



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FOURTH LEGISLATURE

Bill 22

**An Act to amend the Cities and
Towns Act, the Municipal Code of
Québec and the Act respecting
municipal debts and loans**

Introduction

**Introduced by
Mr Claude Ryan
Minister of Municipal Affairs**

**Québec Official Publisher
1992**

EXPLANATORY NOTES

This bill amends the rules governing the administration of municipalities enacted by the Cities and Towns Act and the Municipal Code of Québec.

First, in matters concerning municipal borrowings, local municipalities are authorized to contract loans by issuing new types of securities, the obligation to obtain the approval of qualified voters for a loan by-law passed for the sole purpose of obtaining plans and specifications is removed and the list of documents which must accompany the text of a by-law transmitted to the Minister for approval is replaced by a new formula permitting the Minister to determine which documents he wishes to obtain.

In addition, municipalities are authorized to invest, on a short-term basis, in securities issued by other municipalities or supramunicipal bodies.

In another connection, the bill changes the amounts of fines and the fine structure applicable to offences under municipal by-laws and increases to one year the prescription period for penal proceedings brought under the Cities and Towns Act or the Municipal Code of Québec.

The rules governing the awarding of contracts are amended by increasing the amounts beyond which public tenders and tenders by invitation must be called for. These new rules also allow a municipality to enter into a leasing contract in respect of movable property acquired by public tender or tender by invitation. Finally, the rules governing the awarding of insurance contracts are amended by allowing a municipality to renew an insurance contract with the same insurer for any term which, added to the initial term and to any preceding renewed term does not exceed three years.

The jurisdiction of municipalities in insurance matters is also modified to allow a council to adopt decisions regarding the

implementation of a group insurance scheme by resolution and to give retroactive effect to the resolution.

Local municipalities are given the power to create a common damage insurance corporation to insure themselves against damage to their own property or against the pecuniary consequences arising from damage caused to the property of others.

In addition, the powers of municipalities are broadened in matters of joint purchases and municipalities are authorized to provide containers and other garbage removal equipment to their citizens.

Finally, the bill amends the Act respecting municipal debts and loans in order to exempt a municipality from the obligation to transmit to the Minister of Municipal Affairs the resolution or by-law authorizing it to use loan surpluses for purposes other than those for which they were intended.

Bill 22

An Act to amend the Cities and Towns Act, the Municipal Code of Québec and the Act respecting municipal debts and loans

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Cities and Towns Act (R.S.Q., chapter C-19) is amended by inserting, after section 29.9, the following section:

“29.9.1 The parties to an agreement under section 29.5 or 29.9 may give to the Union des municipalités du Québec or the Union des municipalités régionales de comté et des municipalités locales du Québec inc. the mandate to purchase equipment or materials or to award an insurance contract or a contract for services other than professional services.

The rules governing the awarding of contracts by a municipality apply to contracts awarded under this section as if the mandatory were a municipality having a population that corresponds to the combined population of the municipalities that are party to the agreement.

The act by which the mandate under this section is given may provide for the reimbursement, according to the rules prescribed therein, of the expenses incurred by the mandatory.”

2. Section 99 of the said Act is amended by adding the words “or securities issued by a municipality or by a mandatory body of a municipality or a supramunicipal body within the meaning of sections 18 and 19 of the Act respecting the Pension Plan of Elected Municipal Officers (R.S.Q., chapter R-9.3)” at the end of the second paragraph.

3. Section 369 of the said Act, amended by section 174 of chapter 4 of the statutes of 1990, is replaced by the following section:

“369. Except where the applicable penalty is provided for by law, the council may, by by-law,

(1) prescribe that an offence under any regulatory provision coming under its jurisdiction shall be sanctioned by a fine;

(2) prescribe either a fine of a fixed amount, or the minimum and maximum fines or a minimum fine of \$1 and a maximum fine.

The fixed amount or maximum amount prescribed cannot exceed, according as to whether the offender is a natural person or a legal person, \$1 000 or \$2 000 for a first offence and \$2 000 or \$4 000 for a second or subsequent conviction.”

4. Section 412 of the said Act, amended by section 175 of chapter 4 of the statutes of 1990, is again amended

(1) by replacing the figure “10” in the fourth line of the fourth paragraph of paragraph 20 by the figure “30”;

(2) by replacing the figure “25” in the fifth line of the fourth paragraph of paragraph 20 by the figure “75”.

5. Section 413 of the said Act is amended by adding the words “to acquire, for the purpose of renting or selling to persons to whom garbage removal service is provided in the territory of the municipality, containers or other implements used in the operation of the service;” at the end of subparagraph *a* of paragraph 10.

6. Section 464 of the said Act is amended

(1) by adding, at the end of paragraph 10, the following paragraph:

“Every by-law adopted under this paragraph may have effect retroactively to the effective date of the insurance policy or the amendment to it, as the case may be.”;

(2) by adding, at the end, the following paragraph:

“However, the council may exercise its powers under subparagraphs 8 and 10 of the first paragraph by resolution.”

7. The said Act is amended by inserting, after section 465, the following subdivision:

“§ 20.1.—*Damage insurance*

“465.1 Municipalities may file with the Minister of Municipal Affairs a joint application for the incorporation of a corporation the object of which is to transact damage insurance business exclusively for the local municipalities that are members thereof.

“465.2 The council of each of the applicant municipalities must adopt a by-law whereby it approves the agreement referred to in section 465.3 and authorizes the filing of the application.

“465.3 The application must be accompanied with an agreement applicable to the members indicating

- (1) the name of the corporation;
- (2) the name of the applicant municipalities;
- (3) the place in Québec where the head office of the corporation will be situated;
- (4) the proposed classes of damage insurance;
- (5) the name, address and occupation of each member of the first board of directors of the corporation;
- (6) the mode of determination and payment of the annual contribution and of any other contribution required of the municipalities, and the classes of municipalities established for that purpose, where that is the case;
- (7) any other measure necessary for the administration and operation of the corporation, in particular those concerning the participation or withdrawal of members, and not inconsistent with the legislative provisions applicable pursuant to section 465.10.

“465.4 The application must, in addition, be accompanied with the following documents:

- (1) a development plan supported by a budgeted statement of the balance sheet, operating account and surplus account over a period of not less than three years, showing the calculation assumptions used;
- (2) the résumé of each of the proposed directors.

“465.5 The Minister or the Inspector General of Financial Institutions may require any other information or document he

considers necessary for the evaluation of the application or documents accompanying it.

“465.6 After receiving the advice of the Inspector General stating that the proposed incorporation is financially viable, the Minister may request the latter to issue letters patent to incorporate the corporation.

The Inspector General shall cause to be published in the *Gazette officielle du Québec*, at the expense of the corporation, the notice of the issuance of the letters patent indicating their effective date.

“465.7 Upon the issuance of the letters patent, the corporation is incorporated.

“465.8 The Inspector General shall, at the Minister’s request, issue supplementary letters patent to amend the letters patent or supplementary letters patent of a corporation.

The second paragraph of section 465.6 applies in respect of supplementary letters patent.

The supplementary letters patent may be issued only if the amendment embodied therein has been the subject of an application ratified by two-thirds of the members of the corporation.

“465.9 Where letters patent contain a misnomer, a misdescription or a clerical error, the Inspector General may, if there is no adverse claim, direct that the letters patent be corrected or cancelled and that correct ones be issued.

“465.10 The provisions of the Act respecting insurance (R.S.Q., chapter A-32) apply, adapted as required, to a corporation as if it were a mutual damage insurance company and an insurer, with the exception of sections 33.1 to 33.3, 88.1, 93.1, 175 to 200, 210, 223 to 242, 245, 245.0.1, 246 to 247.1 and 406.2.

The second and third paragraphs of section 35 of the said Act apply to a corporation as if it were incorporated by a special Act.

For the purposes of section 319 of the said Act, the number of members required shall not be fewer than 10 % of the membership.

Section 404.1 of the said Act applies to a corporation.

“465.11 A corporation may invest its moneys in accordance with the rules governing the investment of the property of others

provided in the Civil Code of Lower Canada. It may also invest its moneys in accordance with the second paragraph of section 99 of this Act or paragraph *d* of section 245.0.1 of the Act respecting insurance.

“465.12 A director of a corporation need not be a member of the council of a municipality that is a party to the agreement.

“465.13 If the Inspector General is of the opinion that the contributions which the municipalities are required to pay are no longer sufficient, in view of the obligations of the corporation, to maintain assets that exceed its liabilities for an amount equal to or greater than the minimum amount required under section 275 of the Act respecting insurance, he may order the corporation, after giving it the opportunity to be heard, to increase the contributions by the amount and for the period he determines, so as to cover the operating costs of the corporation.

The municipalities are thereupon bound to pay the required contributions.

The order is deemed to be an order made under the Act respecting insurance.

“465.14 Any municipality may, by a by-law which requires only the approval of the Minister, order a loan for the payment of a contribution.

“465.15 The withdrawal of a member from the corporation must be authorized by the Minister, on the advice of the Inspector General stating that the corporation will remain financially viable.

The Minister may subject his authorization to the conditions he determines in respect of both the member wishing to withdraw and the corporation.

“465.16 The winding-up of a corporation must be authorized by the Minister.

“465.17 Notwithstanding any provision to the contrary, a corporation is not required, to obtain an insurer's licence, to undertake to be party to a standard-form contract and to maintain the conditions stated therein with the Property and Casualty Insurance Compensation Corporation.”

8. Section 468.37 of the said Act is amended by replacing the words “or by bonds” in the third line by the words “, bonds or other securities”.

9. Section 468.39 of the said Act is amended

(1) by replacing the first paragraph by the following paragraph:

“468.39 If all the corporations have approved the by-law, the secretary of the management board shall send a certified copy of it to the Minister of Municipal Affairs, together with every other document he may require.”;

(2) by replacing the third paragraph by the following paragraph:

“The secretary must provide the Minister with any information requested by him with respect to the by-law.”

10. Section 468.40 of the said Act is amended by replacing the words “or of notes issued by the board for the repayment of such securities” in the third and fourth lines by the words “, notes or other debt securities issued by the board for the repayment thereof”.

11. Section 468.41 of the said Act is amended by replacing the words “or notes” in the first line by the words “, notes or other debt securities”.

12. Section 468.42 of the said Act is amended by replacing the words “or a note” in the first line by the words “, note or other debt security”.

13. Section 468.44 of the said Act is amended by inserting the words “, debt security” after the word “note” in the second line.

14. Section 468.51 of the said Act is amended

(1) by inserting the figures “, 554, 555” after the figure “477.2” in the third line;

(2) by adding, at the end, the following paragraph:

“For the purposes of sections 573 and 573.1, the population of a management board shall consist of the combined population of all the municipalities that are party to the agreement.”

15. Section 547 of the said Act, amended by section 164 of chapter 32 of the statutes of 1991, is again amended by replacing the words “or notes” in the second and third lines of the fifth paragraph by the words “, notes or other securities”.

16. Section 549 of the said Act is amended by replacing the words “or by notes” in the second line of the first paragraph by the words “, notes or other securities”.

17. Section 556 of the said Act is amended by inserting, after the first paragraph, the following paragraph:

“However, a loan by-law the sole purpose of which is the preparation of plans and specifications requires only the approval of the Minister.”

18. Section 561 of the said Act is amended by replacing the words “or notes” at the end of the second paragraph by the words “, notes or other securities”.

19. Section 562 of the said Act is replaced by the following section:

“562. The clerk shall transmit a certified copy of the loan by-law to the Minister of Municipal Affairs, together with every other document he may require.

The clerk must provide the Minister with any information requested by him with respect to the by-law.”

20. Section 563 of the said Act is repealed.

21. Section 563.1 of the said Act is amended by replacing the words “by means of notes” in the second and third lines by the words “otherwise than by an issue of bonds”.

22. Section 563.2 of the said Act is repealed.

23. Section 565 of the said Act is amended by replacing the words “or bonds” in the third line of the first paragraph by the words “, bonds or other securities”.

24. Section 567 of the said Act is amended

(1) by inserting the words “or expenses for which payment of a subsidy by the Government or one of its ministers or agencies is assured” after the word “expenses” in the second line of the first paragraph of subsection 2;

(2) by replacing the words “and notes” in the third line of the second paragraph of subsection 2 by the words “, notes or other securities”;

(3) by replacing the words “which causes works subsidized in whole or in part by the Government or one of its ministers or agencies to be carried out” in the first, second and third lines of subsection 3 by the words “which incurs expenses in respect of all or any part of which payment of a subsidy by the Government or one of its ministers or agencies is assured”;

(4) by replacing the word “par” in the fifth line of subsection 3 of the French text by the word “pas”.

25. Section 569 of the said Act is amended by striking out the third paragraph of subsection 1.

26. Section 573 of the said Act is amended by replacing the figure “\$25 000” in the first line of the first paragraph of subsection 1 by the words and figures “\$50 000 in the case of a municipality having a population of less than 50 000, or \$100 000 in the case of a municipality having a population of 50 000 or over”.

27. Section 573.1 of the said Act is amended by replacing the words and figures “\$5 000 and less than \$25 000” in the fourth line of the first paragraph by the words and figures “\$10 000 and less than \$50 000 in the case of a municipality having a population of less than 50 000, or exceeding \$20 000 and less than \$100 000 in the case of a municipality having a population of 50 000 or over”.

28. The said Act is amended by inserting, after section 573.1, the following sections:

“573.1.1 A municipality may enter into a leasing contract in respect of movable property that must be acquired by tender in accordance with section 573 or 573.1, provided it discloses, in the call for tenders, that it will have the option to enter into a leasing contract in respect of the property.

A municipality which opts to enter into a leasing contract must give notice thereof in writing to the successful tenderer. Upon receipt of the notice, the latter must enter into a contract in respect of the movable property, in accordance with the conditions subject to which his tender was accepted, with the lessor which the municipality designates in the notice.

“573.1.2 An insurance contract awarded by tender for a period of less than three years may, upon termination, be renewed without calling for tenders for one or several terms which, added to the initial term, must in no case exceed three years. Premiums may, after the initial term, be modified for the duration of a new term.”

29. Section 573.4 of the said Act is amended

(1) by replacing the figures and word “, 573.1, 573.2 and” in the first line by the word “to”;

(2) by striking out the words “, for the awarding of contracts involving an amount exceeding \$25 000” in the fourth and fifth lines of paragraph *a*.

30. Section 576 of the said Act, replaced by section 181 of chapter 4 of the statutes of 1990, is amended by replacing the words “within six months” in the first line by the words “within one year from the date of commission of the offence,”.

31. Form 36 of the said Act is repealed.

32. The Municipal Code of Québec (R.S.Q., chapter C-27.1) is amended by inserting, after article 14.7, the following article:

“14.7.1 The parties to an agreement under article 14.3 or 14.7 may give to the Union des municipalités du Québec or the Union des municipalités régionales de comté et des municipalités locales du Québec inc. the mandate to purchase equipment or materials or to award an insurance contract or a contract for services other than professional services.

The rules governing the awarding of contracts by a municipality apply to contracts awarded under this article as if the mandatory were a municipality having a population that correspond to the combined population of the municipalities that are party to the agreement.

The act by which the mandate under this article is given may provide for the reimbursement, according to the rules prescribed therein, of the expenses incurred by the mandatory.”

33. Article 203 of the said Code is amended

(1) by adding the words “or securities issued by a municipality or by a mandatory body of a municipality or a supramunicipal body within the meaning of sections 18 and 19 of the Act respecting the Pension Plan of Elected Municipal Officers (R.S.Q., chapter R-9.3)” at the end of the first paragraph;

(2) by inserting the words “or other securities” after the word “notes” in the first line of the third paragraph.

34. Article 455 of the said Code, replaced by section 247 of chapter 4 of the statutes of 1990, is again replaced by the following article:

“455. Except where the applicable penalty is provided for by law, the council may, by by-law,

(1) prescribe that an offence under any regulatory provision coming under its jurisdiction shall be sanctioned by a fine;

(2) prescribe either a fine of a fixed amount, or the minimum and maximum fines or a minimum fine of \$1 and a maximum fine.

The fixed amount or maximum amount prescribed cannot exceed, according as to whether the offender is a natural person or a legal person, \$1 000 or \$2 000 for a first offence and \$2 000 or \$4 000 for a second or subsequent conviction.”

35. Article 486 of the said Code is amended

(1) by replacing the words “all documents tending to inform the person or body concerned of the fulfilment of the provisions of the law and of the advisability of passing the by-law” in the fifth, sixth and seventh lines of the first paragraph by the words “the by-law, together with every other document required by the person to whom it is to be forwarded,”;

(2) by replacing the second paragraph by the following paragraph:

“The secretary-treasurer must provide the person to whom the certified copy is to be forwarded with any information requested by him with respect to the by-law.”

36. Article 487 of the said Code is repealed.

37. Article 547 of the said Code is amended by adding the words “to acquire, for the purpose of renting or selling to persons to whom a garbage removal service is provided in the territory of the municipality, containers or other implements used in the operation of the service;” at the end of paragraph *b*.

38. Article 565 of the said Code, amended by section 250 of chapter 4 of the statutes of 1990, is again amended

(1) by replacing the figure “10” in the fourth line of the fourth paragraph by the figure “30”;

(2) by replacing the figure “25” in the fifth line of the fourth paragraph by the figure “75”.

39. Article 606 of the said Code is amended by replacing the words “or bonds” in the fourth line by the words “, bonds or other securities”.

40. Article 608 of the said Code is amended

(1) by replacing the first paragraph by the following paragraph :

“608. If all the municipalities have approved the by-law, the secretary of the management board shall send a certified copy of it to the Minister of Municipal Affairs, together with every other document he may require.”;

(2) by replacing the third paragraph by the following paragraph :

“The secretary must provide the Minister with any information requested by him with respect to the by-law.”

41. Article 609 of the said Code is amended by replacing the words “or of notes issued by the board for the repayment of such securities” in the third and fourth lines by the words “, notes or other debt securities issued by the board for the repayment thereof”.

42. Article 610 of the said Code is amended by replacing the words “or notes” in the first line by the words “, notes or other debt securities”.

43. Article 611 of the said Code is amended by replacing the words “or a note” in the first line by the words “, note or other debt security”.

44. Article 613 of the said Code is amended by inserting the words “, debt security” after the word “note” in the second line.

45. Article 620 of the said Code is amended

(1) by inserting the figures “, 554, 555” after the figure “477.2” in the third line;

(2) by adding, at the end, the following paragraph :

“For the purposes of sections 573 and 573.1 of the Cities and Towns Act, the population of a management board shall consist of the combined population of all the municipalities that are party to the agreement.”

46. Article 708 of the said Code is amended by adding, at the end, the following paragraph:

“Every by-law adopted under this article may have effect retroactively to the effective date of the insurance policy or the amendment to it, as the case may be.”

47. The said Code is amended by inserting, after article 711, the following:

“711.1 However, the council of a municipality may exercise its powers under articles 704, 705, 708 and 710 by resolution.

“TITLE XVIII.1

“DAMAGE INSURANCE

“711.2 Local municipalities may file with the Minister of Municipal Affairs a joint application for the incorporation of a corporation the object of which is to transact damage insurance business exclusively for the local municipalities that are members thereof.

“711.3 The council of each of the applicant municipalities must adopt a by-law whereby it approves the agreement referred to in article 711.4 and authorizes the filing of the application.

“711.4 The application must be accompanied with an agreement applicable to the members indicating

- (1) the name of the corporation;
- (2) the name of the applicant municipalities;
- (3) the place in Québec where the head office of the corporation will be situated;
- (4) the proposed classes of damage insurance;
- (5) the name, address and occupation of each member of the first board of directors of the corporation;
- (6) the mode of determination and payment of the annual contribution and of any other contribution required of the municipalities, and the classes of municipalities established for that purpose, where that is the case;
- (7) any other measures necessary for the administration and operation of the corporation, in particular those concerning the

participation or withdrawal of members, and not inconsistent with the legislative provisions applicable pursuant to article 711.11.

“711.5 The application must, in addition, be accompanied with the following documents:

(1) a development plan supported by a budgeted statement of the balance sheet, operating account and surplus account over a period of not less than three years, showing the calculation assumptions used;

(2) the résumé of each of the proposed directors.

“711.6 The Minister or the Inspector General of Financial Institutions may require any other information or document he considers necessary for the evaluation of the application or documents accompanying it.

“711.7 After receiving the advice of the Inspector General stating that the proposed incorporation is financially viable, the Minister may request the latter to issue letters patent to incorporate the corporation.

The Inspector General shall cause to be published in the *Gazette officielle du Québec*, at the expense of the corporation, the notice of the issuance of the letters patent indicating their effective date.

“711.8 Upon the issuance of the letters patent, the corporation is incorporated.

“711.9 The Inspector General shall, at the Minister’s request, issue supplementary letters patent to amend the letters patent or supplementary letters patent of a corporation.

The second paragraph of article 711.7 applies in respect of supplementary letters patent.

The supplementary letters patent may be issued only if the amendment embodied therein has been the subject of an application ratified by two-thirds of the members of the corporation.

“711.10 Where letters patent contain a misnomer, a misdescription or a clerical error, the Inspector General may, if there is no adverse claim, direct that the letters patent be corrected or cancelled and that correct ones be issued.

“711.11 The provisions of the Act respecting insurance (R.S.Q., chapter A-32) apply, adapted as required, to a corporation

as if it were a mutual damage insurance company and an insurer, with the exception of sections 33.1 to 33.3, 88.1, 93.1, 175 to 200, 210, 223 to 242, 245, 245.0.1, 246 to 247.1 and 406.2.

The second and third paragraphs of section 35 of the said Act apply to a corporation as if it were incorporated by a special Act.

For the purposes of section 319 of the said Act, the number of members required shall not be fewer than 10 % of the membership.

Section 404.1 of the said Act applies to a corporation.

“711.12 A corporation may invest its moneys in accordance with the rules governing the investment of the property of others provided in the Civil Code of Lower Canada. It may also invest its moneys in accordance with the second paragraph of article 203 of this Code or paragraph *d* of section 245.0.1 of the Act respecting insurance.

“711.13 A director of a corporation need not be a member of the council of a municipality that is a party to the agreement.

“711.14 If the Inspector General is of the opinion that the contributions which the municipalities are required to pay are no longer sufficient, in view of the obligations of the corporation, to maintain assets that exceed its liabilities for an amount equal to or greater than the minimum amount required under section 275 of the Act respecting insurance, he may order the corporation, after giving it the opportunity to be heard, to increase the contributions by the amount and for the period he determines, so as to cover the operating costs of the corporation.

The municipalities are thereupon bound to pay the required contributions.

The order is deemed to be an order made under the Act respecting insurance.

“711.15 Any municipality may, by a by-law which requires only the approval of the Minister, order a loan to provide for the payment of a contribution.

“711.16 The withdrawal of a member from the corporation must be authorized by the Minister, on the advice of the Inspector General stating that the corporation will remain financially viable.

The Minister may subject his authorization to the conditions he determines in respect of both the member wishing to withdraw and the corporation.

“711.17 The winding-up of a corporation must be authorized by the Minister.

“711.18 Notwithstanding any provision to the contrary, a corporation is not required, to obtain an insurer’s licence, to undertake to be party to a standard-form contract and to maintain the conditions stated therein with the Property and Casualty Insurance Compensation Corporation.”

48. Article 920 of the said Code is amended by replacing the figure “\$1 500” in the second line by the figure “\$15 000”.

49. Article 935 of the said Code is amended by replacing the figure “\$25 000” in the first line of the first paragraph of subsection 1 by the words and figures “\$50 000 in the case of a municipality having a population of less than 50 000, or \$100 000 in the case of a municipality having a population of 50 000 or over”.

50. Article 936 of the said Code is amended by replacing the words and figures “\$5 000 and less than \$25 000” in the fourth line of the first paragraph by the words and figures “\$10 000 and less than \$50 000 in the case of a municipality having a population of less than 50 000, or exceeding \$20 000 and less than \$100 000 in the case of a municipality having a population of 50 000 or over”.

51. The said Code is amended by inserting, after article 936, the following articles:

“936.1 A municipality may enter into a leasing contract in respect of movable property that must be acquired by tender in accordance with article 935 or 936, provided it discloses, in the call for tenders, that it will have the option to enter into a leasing contract in respect of the property.

A municipality which opts to enter into a leasing contract must give notice thereof in writing to the successful tenderer. Upon receipt of the notice, the latter must enter into a contract in respect of the movable property, in accordance with the conditions subject to which his tender was accepted, with the lessor which the municipality designates in the notice.

“936.2 An insurance contract awarded by tender for a period of less than three years may, upon termination, be renewed without calling for tenders for one or several terms which, added to the initial term, must in no case exceed three years. Premiums may, after the initial term, be modified for the duration of the new term.”

52. The said Code is amended by inserting, after the heading of Chapter I of Title XXVI, the following article:

“1060.1 Any municipality may, for any purposes within its jurisdiction, borrow sums of money by issuing bonds, notes or any other securities.”

53. Article 1061 of the said Code is amended by inserting, after the second paragraph, the following paragraph:

“However, a loan by-law the sole purpose of which is the preparation of plans and specifications requires only the approval of the Minister.”

54. Article 1071.1 of the said Code is amended by replacing the words “by means of notes” in the second and third lines by the words “otherwise than by issuing bonds”.

55. Article 1072 of the said Code is amended by replacing the first paragraph by the following paragraphs:

“1072. Every by-law ordering a loan must also provide, in accordance with the following rules, for the payment of the interest and for the establishment of a sinking-fund.

The sinking-fund may be established either by means of a special tax imposed by the by-law and levied annually, until the extinction of the debt, on all taxable immovables in the territory of the municipality or only on those the owners of which are bound to contribute to the repayment of such a loan, or by setting aside each year for that purpose a portion of the general revenues of the municipality. In either case, the amount paid each year into the sinking-fund must be sufficient to yield, with compound interest at a rate of 3.5 % per annum, the capital to be paid at maturity.

The sum necessary for the payment of interest may likewise be taken from the general revenues or levied annually by means of a special tax imposed by the by-law on the immovables referred to in the second paragraph.

Nevertheless, no municipality may, to pay the interest and establish the sinking-fund, use more than one-half of the ordinary revenues from the general taxes it is empowered to impose under articles 989 and following and from the business tax or the surtax on non-residential immovables it is empowered to impose under the Act respecting municipal taxation, and the excess it may need for such purposes must be levied by means of a special tax on immovables.”

56. Article 1075 of the said Code is replaced by the following article:

“1075. The secretary-treasurer shall transmit a certified copy of the loan by-law to the Minister of Municipal Affairs, together with every other document he may require.

The secretary-treasurer must provide the Minister with any information requested by him with respect to the by-law.”

57. Article 1075.1 of the said Code is repealed.

58. Article 1077 of the said Code is amended by replacing the words “or bonds” in the third line of the first paragraph by the words “, bonds or other securities”.

59. Article 1081 of the said Code is repealed.

60. Article 1084 of the said Code is amended by replacing the words “or notes” at the end of the second paragraph by the words “, notes or other securities”.

61. Article 1093 of the said Code is amended

(1) by inserting the words “or expenses for which payment of a subsidy by the Government or one of its ministers or agencies is assured” after the word “expenses” in the second line of the first paragraph;

(2) by replacing the words “and notes” in the third and fourth lines of the second paragraph by the words “, notes or other securities”.

62. Article 1093.1 of the said Code is amended by replacing the words “which causes works subsidized in whole or in part by the Government or one of its ministers or agencies to be carried out” in the first, second and third lines by the words “which incurs expenses in respect of all or any part of which payment of a subsidy by the Government or one of its ministers or agencies is assured”.

63. Article 1094 of the said Code is amended by striking out the third paragraph of subarticle 1.

64. Article 1097 of the said Code is replaced by the following article:

“1097. Every municipality may appropriate any immovable or part of an immovable or servitude it needs for municipal purposes.”

65. Article 1108 of the said Code, replaced by section 259 of chapter 4 of the statutes of 1990, is amended by replacing the words “within three months” in the first line by the words “within one year from the date of commission of the offence,”.

66. Section 8 of the Act respecting municipal debts and loans (R.S.Q., chapter D-7) is amended by replacing the fourth paragraph by the following paragraph:

“The resolution or by-law under which the corporation exercises a power under this section does not require any approval.”

67. Sections 30 and 65 do not extend the six-month and three-month time limits prescribed in section 576 of the Cities and Towns Act and in article 1108 of the Municipal Code of Québec, respectively, as they read before (*insert here the date of assent to this Act*), in respect of any penal proceedings relating to an offence committed before that date.

68. A group insurance contract or a liability insurance contract entered into by a municipality, or a pension fund established by a municipality in respect of its officers and employees, before (*insert here the date of assent to this Act*) may not be contested on the ground that

(1) the decision of the municipality to take out insurance or to establish a pension fund was made by resolution;

(2) the insurance agreement covers a period prior to the date of the council’s decision to take out the insurance; or

(3) the insurance agreement or the pension fund agreement entails a financial commitment for the municipality for a period of more than three years without the prior authorization of the Minister of Municipal Affairs or, if the agreement was entered into before 1 January 1985, for a period of more than 12 months without its being authorized beforehand by the Commission municipale du Québec.

The first paragraph does not apply to cases pending on (*insert here the date of introduction of this bill*).

69. This Act comes into force on (*insert here the date of assent to this Act*).