister shall authorize from time to time.

4. The principal sums represented by any Municipal Paper issued under this Act and any interest thereon are charged upon and shall be payable out of the Belize City Fund.

Charge on Belize City Fund.

5. There is hereby established, in accordance with section 21A of the Belize City Council Act, a fund to be known as the Belize City Municipal Paper Fund into which shall be deposited or credited all Municipal Paper Proceeds.

Establishment of Belize City Municipal Paper Fund.

6. The Municipal Paper Fund shall be used for the following purposes-

Uses of Municipal Paper Fund.

- (a) to retire any existing debt or liability;
- (b) to fund the Interest Reserve Fund;
- (c) to pay fees and expenses for any professional or other services, including but not limited to services of any financial advisor, attorney, auditor, accountant, bank, underwriter, fiscal agent or trustee engaged in connection with the structuring, issue, sale and delivery of the Municipal Paper;

- (d) to smooth out short term cash flow variability and reduce short term financing costs;
- (e) to provide working capital;
- (f) to fund such other projects or activity within Belize City that benefits residents of Belize City; and
- (g) generally to enable the Council to meet its obligations and discharge its functions under the Belize City Council Act.

**Establishment
of Belize City
Interest
Reserve Fund.**

7. There is hereby established, in accordance with section 21A of the Belize City Council Act, a fund to be known as the Belize City Interest Reserve Fund-

- (a) into which shall be deposited from the Municipal Paper Proceeds one-year interest service reserve on the Municipal Paper, and
- (b) which shall be used for the purpose of repaying interest payable to Holders of Municipal Paper in the event that the Council is unable to meet interest payments or any portion thereof from the Belize City Fund as they become due and payable from time to time.

**Protection of
Funds.**

8. The Municipal Paper Fund and the Interest Reserve Fund shall be immune from enforcement of any judgment or proceedings including any proceedings for the attachment of debtor seizure of assets by any creditor or other person.

**Appointment
of Trustee.**

9. The Council may appoint, on such terms and conditions as the Council determines, a person to act as trustee to represent the interest of Holders.

10.-(1) A Holder may, if the Council defaults on the payment of any interest or principal payable to that Holder, deduct the equivalent sum from any payment due to the Council in respect of any trade licence fee or property tax due by that Holder to the Council.

Set-off in the event of default.

(2) The Holder shall, seven days before the date on which a payment to the Council is due, give to the Council written notice of its intention to exercise a set-off under subsection(1).

(3) For the purpose of subsection(1), "trade licence fee" or "property tax" means any fee or tax imposed by the Council in accordance with its powers under section 59(b) and (e) of the Belize City Council Act, respectively.

11.-(1) The Council shall maintain complete and accurate records and accounts of all monies received and disbursed from Municipal Paper Proceeds and any transaction involving and related to the use of Municipal Paper Proceeds.

Maintenance of Accounting Records and Disclosure.

(2) The accounts of the Council including but not limited to the Belize City Fund, the Municipal Paper Fund and the Interest Reserve Fund shall be audited by an independent auditor appointed by the Council annually until all principal and interest due in respect of the Municipal Paper has been repaid to Holders.

(3) The Council shall submit to the Minister, within three months after the end of each fiscal year in which-

(a) monies from the Municipal Paper Fund is used; and

(b) principal or interest is due and payable to Holders in respect of the Municipal Paper,

a report of the audit conducted under subsection (2) and a report on all the projects and activities undertaken wholly or partly with Municipal Paper Proceeds.

(4) The Minister shall lay a copy of the reports referred to in subsection (3) before the National Assembly as soon as possible after he receives them.

(5) The Council shall cause a copy of the reports referred to in subsection (3) to be made available to members of the public on the Council's website or otherwise.

Regulations.

12. The Council may, with the approval of the Minister, make Regulations for the better carrying out of the objects and purposes of this Act, including but not limited to-

- (a) the preparation, form, mode of issue, mode of payment and cancellation of Municipal Paper;
- (b) the issue of new Municipal Paper *in lieu* of one which has been defaced, lost or destroyed;
- (c) such other matters as may seem necessary to him for the purposes of giving effect to the provisions of this Act.