



Natural Person Powers

April 2008

DEFINITION

Natural person powers provide a municipality the rights, powers and privileges of a 'natural person' for the purpose of carrying out or administering its activities, subject to any other limitations or conditions that may be contained in legislation or regulations.

BENEFITS

Natural person powers do away with itemizing a number of specific corporate or administrative powers by providing municipalities with essentially the same legal powers as other corporations or persons to conduct their day to day business without the need for specific legislative authority to be spelled out for every activity. For example, acquiring property, entering agreements, hiring staff, commercial undertakings, establishing a benefits plan and purchasing insurance could all be done under a municipality's natural person powers without the need for specific provisions authorizing these activities.

These activities can all be done under current urban and rural legislation, but they must be spelled out in detail in order to be authorized.

PRESCRIPTIVE LIMITATIONS

It is important to note that certain powers that natural persons or other corporations have will continue to be regulated for municipalities despite the granting of natural person powers. These include the power to borrow money, delegate certain matters, make investments or sell land below market value. In these situations a municipality must adhere to legislative limitations such as debt limits and/or they must give extra public notice when they intend to undertake the action. As well, natural person powers do not override certain legislated duties such as the duty to prepare budgets, appoint an auditor or hire a qualified administrator.

GENERAL LIMITATIONS

Natural person powers generally do not give municipalities more jurisdiction than they already have and they do **not** confer or expand any law-making, bylaw, or taxing powers since *natural persons* don't have any such authority. What does change is the 'default' authority and flexibility for municipalities regarding administrative or corporate matters. Essentially, a municipality can take any action that a natural person or business could to carry out its purposes unless or until legislation prohibits an action or places limitations or conditions on an action.