

FOURTH SESSION
THIRTY-FIRST LEGISLATURE

ASSEMBLÉE NATIONALE DU QUÉBEC

Bill 45

**An Act to amend the Act to incorporate
the Société de développement coopératif**

First reading
Second reading
Third reading

MADAME LISE PAYETTE

Ministre des consommateurs, coopératives et
institutions financières

L'ÉDITEUR OFFICIEL DU QUÉBEC

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EXPLANATORY NOTES

The main objects of the amendments proposed to the Act to incorporate the Société de développement coopération are to raise from \$500 000 to \$5 000 000 for the fiscal year ending 31 March 1980 and from \$500 000 to \$2 000 000 for the four subsequent fiscal years, the amount of the advances paid each year by the Ministre des finances to the corporation in order to provide the funds for the financial assistance which may be granted by the corporation to cooperative undertakings. In addition to those advances, the bill provides that the Ministre des finances may, with the authorization of the Government, pay advances to the corporation which are not to exceed \$12 000 000 in all for those four fiscal years.

Another object of this bill is to specify that the total amount of the payments the Ministre des finances may presently make to finance the expenses of the corporation must be paid every fiscal year. The bill also raises the amount of these annual payments from \$400 000 to \$1 000 000 for the fiscal year ending 31 March 1980 and for the four subsequent fiscal years.

A further aim of this bill is to amend the act in order

(a) to amend or strike out certain provisions respecting supplementary or additional amounts which can be paid to the corporation;

(b) to enable the corporation to acquire certain real property so as to sell or lease it, on certain conditions, to a cooperative undertaking;

(c) to raise, from \$100 000 to \$500 000, both the total amount of the assistance that may be granted by the corporation to a single cooperative undertaking in a fiscal year, and the total amount of loans guaranteed by hypothec that may be granted by the corporation in a fiscal year;

(d) to remove the limitation to 10% of the assets of the corporation presently existing on the total amount it may guarantee for the reimbursement of loans to cooperative undertakings;

(e) *to enable the corporation to acquire and hold real property for its own use and to borrow for that purpose;*

(f) *to require that the corporation prepare an annual plan of the financial assistance it intends to grant, and an annual budget of expenses, for approval by the Government.*

Sec. 1. *Section 27 of the act presently reads as follows:*

“27. The Minister of Finance shall advance to the corporation, out of the consolidated revenue fund, \$700 000 during the fiscal year of the Government ending 31 March 1978, \$600 000 during the fiscal year of the Government ending 31 March 1979 and \$500 000 for each subsequent fiscal year.”

Sec. 2. *Section 28 of the act presently reads as follows:*

“28. The obligation devolving on the Minister of Finance under section 27 applies only if the subscribing cooperators advance on their part to the corporation an amount of \$300 000 during the fiscal year of the corporation ending 31 March 1978, \$400 000 during the fiscal year of the corporation ending 31 March 1979 and \$500 000 for each subsequent fiscal year.”

Sec. 3. *The proposed amendment introduces entirely new law.*

Bill 45

An Act to amend the Act to incorporate the Société de développement coopératif

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

1. Section 27 of the Act to incorporate the Société de développement coopératif (1977, chapter 69) is amended:

(a) by replacing the words and figure “and \$500 000 for each subsequent fiscal year” in the seventh, eighth and ninth lines by the words and figures “, \$5 000 000 for the fiscal year ending 31 March 1980 and \$2 000 000 for each of the four subsequent fiscal years”;

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

“In addition to the advances provided for in the first paragraph, the Ministre des finances may, with the authorization of the Government, pay to the corporation, out of the consolidated revenue fund, advances not exceeding \$12 000 000 in all for the fiscal years ending 31 March 1981, 1982, 1983 and 1984.”

2. Section 28 of the said act is amended:

(a) by adding after the word “under” in the second line the words “the first paragraph of”;

(b) by replacing the words and figure “\$500 000 for each subsequent fiscal year” in the ninth and tenth lines by the words and figure “at least \$500 000 for each fiscal year ending 31 March 1980, 1981, 1982, 1983 and 1984.”

3. Section 29 of the said act is amended by adding, at the end, the following paragraph:

Sec. 4. *The aim of the proposed amendment is to raise from \$100 000 to 500 000 the total amount of the financial assistance that may be granted by the corporation during a fiscal year to a single cooperative undertaking, under the first paragraph of section 29 of the act.*

Sec. 5. *Section 32 of the act presently reads as follows:*

“32. The total amount of the loans guaranteed by hypothec which may be granted by the corporation in a fiscal year shall not exceed \$100 000 in addition to the sums from the repayment of those hypothecary loans, which may be re-used for the same purpose.”

Sec. 6. *Section 33 of the act presently reads as follows:*

“33. When the corporation guarantees the repayment of a loan granted to a cooperative undertaking, it shall set aside and keep for the duration of that guarantee a reserve fund equivalent to at least 50% of the amount of the guarantee.

The total amount of the guarantees so granted shall not exceed 10% of the assets of the corporation.”

Sec. 7. *Section 35 of the act presently reads as follows:*

“35. The Minister of Finance may pay to the corporation, out of the consolidated revenue fund, for the fiscal year of the Government ending 31 March 1978, and for every subsequent fiscal year, the sum of \$400 000.

To provide for the financing of special projects included in the budget of the corporation, additional sums may be paid to the corporation by the Minister, out of the appropriations voted each year for that purpose by the National Assembly for any fiscal year of the Government after fiscal 1977/1978.”

Sec. 8. *Section 36 of the act presently reads as follows:*

“36. The Minister may also pay to the corporation, out of the appropriations voted each year for that purpose by the National Assembly, any sum additional to those paid under section 35, provided that the subscribing co-operators have agreed to pay an equivalent amount on the same conditions.

“The corporation may also acquire real property required for the operation of a cooperative undertaking, for the purpose of selling or leasing it to a cooperative undertaking which previously committed itself to buying or leasing it from the corporation, on the conditions determined by the corporation”

4. Section 31 of the said act is replaced by the following section:

“31. The total financial assistance granted by the corporation in a fiscal year to a single cooperative undertaking under the first paragraph of section 29 shall not exceed \$500 000.”

5. Section 32 of the said act is replaced by the following section:

“32. The total amount of the loans guaranteed by hypothec which may be granted by the corporation in a fiscal year shall not exceed \$500 000 in addition to the sums from the repayment of those hypothecary loans, which may be re-used for the same purpose.”

6. Section 33 of the said act is amended by striking out the second paragraph:

7. Section 35 of the said act is amended:

(a) by replacing the words “every subsequent fiscal year” in the fifth and sixth lines of the first paragraph by the words and numbers “the fiscal year ending 31 March 1979”;

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

“Furthermore, the Ministre des finances shall pay to the corporation, out of the consolidated revenue fund, the sum of \$1 000 000 for each fiscal year ending 31 March 1980, 1981, 1982, 1983 and 1984.”

8. Section 36 of the said act is amended by striking out the second paragraph.

The total amount of the additional sums paid by the Minister and subscribing cooperators shall not exceed, for a fiscal year of the corporation, the sum of \$100 000 or any other sum that may be agreed by the Minister and the Conseil de la Coopération du Québec.”

Sec. 9. *Section 41 of this act presently reads as follows:*

“**41.** The corporation shall not negotiate loans except to meet its temporary cash needs.”

Sec. 10. *Section 44 of the act presently reads as follows:*

“**44.** The corporation shall not acquire real property except to secure total or partial payment of any sum owed to it. However, it shall dispose of the real property so acquired within a delay of three years, which may be extended by the Minister.”

Sec. 11. *Section 46 of the act presently reads as follows:*

“**46.** Before the commencement of each fiscal year, the corporation shall prepare, and submit for approval to the Minister, on the date and in the form determined by him, a budget of the expenses contemplated in Division IV.”

9. Section 41 of the said act is replaced by the following section:

“41. The corporation shall not borrow except to acquire real property for its own use, for the application of the second paragraph of section 29 or to meet its temporary cash needs.”

10. Section 44 of the said act is replaced by the following section:

“44. The corporation shall not acquire or hold real property except for its own use, for the application of the second paragraph of section 29, or to secure total or partial payment of any sum owed to it. In this last case, it shall dispose of the real property so acquired within a delay of three years, which may be extended by the Minister.”

11. Section 46 of the said act is replaced by the following section:

“46. Before the commencement of each fiscal year, the corporation shall prepare, and submit for approval to the Government, on the date and in the form and tenor determined by it, a plan of financial assistance as contemplated in Division III and a budget of the expenses contemplated in Division IV.”]]

12. This act comes into force on the day of its sanction.