

NATIONAL ASSEMBLY

SECOND SESSION

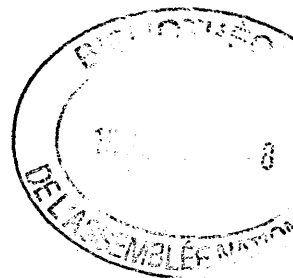
THIRTY-FIFTH LEGISLATURE

Bill 90

**An Act to amend the Cooperatives Act to allow
the establishment of solidarity cooperatives**

Introduction

**Introduced by
Madam Rita Dionne-Marsolais
Minister for Industry and Trade**



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EXPLANATORY NOTES

This bill amends the Cooperatives Act to allow for the establishment of solidarity cooperatives.

A solidarity cooperative is to consist of members who are users of the services provided by the cooperative and of members who are workers of the cooperative, and may include other persons or partnerships that have an economic or social interest in the pursuit of the objects of the cooperative. Each such group of members may elect one director.

A member's contribution to the capital stock of a solidarity cooperative may vary according to the group to which the member belongs.

Bill 90

AN ACT TO AMEND THE COOPERATIVES ACT TO ALLOW THE ESTABLISHMENT OF SOLIDARITY COOPERATIVES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

- 1.** Section 81 of the Cooperatives Act (R.S.Q., chapter C-67.2), amended by section 54 of chapter 67 of the statutes of 1995, is again amended by inserting the words “or in a solidarity cooperative” after the words “work cooperative” in the third paragraph.
- 2.** The said Act is amended by inserting, after section 226, the following :

“TITLE II.1

“SPECIAL PROVISIONS APPLICABLE TO SOLIDARITY COOPERATIVES

“226.1. A solidarity cooperative is a cooperative consisting of members who are users of the services provided by the cooperative and of members who are workers of the cooperative.

In addition, any other person or partnership that has an economic or social interest in the pursuit of the objects of a solidarity cooperative may be a member of the cooperative. Such a member shall hereinafter be referred to as a “supporting member”.

“226.2. The name of a solidarity cooperative must include the expression “solidarity cooperative” or “solidarity coop”.

No person or partnership may use a name that includes either of those expressions.

“226.3. Any person or partnership referred to in the second paragraph of section 226.1 that, before the sending of the notice calling the general organization meeting, transmitted to the provisional secretary a memorandum of membership indicating the interest of the person or partnership in the pursuit of the objects of a solidarity cooperative shall be called to the meeting.

“226.4. The number of qualifying shares that a member is required to hold may vary according to whether the member is a user, a worker or a supporting member.

“226.5. The board of directors may, if so authorized by by-law, issue participating preferred shares to a supporting member.

“226.6. The users, the workers and the supporting members shall constitute groups of members within the meaning of section 83, and each such group shall be entitled to elect at least one director.

The cooperative may, by by-law, provide for the election of other directors by the meeting.

The number of directors elected from among the supporting members shall not exceed one-third of the total number of directors of the cooperative.

“226.7. The annual report of a solidarity cooperative shall indicate the number of members who are users of the services provided by the cooperative, the number who are workers of the cooperative and the number who are supporting members, if any.

“226.8. Any rebates allotted shall be allotted to the members and to the auxiliary members, if any,

(1) in proportion to the amount of business conducted by each user with the solidarity cooperative during the preceding fiscal year;

(2) in proportion to the volume of work effected by each worker for the solidarity cooperative during the preceding fiscal year.

The volume of work effected may be measured according to a member's income or the number of hours worked or according to any other criterion determined by by-law.

No rebate may be allotted to supporting members.

“226.9. Where the membership of a solidarity cooperative no longer includes users or no longer includes workers, the Minister may order that the cooperative amend its articles to withdraw itself from the application of this Title.

If the cooperative fails to comply with such an order within 60 days of service thereof, the Minister may, of his own motion, amend the articles of the cooperative.

“226.10. Where the Minister, of his own motion, amends the articles of a solidarity cooperative, he shall issue a certificate in triplicate evidencing the amendment.

The Minister shall register one copy of the certificate, and shall send another copy to the cooperative. He shall transmit the third copy to the Inspector General, who shall deposit it in the register. The amendment has effect from the date set forth in the certificate.

“226.11. Once the amendment to the articles by the solidarity cooperative or by the Minister has effect, the supporting members shall cease to be members of the cooperative.

“226.12. Where the membership of a solidarity cooperative no longer includes any users or workers, the Minister may order that the cooperative proceed with its winding-up and dissolution.

A director or two members of the cooperative may call a special meeting for that purpose.

The Minister shall transmit a copy of the order to the Inspector General, who shall deposit it in the register.

“226.13. If the cooperative fails to comply with such an order of the Minister within 60 days of service thereof, the Minister shall order the dissolution of the cooperative.

Such a dissolution order shall be transmitted to the Inspector General, who shall deposit it in the register. The order has effect from the date of deposit.

“226.14. The provisions of this Title apply to the exclusion of the provisions of Title II.”

3. This Act comes into force on the date to be fixed by the Government.