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# NATIONAL ASSEMBLY

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FOURTH SESSION

THIRTY-SECOND LEGISLATURE

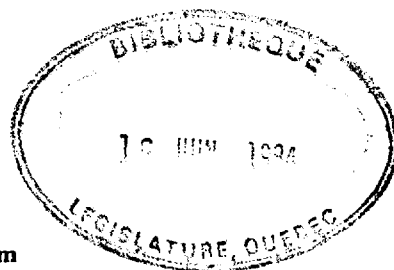
Bill 85

## An Act to amend the Cooperatives Act

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### Introduction

Introduced by  
**Mr Rodrigue Biron**  
Minister of Industry, Commerce and Tourism



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Québec Official Publisher  
1984

#### EXPLANATORY NOTES

*This bill amends the provisions of the Cooperatives Act concerning workers' production cooperatives and work cooperatives.*

*Henceforth, the cooperatives in question, whose main object is to provide work for their members or auxiliary members, will be called workers' cooperatives, and the corporate names of those among them whose main object will be to acquire property for resale to the public will be required to include the expression "commercial cooperative".*

*These cooperatives will be obliged to require every person accepted as a member to enroll in a course in technical and cooperative training and undergo a trial period of not over six months during which he remains an auxiliary member.*

*In addition to requiring the registration of the borrowed name by which any cooperative may identify itself, this bill also authorizes the board of directors of any cooperative, on certain conditions, to make an undertaking towards a person granting it financial assistance that its members will not allocate themselves a rebate.*

*Finally, the bill makes several technical corrections to the Act and brings certain of its provisions into closer harmony with the section that enacts the regulation-making powers of the Government.*

# Bill 85

## An Act to amend the Cooperatives Act

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** The Cooperatives Act (R.S.Q., chapter C-67.2) is amended by inserting, after section 20, the following sections:

**“20.1** A cooperative that identifies itself under a name other than its corporate name must file in the office of the prothonotary of the Superior Court of the judicial district where its head office is situated, a declaration of borrowed name in the form prescribed by the Minister.

**“20.2** The prothonotary shall enter the declaration in the book kept by him for the registration of declarations of partnerships.

The prothonotary shall collect the duty fixed by order made pursuant to section 224 of the Courts of Justice Act (R.S.Q., chapter T-16) for the registration of the declaration.

The prothonotary shall transmit a copy of the declaration to the Minister.”

**2.** The English text of section 27 of the said Act is amended by adding, after the word “members” in the second line of paragraph 5, the words “if there is a contract between the cooperative and the members to that effect;”.

**3.** Section 135 of the said Act is amended by adding the following paragraph:

“The Government, by regulation, may exempt a cooperative from the application of the second paragraph, in consideration of its volume of business or the nature of its activities.”

**4.** Section 141 of the said Act is replaced by the following section:

**“141.** The auditor shall make a report to the members in accordance with the modalities determined by regulation of the Government.”

**5.** Section 143 of the said Act is amended by replacing paragraph 2 by the following paragraphs:

“(2) to the allotment of rebates to persons or partnerships who were members of the cooperative during the fiscal year;

“(3) to the allotment of rebates to persons or partnerships who were auxiliary members of the cooperative during the fiscal year, where the members so decide and in such proportion as they determine.”

**6.** The said Act is amended by inserting, after section 148, the following section:

**“148.1** The board of directors of a cooperative may make an undertaking, towards a person granting financial assistance to it, that its members will not allocate a rebate to themselves, where authorized by the regulations and for the maximum period fixed therein.”

**7.** The said Act is amended by replacing the heading of Chapter V of Title II by the following heading:

“WORKERS’ COOPERATIVES”.

**8.** Sections 222 to 224 of the said Act are replaced by the following sections:

**“222.** A workers’ cooperative is a cooperative whose main object is to provide work for its members or auxiliary members.

**“223.** A cooperative whose main activity is the acquisition of property for resale to the public must have a corporate name that includes the expression “commercial cooperative”.

**“224.** The office of general manager or manager is not incompatible with the position of director.

**“224.1** A cooperative may, by by-law, establish supplementary conditions in respect of the admission, expulsion or suspension of members.

**“224.2** A cooperative must require every person accepted as a member to undergo a trial period of not over six months and a course in technical and cooperative training; during the trial period, the person is an auxiliary member.

The cooperative must pass the by-law provided for in section 52.

**“224.3** Where a cooperative has over 25 members, it must form a reception committee for the auxiliary members and a liaison committee between the members and the board of directors.

**“224.4** The cooperative must, by by-law, establish a procedure for the sharing of work and determine criteria and modalities for calling to work where there is not enough work for all the members or auxiliary members.

**“224.5** The cooperative may hire a person who is not a member to do casual work of short duration.”

**9.** Section 225 of the said Act is amended by replacing the words “production cooperative or work cooperative” in the first and second lines of the second paragraph by the word “cooperative”.

**10.** Section 265 of the said Act is replaced by the following section:

**“265.** The articles of continuance shall contain the provisions contemplated in paragraphs 1 to 4 of section 9 and in section 10.

The articles shall be accompanied with the documents contemplated in section 252 and the plan of continuance, except the by-laws of internal management and the general loan by-law of the cooperative resulting from the continuance.”

**11.** Sections 3 and 10 are declaratory.

**12.** This Act shall operate notwithstanding the provisions of sections 2 and 7 to 15 of the Constitution Act, 1982 (Schedule B of the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom).

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