

THIRD SESSION

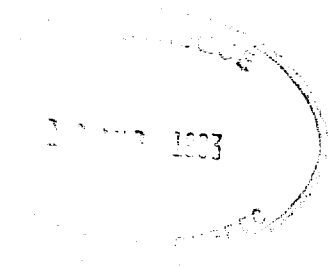
THIRTY-SECOND LEGISLATURE

NATIONAL ASSEMBLY OF QUÉBEC

Bill 112

**An Act to amend the Act to promote
farm improvement**

First reading
Second reading
Third reading



M. JEAN GARON

Minister of Agriculture, Fisheries and Food

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EXPLANATORY NOTES

The main object of this bill is to increase the maximum amount that may be loaned to a borrower under the Act to promote farm improvement from \$100,000 to \$200,000.

An additional object of the bill is to enable a borrower to use a loan under that Act to repay a short-term loan he has been required to make without delay in order to take advantage of purchases of a kind recognized in the existing Act to promote farm improvement, such as the purchase of breeding stock, quotas, farm machinery or even additional land.

Bill 112

An Act to amend the Act to promote farm improvement

The Parliament of Québec enacts as follows:

1. Section 3 of the Act to promote farm improvement (R.S.Q., chapter A-18) is amended by replacing the first and second paragraphs by the following paragraphs:

“3. Any bank or credit union may grant to any borrower, for one or more of the purposes mentioned in section 7, a loan which must in no case exceed \$200,000.

The same borrower may obtain more than one loan provided that the amount of the last loan he obtains, added to the balance owing by him in principal, by succession or otherwise and determined in the manner provided in section 5, on any other loan, does not exceed \$200,000.”

2. Section 5 of the said Act is replaced by the following sections:

“5. The total amount owing by a borrower under this Act must at no time exceed \$200,000 in principal, except where the excess is the result of debts devolved to him by succession subsequently to the last loan contracted by him that he has not repaid in full.

“5.1 Where the borrower is a farmer or an aspiring farmer, the maximum amount of \$200,000 contemplated in section 5 is established by taking into account

(1) the balance owing by him personally on any other loan he has obtained or of which he has assumed payment; and

(2) his relative share in the balance of any other loan he has obtained jointly with any other person or of which he has assumed payment in the same manner.

“5.2 In the case of joint borrowers or undivided owners considered as one farmer, the maximum amount of \$200,000 contemplated in section 5 is established by taking into account

(1) the balance owing by them on any other loan they have obtained in that capacity or of which they have assumed payment;

(2) the balance owing by each of them on every other loan he has obtained personally or of which he has assumed payment in the same manner; and

(3) the relative share in the balance of any other loan obtained by each of them jointly with any other person or of which he has assumed payment in the same manner.”

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

“7.1 A loan may also be granted to repay the whole or a part of the balance owing in principal on a loan contracted otherwise than under this Act that was used to pay the price of any purchase contemplated in section 7, provided that

(1) the application for this loan is submitted to the lender not later than one year from the date of the purchase,

(2) the amount of the loan being repaid by means of this loan is repayable on demand or not later than one year after the date of the purchase, and that

(3) the amount of the repayment does not exceed the price of the property acquired by means of the loan.”

[[4. For the fiscal period 1983-1984, the sums required for the administration of this Act shall be taken out of the consolidated revenue fund, and for subsequent fiscal periods, out of the moneys granted each year for that purpose by Parliament.

The first paragraph does not limit the scope of section 22 of the Act to promote farm improvement.]]

5. 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).

6. This Act will come into force on the date to be fixed by proclamation of the Government, except the provisions excluded by that proclamation, which will come into force on such later date as may be fixed by proclamation of the Government.