

THIRD SESSION

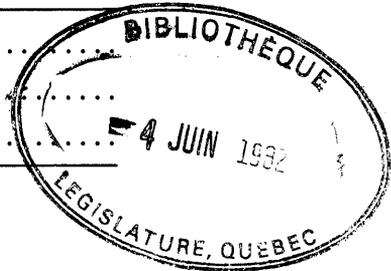
THIRTY-SECOND LEGISLATURE

NATIONAL ASSEMBLY OF QUÉBEC

Bill 75

**An Act to amend the Industrial
Development Assistance Act**

First reading
Second reading
Third reading



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Minister of Industry, Commerce and Tourism

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EXPLANATORY NOTES

The object of this bill is to broaden the field of activities of the Société de développement industriel du Québec (the Corporation), so that henceforth it may operate not only in the manufacturing sector but in the sectors of tourism and tertiary actuators as well.

Using its added means of action under its broader mandate, the Corporation will be able to emphasize its role as a promoter of economic development and thereby take part in the governmental program of economic action publicized in "Le virage technologique". Thus, it will be authorized to substantially increase its financial assistance for exports, research and innovation.

The Corporation will also be responsible for implementing master programs in sensitive sectors of the economy.

The bill enables the Corporation to provide assistance to an undertaking by making an acquisition of its common or preferred shares, a loan with or without interest, or a guarantee on a loan, or by granting a subsidy.

The bill also provides that the Government will be empowered to give specific mandates to the Corporation in view of promoting exports, in particular, the mandate to negotiate major contracts with other governments.

The bill amends the existing title of the Act and certain modalities concerning the granting of financial assistance. It also provides for the appointment of executive vice-presidents.

Finally, the bill authorizes the Minister of Industry, Commerce and Tourism, who is responsible for the carrying out of the Act, to issue directives on the objectives and orientation of the Corporation with the approval of the Government.

Bill 75

An Act to amend the Industrial Development Assistance Act

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

1. The title of the Industrial Development Assistance Act (R.S.Q., chapter A-13) is replaced by the following title:

“Act respecting the Société de développement industriel du Québec”.

2. The said Act is amended by replacing Division II by the following division:

“DIVISION II

“FINANCIAL ASSISTANCE

“§ 1.—*Purposes*

2. The function of the Corporation is to administer programs of financial assistance in accordance with the economic objectives defined by the Government, particularly for the consolidation or transformation of the industrial structure, development of exports of goods or services, increased participation of the population in economic activities, improved quality of business management, better relations in business activities and the creation of new jobs.

“§ 2.—*Financing*

3. The Corporation may, in accordance with the programs of financial assistance, offer financing as a complement to that offered by the financial institutions, to businesses in the sectors of manufacturing, tourism and tertiary actuators.

For the purposes of this section, the Corporation may, in accordance with the programs established by government regulation, finance a business that is carrying out a profitable project and is unable to obtain adequate financing from the financial institutions.

“4. The financial assistance provided for in section 3 may be

(a) a loan at the market rate;

(b) a guarantee of repayment of the whole or a part of a financial commitment;

(c) an acquisition of shares of a business, provided the Corporation is not the majority holder thereof at any time.

“§ 3.—*Development assistance*

“5. The Corporation may administer programs of financial assistance established by government regulation to further the economic development of Québec in the sectors of manufacturing, tourism and tertiary actuators.

“6. The Corporation may, in accordance with the regulations, grant financial assistance to a business in order

(a) to promote investments in Québec with a view to the establishment, expansion or modernization of the business;

(b) to promote research and innovation in Québec;

(c) to promote the development of the activities of the tertiary actuators sector;

(d) to promote the export from Québec of goods or services;

(e) to promote tourism in Québec;

(f) to promote the carrying out of any activity defined in a program established by government regulation.

“7. Assistance may be in the form of

(a) a subsidy;

(b) an assumption of the whole or part of the interest on the borrowings of a business;

(c) a partial exemption from repayment of a loan obtained from the Corporation;

(d) an acquisition of shares of a business, provided the Corporation is not the majority holder thereof at any time;

(e) assistance defined by regulation.

“8. The Corporation must demand repayment from a business of financial assistance it has received under section 7 and the business is bound to repay it, if the majority of the shares or more than one-half of the assets of the business are transferred, within five years from the granting of the financial assistance, to a business not having its head office in Québec, as defined by regulation, or a person not resident in Québec.

Before acting in compliance with the first paragraph, the Corporation must notify the Minister of its intention to do so, and the Minister may then exempt the Corporation from the repayment if he considers that the transfer is in the economic interest of Québec.

“9. The Corporation may also carry out the mandates conferred on it by the Government to promote the development of exports from Québec of goods or services.”

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

“12. Subject to sections 14 and 14.1, the Corporation shall examine the application and determine whether the business fulfils the conditions provided for by this Act and the regulations and, where such is the case, it may determine the financial assistance it intends to grant to it.”

4. Section 14 of the said Act is amended by replacing the first paragraph by the following paragraph:

“14. The Corporation shall then report to the Minister and submit its recommendations to him.”

5. Section 14.1 of the said Act is amended

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

“14.1 Financial assistance is granted upon a decision of the Minister with the prior authorization of the Government and on the conditions determined by the latter.”;

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

“Financial assistance may also be granted by the Corporation in the cases and on the conditions determined by regulation.”

6. Section 18.1 of the said Act is repealed.

7. Section 19 of the said Act is amended

(1) by replacing paragraph *a* by the following paragraph:

“(a) a president, who shall be appointed by the Government for not more than five years and who may hold the office of general manager;”;

(2) by replacing paragraph *c* by the following paragraph:

“(c) a vice-president and the other members, who shall be appointed for not more than three years by the Government.”

8. Section 26 of the said Act is amended by replacing the first paragraph by the following paragraph:

“**26.** The vice-presidents of the Corporation, the secretary and the other members of the personnel of the Corporation shall be appointed and remunerated in accordance with the Civil Service Act (R.S.Q., chapter F-3.1).”

9. The said Act is amended by inserting, after section 32, the following section:

“**32.1** The Minister may, within the scope of his responsibilities and powers, issue directives regarding the objectives and orientation of the Corporation.

The directives must be submitted to the Government for approval; if so approved, they bind the Corporation and it must comply with them.

Third persons are not bound to see to the carrying out of this section, and in no case may it be invoked by or against them.

Every directive must be tabled in the National Assembly of Québec within fifteen days of its approval by the Government if the Assembly is in session or, if it is not sitting, within fifteen days of the opening of the next session or resumption.”

10. Section 46 of the said Act is replaced by the following section:

“**46.** The Minister of Finance shall pay to the Corporation the sums required for the carrying out of sections 7 and 9 or of the second paragraph of section 16, up to the amounts previously specifically authorized by the Government.”

11. Section 47 of the said Act is amended

(1) by replacing subparagraphs *b*, *c* and *d* of the first paragraph by the following subparagraphs:

“(b) establish criteria to determine which businesses may receive financial assistance, taking into account, particularly, the class to which such businesses belong, the products they produce,

the services they offer and the regions in which they are established;

“(c) determine the form, conditions and modalities of the financial assistance contemplated in paragraph e of section 7;

“(d) define the expression “tertiary actuators sector”;;

(2) by replacing subparagraphs g to i by the following subparagraphs:

“(g) determine the methods which must be used to establish the current market rate of interest;

“(h) determine the amount over which the grant of financial assistance requires the authorization of the Government or the Minister;

“(h.1) determine the cases and conditions where the Minister or the Corporation may grant financial assistance without the authorization of the Government;

“(i) determine the conditions upon which all or part of the cost of the loans contracted by a business may be assumed by the Corporation, the maximum term of such loans, the norms with which they must comply and the classes of financial institutions with which they may be contracted;”;

(3) by replacing subparagraphs m, n, n.1 and o by the following subparagraphs:

“(m) determine the criteria and modalities of the carrying out of programs of financial assistance contemplated in this Act;

“(n) determine the conditions a business must fulfil to obtain financial assistance in accordance with this Act;

“(o) define, for the purposes of section 8, the expression “head office of a business”.”

12. In any Act, regulation, by-law, order-in-council, order, contract, agreement or other document, the words “Industrial Development Assistance Act” are replaced by the words “Act respecting the Société de développement industriel du Québec”.

13. Regulations made under section 47 of the Industrial Development Assistance Act which are replaced by section 10 of this Act remain in force until they are replaced or amended.

14. This Act shall operate notwithstanding the provisions of sections 2 and 7 to 15 of the Constitution Act, 1982 (*insert here the reference to the chapter number of the Canada Act in the compilation of the Acts of the Parliament of the United Kingdom for 1982*).

15. This Act comes into force on the date fixed by government proclamation.