

NATIONAL ASSEMBLY

FIRST SESSION

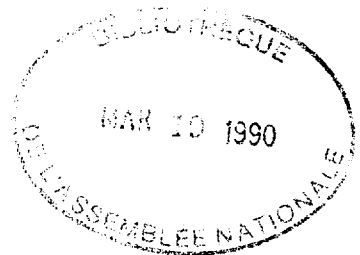
THIRTY-FOURTH LEGISLATURE

Bill 34

An Act to amend the Act respecting farm financing

Introduction

**Introduced by
Mr Michel Pagé
Minister of Agriculture, Fisheries and Food**



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EXPLANATORY NOTES

The aim of this bill is to oblige recipients of capital subsidies and, where that is the case, persons having rendered a group operation eligible for a subsidy, to remain in farming for a period of five years, failing which they must reimburse all or part of the subsidy.

The bill also specifies certain rules to be applied when a capital subsidy or interest subsidy is granted, in particular by providing a penal clause applicable where a subsidy has been obtained as a result of a false declaration.

Bill 34

An Act to amend the Act respecting farm financing

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Act respecting farm financing (R.S.Q., chapter F-1.2) is amended by inserting, after section 88, the following section:

“88.1 Every aspiring farmer to whom the Minister grants a capital subsidy must, for the purposes of this division, be engaged in farming for five years immediately following the date of his establishment.

Every farmer to whom the Minister grants a capital subsidy must make farming his principal occupation for five years immediately following the date of his establishment.

Every group operation to which the Minister grants a capital subsidy is required to make farming its principal activity for five years immediately following the date of establishment of a person who rendered it eligible for the subsidy. That person is bound, jointly with the group, to make farming his principal occupation for the same period.

However, the aspiring farmer, farmer, group operation or person who rendered a group operation eligible shall not be considered to have failed to comply with the requirements of the first, second or third paragraph if he or it proves to the satisfaction of the Office that he or it cannot do so for reasons beyond his or its control.

In addition, the aspiring farmer, farmer, group operation or person who rendered a group operation eligible who or which ceases temporarily to be engaged in farming or, as the case may be, to make it his principal occupation or its principal activity shall not be

considered to have failed to comply with the requirements of the first, second or third paragraph if he or it proves to the satisfaction of the Office that his or its farming activities will not be suspended for more than three years. Notwithstanding this suspension, he or it must be engaged in farming or make it his or its principal occupation or activity for a total of five years."

2. Section 89 of the said Act is replaced by the following section :

"89. The recipient of a capital subsidy or interest subsidy or, where that is the case, the person who has rendered a group operation eligible for that subsidy, shall not be considered to have ceased to comply with the requirements of this division for the sole reason that he operates a farming business other than that operated at the time the subsidy was granted, or that he has a new legal status, if he proves to the satisfaction of the Office that his new business or status satisfies those requirements."

3. Section 147 of the said Act is amended by inserting the words "Subject to section 88.1," at the beginning of the first paragraph.

4. The said Act is amended by inserting, after section 147, the following section :

"147.1 The aspiring farmer, farmer, group operation or person who rendered a group operation eligible for a capital subsidy who or which no longer satisfies the requirements of section 88.1 must, jointly and severally where applicable, reimburse the subsidy to the Office in proportion to the number of months during which he or it was in default compared to the period prescribed in the said section.

Where the default is not attributable to all the persons who rendered the recipient eligible for the subsidy, the obligation to reimburse shall apply only to that part of the subsidy for which the recipient was rendered eligible by the person or persons who have ceased to comply with the requirements of Division III of Chapter II."

5. Section 149 of the said Act is amended by replacing the words "or special loan" in the third and fourth lines by the words ", special loan, capital subsidy or interest subsidy".

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