

THIRD SESSION

THIRTY-SECOND LEGISLATURE

# NATIONAL ASSEMBLY OF QUÉBEC

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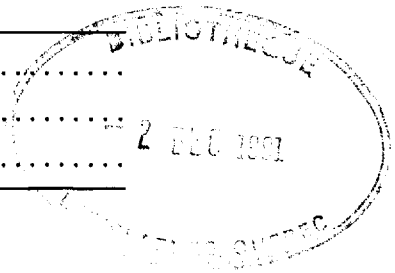
## Bill 32

An Act respecting school loans

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First reading .....  
Second reading .....  
Third reading .....

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M. JACQUES PARIZEAU

Minister of Finance

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## EXPLANATORY NOTES

*The main object of this bill is to simplify the procedure for obtaining authorization to borrow by the school boards and the Conseil scolaire de l'île de Montréal, to facilitate the sale of their bonds, and to establish a new method of guaranteeing their long term borrowings.*

*It entrusts the Minister of Education with the responsibility he formerly shared with the Minister of Municipal Affairs and the Commission Municipale for authorizing school board loans. In particular, he is authorized to determine the conditions and modalities of such loans and to require school bodies to provide information on their financial situation.*

*Finally, it amends the Act respecting the Ministère de l'Éducation to authorize the Minister to delegate his authority to a civil servant by way of a regulation published in the Gazette officielle du Québec.*

## ACTS AMENDED BY THIS BILL

- (1) the Act respecting the Commission Municipale (R.S.Q., chapter C-35);
- (2) the Act respecting municipal and school debts and loans (R.S.Q., chapter D-7)
- (3) the Education Act (R.S.Q., chapter I-14);
- (4) the Act respecting the Ministère de l'Éducation (R.S.Q., chapter M-15).

## Bill 32

### An Act respecting school loans

HER MAJESTY, with the advice and consent of the National Assembly of Québec, enacts as follows:

**1.** Section 216 of the Education Act (R.S.Q., chapter I-14) is amended by replacing the first paragraph by the following paragraph:

**“216.** No school corporation shall, without the approval of the Minister, hypothecate, sell, lease, exchange or alienate the property belonging to it, if the market value of such property exceeds \$1 000 or, as the case may be, if the term of the lease exceeds one year or if the annual rent exceeds \$1 200.”

**2.** Section 217 of the said Act is replaced by the following section:

**“217.** Every school corporation may, with the authorization of the Minister and according to such modalities, terms and conditions as he may determine, borrow money through any mode recognized by law.

The school corporation shall, at the request of the Minister, provide him, either directly or through the intermediary of the financial institutions with which it does business, with any information concerning its financial situation.”

**3.** Section 218 of the said Act is repealed.

**4.** Section 219 of the said Act is repealed.

**5.** Section 220 of the said Act, amended by section 343 of chapter 72 of the statutes of 1979, is again amended by replacing subsection 7 by the following subsection:

“(7) This section does not apply to any issue of bonds made or to any loan contracted after 30 June 1980.”

**6.** Section 221 of the said Act is repealed.

**7.** Section 222 of the said Act is amended by adding at the end the following paragraph:

“This section does not apply to any loan contracted after *(insert here the date preceding the date of the coming into force of Bill 32).*”

**8.** Section 223 of the said Act is repealed.

**9.** Section 225 of the said Act, replaced by section 345 of chapter 72 of the statutes 1979, is again replaced by the following section:

**“225.** The Minister of Education may, under such terms and conditions as he may determine, grant, on behalf of the Government, a subsidy to any school board in order to provide, in whole or in part, out of the funds voted annually for such purposes by the Legislature, for the payment in principal and interest of any loan contracted or to be contracted by the school board.”

**10.** Section 293 of the said Act, amended by section 350 of chapter 72 and by section 44 of chapter 80 of the statutes of 1979, is again amended by striking out the words “or make loans other than those provided for in section 225” at the end of paragraph *a* of subsection 1.

**11.** Section 504 of the said Act, amended by section 370 of chapter 72 of the statutes of 1979, is again amended by adding the words “, which have not been transferred as loan securities” at the end of the last paragraph, after the word “Council”.

**12.** Section 506 of the said Act is replaced by the following section:

**“506.** The Council may also, with the authorization of the Minister and according to such modalities, terms and conditions as he may determine, borrow money through any mode recognized by law for its needs and those of the school boards.

The Council shall, at the request of the Minister, provide him, either directly or through the intermediary of the financial institutions with which it does business, with any information concerning its financial situation.”

**13.** Section 507 of the said Act is amended by repealing the first three paragraphs.

**14.** Section 508 of the said Act is amended by adding, at the end, the following paragraph:

“This section does not apply to any issue of bonds made or to any loan contracted after (*insert here the date preceding the date of the coming into force of Bill 32*).”

**15.** Section 509 of the said Act is replaced by the following section:

“**509.** The Minister of Education may, under such terms and conditions as he may determine, grant, on behalf of the Government, a subsidy to the Conseil scolaire de l’île de Montréal in order to provide, in whole or in part, out of the funds voted annually for such purposes by the Legislature, for the payment in principal and interest of any loan contracted or to be contracted by the Council.”

**16.** Section 510 of the said Act is amended by adding, at the end, the following paragraph:

“This section does not apply to any issue of bonds made after (*insert here the date preceding the date of the coming into force of Bill 32*).”

**17.** Section 545 of the said Act, amended by section 50 of chapter 80 of the statutes of 1979, is again amended

(1) by replacing subparagraph *b* of the first paragraph by the following subparagraph:

“(b) with the authorization of the Minister and according to such modalities, terms and conditions as he may determine, contract loans by bill of exchange, note or other negotiable instrument for a period not to exceed one year, to finance its operations pending payment by the Council;”;

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

“Nevertheless, the board shall not exercise the powers mentioned in subparagraphs *a* and *c* without the authorization of the Council. In the case contemplated in subparagraph *c*, the Council must obtain the approval of the Minister if the term of the lease exceeds three years or if the annual rent exceeds \$100 000.”

**18.** Section 1 of the Act respecting the Commission Municipale (R.S.Q., chapter C-35) is amended

(1) by replacing paragraph 3 by the following paragraph:

“(3) The word “municipality” means any municipal corporation whatsoever, whether formed or governed by a general or special Act;”;

(2) by replacing paragraph 5 by the following paragraph:

“(5) The word “council” includes the executive committee or the administrative committee of a municipality;”.

**19.** Sections 25, 27 and 28 of the said Act are amended by replacing the words “municipal corporation” or “municipal corporations”, wherever they appear, by the words “municipality” or “municipalities”, respectively.

**20.** Section 28 of the said Act is amended by replacing the words “When a municipal corporation is concerned, the approval” in the first line of the first paragraph by the words “The approval”.

**21.** Section 29 of the said Act is repealed.

**22.** Section 35 of the said Act is repealed.

**23.** Section 65 of the said Act is amended by replacing the first paragraph by the following paragraph:

“**65.** Within six days from the date of the first publication, the person in charge of the sale shall, by registered or certified mail, give notice of such sale to the corporation of school commissioners or school trustees of the school municipality in which each immoveable advertised for sale is situated.”

**24.** Section 99 of the said Act is amended

(1) by striking out the words “in the case of a municipal corporation, and in the form of a resolution in the case of a school corporation” at the end of the first paragraph;

(2) by striking out the words “or resolution” in the first line of the last paragraph.

**25.** Section 20 of the Act respecting municipal and school debts and loans (R.S.Q., chapter D-7) is amended by replacing the second paragraph by the following paragraph:

“In the case of a school corporation, such a loan may be effected with the authorization of the Minister of Education.”

**26.** The said Act is amended by inserting the following section after section 26:

**“26.1** This section does not apply to an issue of bonds made after *(insert here the date preceding the date of the coming into force of Bill 32)*.”

**27.** Section 44 of the said Act is replaced by the following section:

**“44.** This division applies only to loans contracted and issues of bonds made by a school corporation or the Conseil scolaire de l'île de Montréal before *(insert here the date of the coming into force of Bill 32)* or by a municipal corporation, under by-laws or resolutions passed after 3 March 1918.”

**28.** The Act respecting the Ministère de l'éducation (R.S.Q., chapter M-15) is amended by replacing the first paragraph of section 11 by the following paragraph:

**“11.** No deed, document or writing shall bind the department or be attributed to the Minister, unless signed by him, the deputy minister, an associate deputy-minister, an assistant deputy-minister or another officer, but, in this last case, only to the extent determined by government regulation published in the *Gazette officielle du Québec*.”

**29.** The authorizations and approvals granted before *(insert here the date of the coming into force of Bill 32)* by the Minister of Municipal Affairs or by the Commission Municipale du Québec to a school corporation with regard to a loan continue to have effect for such corporation as if they had been granted by the Minister of Education under this Act.

**30.** This Act will come into force on the date fixed by proclamation of the Government, except the provisions excluded by such proclamation, which will come into force on any later dates fixed by proclamation of the Government.