



CHAPTER 38

An Act to incorporate the Société des loteries et courses du Québec

[Assented to 22 December 1978]

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

DIVISION I

DEFINITIONS

Interpre-
tation:
“racing”;

1. In this act, unless the context indicates otherwise,

(a) “racing” means racing within the meaning of the Act respecting lotteries, racing, publicity contests and amusement machines (1978, chapter 36);

“com-
pany”;

(b) “company” means the Société des loteries et courses du Québec incorporated by section 2.

“lottery
scheme”.

In this act, the expression “lottery scheme” includes a game of chance and a game of mixed chance and skill.

DIVISION II

INCORPORATION AND ORGANIZATION

Incorpora-
tion and
name.

2. A joint-stock company is incorporated under the name of “Société des loteries et courses du Québec”.

Other
name.

The company may also be designated under the name of “Loto-Québec”.

Head
office.

3. The company has its head office at the place determined by the Government; a notice of the location or of any change of location of the head office is published in the *Gazette officielle du Québec*.

Sittings.

The company may hold its sittings at any place in Québec.

- Rights and obligations. **4.** The company has the rights and obligations of a mandatory of the Government.
- Property. The property of the company forms part of the public domain, but the performance of the obligations of the company may be levied against its property.
- Responsibility. The company binds none but itself when it acts in its own name.
- Authorized capital. **5.** The authorized capital of the company is \$170 000. It is divided into 1 700 shares of a par value of one hundred dollars each.
- Shares. **6.** The shares of the company form part of the public domain and are allotted to the *Ministre des finances*; they are issued to him in consideration of the remittance of the assets received by the company under section 32.
- Board of directors. **7.** The affairs of the company are administered by a board of directors composed of seven members, including a chairman, appointed by the Government for a period not to exceed five years in the case of the chairman or three years in the case of the other members.
- Idem. The members of the board of directors are the directors of the company within the meaning of the *Companies Act (Revised Statutes, 1964, chapter 271)*.
- Condition of membership. No person may be a member of the board of directors unless he is domiciled in Québec, but he is not required to be a shareholder.
- Continuance in office. **8.** At the expiry of their term, the members of the board of directors remain in office until they are re-appointed or replaced.
- Replacement. If a member of the board of directors is unable to act, the Government may appoint a person to replace him temporarily, on the conditions and for the remuneration the Government determines.
- Chairman. **9.** The chairman of the board of directors is also the president and managing director of the company.
- Functions. He must see to the execution of the decisions of the board of directors and he is responsible for the direction of the company within the scope of its internal management by-laws. He exercises his functions on a full time basis.
- Conflict of interests. **10.** The chairman of the board of directors of the company, under pain of forfeiture of his office, shall not have any direct or indirect interest in an undertaking that puts his personal interest in conflict with that of the company. Such forfeiture is not incurred,

however, if such interest devolves to him by succession or gift and he renounces or disposes of it with all possible dispatch.

Dis-
clo-
sure.

Any other member of the board of directors having a direct or indirect interest in an undertaking must, under pain of forfeiture of his office, disclose it in writing to the chairman and abstain from participating in any decision dealing with the undertaking in which he has an interest.

Salary.

11. The Government fixes the salary or, where that is the case, the additional salary, allowances or fees of the members of the board of directors.

Internal
manage-
ment
by-laws.

12. The board of directors of the company may make internal management by-laws for the conduct of its affairs, which by-laws come into force upon approval of the Government.

By-laws
respecting
lottery
schemes.

13. The board of directors of the company determines by by-law the general standards and conditions relating to the nature and holding of the lottery schemes it conducts and administers.

Approval.

A by-law contemplated in the first paragraph is subject to the approval of the Government and comes into force on the date of its publication in the *Gazette officielle du Québec* or on a later date fixed therein.

Minutes
authentic.

14. The minutes of the sittings of the board of directors approved by it and certified true by the chairman, or by any other person authorized to do so by the internal management by-laws of the company, are authentic. The same rule applies to documents or copies emanating from the company or forming part of its records when they are so certified.

Appoint-
ment of
employees.

15. The secretary and the other employees of the company are appointed according to the standards and scales established by by-law of the company.

Coming
into force
of
by-law.

A by-law contemplated in the first paragraph comes into force upon approval of the Government.

DIVISION III

FUNCTIONS AND POWERS

Functions.

16. The functions of the company are to conduct and administer lottery schemes and, if it is authorized by the Government, to hold racing meetings and to promote the race-horse breeding industry in Québec.

Powers.

17. The company may do anything necessary for the attainment of its objects but shall not, without the prior authorization of the Government,

(a) make with a government or an agency responsible to a government, any agreement deemed necessary for the attainment of its objects;

(b) acquire, hold or alienate interests in any undertaking having similar objects to its own;

(c) contract loans except to fill its temporary needs for liquidity;

(d) make a contract binding it for more than five years;

(e) acquire or dispose of equipment or immoveables for an amount greater than \$100 000.

Deposit and investment of funds.

18. The company must deposit its available funds in a bank or in an institution registered with the Régie de l'assurance-dépôts du Québec. It may, nevertheless, invest funds for a term of less than one year by buying securities issued or guaranteed by the Gouvernement du Québec, or the government of Canada or of a Canadian province.

DIVISION IV

ADMINISTRATION

Financial year.

19. The financial year of the company ends on 31 March each year.

Budget.

20. Before the beginning of each fiscal year, the company must prepare and submit to the approval of the Ministre des finances, on the date and in the form determined by him, a budget of its capital expenditures and an operating budget.

Financial statement to Minister.

21. The company must furnish to the Ministre des finances a quarterly statement of its revenues and expenditures and a statement of their correlation with the budgetary forecasts of the company.

Report to Minister.

22. The company must in addition furnish to the Ministre des finances, upon request and within the delay fixed by him, a report on any matter relating to its activities.

Dividends.

23. The dividends paid by the company are fixed by the Ministre des finances and not by the directors.

Audit.

24. The books and accounts of the company are audited by the Vérificateur général.

Annual
report.

25. Not later than 30 June each year, the company must file with the Ministre des finances its financial statements and a report of its activities for the preceding fiscal year; this report must also contain all the information that the Minister may require.

Tabling.

The Minister shall table the report of the company before the Assemblée nationale if he receives it during a session; if not, or if he receives it after an adjournment, he shall table it within thirty days after the opening of the next session or resumption.

DIVISION V

PENAL PROVISIONS

Offences
and
penalties.

26. Any person who contravenes any provision of a by-law contemplated in the first paragraph of section 13 or refuses to comply with an order given under such a by-law is guilty of an offence and liable, on summary proceeding, in addition to costs, for each day the offence continues, to a fine of not less than twenty-five nor more than five thousand dollars.

Proceed-
ings.

27. Proceedings under section 26 are instituted by the Procureur général or by any person generally or specially authorized by him for that purpose.

DIVISION VI

TRANSITIONAL AND FINAL PROVISIONS

R.S., c. 14,
s. 45, am.

28. Section 45 of the Civil Service Superannuation Plan (Revised Statutes, 1964, chapter 14), amended by section 16 of chapter 15 of the statutes of 1965 (1st session), section 8 of chapter 6 of the statutes of 1966, section 72 of chapter 9, section 39 of chapter 11, section 3 of chapter 12, section 5 of chapter 13, section 83 of chapter 17, section 4 of chapter 18 and section 31 of chapter 60 of the statutes of 1968, section 17 of chapter 15, section 34 of chapter 17, section 78 of chapter 28, section 40 of chapter 48 and section 30 of chapter 62 of the statutes of 1969, section 2 of chapter 8, section 87 of chapter 17 and section 21 of chapter 43 of the statutes of 1970, section 2 of chapter 17, section 199 of chapter 19, section 65 of chapter 20 and section 26 of chapter 77 of the statutes of 1971, section 96 of chapter 14, section 133 of chapter 49, section 66 of chapter 53, section 175 of chapter 55 and section 11 of chapter 58 of the statutes of 1972, section 162 of chapter 12, section 28 of chapter 21, section 265 of chapter 43 and section 28 of chapter 67 of the statutes of 1973, section 12 of chapter 10 of the statutes of 1974 and by section 22 of chapter 22 of the statutes of 1977, is

again amended by replacing subparagraph *p* of paragraph 5 by the following subparagraph:

“(p) the Régie des loteries et courses du Québec and the Société des loteries et courses du Québec but only, in the case of the members of the latter, until the expiry of their term in progress on 14 February 1979;”.

R.S., c. 14,
s. 75, am.

29. Section 75 of the said act, amended by section 40 of chapter 15 of the statutes of 1969, section 182 of chapter 12 of the statutes of 1973, section 25 of chapter 10 of the statutes of 1974 and by section 51 of chapter 22 of the statutes of 1977, is again amended by inserting, after the third paragraph, the following paragraph:

Participa-
tion con-
tinued.

“The same rule applies, with the approval of the Lieutenant-Governor in Council, to any officer who, on 14 February 1979, was in the employ of the Société d’exploitation des loteries et courses du Québec and who, under section 35 of the Act to incorporate the Société des loteries et courses du Québec (1978, chapter 38), became an employee of the Société des loteries et courses du Québec, even if he does not have eight years of service.”

1969, c. 28,
Div. IV,
replaced.

30. This act replaces Division IV of the Lotteries and Races Act (1969, chapter 28).

1973, c. 12,
s. 2, am.

31. Section 2 of the Government and Public Employees Retirement Plan (1973, chapter 12), amended by section 1 of chapter 9 of the statutes of 1974, section 47 of chapter 41 of the statutes of 1975, section 9 of chapter 51 of the statutes of 1976, section 1 of chapter 21 and section 232 of chapter 68 of the statutes of 1977 and by section 106 of chapter 7 of the statutes of 1978, is again amended by adding after paragraph 11 of the first paragraph, the following paragraph:

“(12) the president and employees of the Société des loteries et courses du Québec.”

Succession
of corpo-
ration by
company.

32. The company succeeds to the corporation contemplated in section 54 of the Lotteries and Races Act (1969, chapter 28) and, for that purpose, it acquires the rights and assumes the obligations thereof.

Interpre-
tation.

33. In any act or proclamation and in any order in council, contract or document, the expression “Société d’exploitation des loteries et courses du Québec” designates the company, and a reference to Division IV of the Lotteries and Races Act or to a provision of that act is deemed a reference to this act or to the corresponding provision of this act.

By-laws,
etc.,
in force.

34. The by-laws, agreements, accords or understandings made or entered into under Division IV of the Lotteries and Races Act (1969, chapter 28) continue to be in force until they are repealed, replaced or amended by by-laws, agreements, accords or understandings made or entered into under this act.

Employees,
etc., of
company.

35. The secretary and the other employees of the corporation contemplated in section 54 of the Lotteries and Races Act (1969, chapter 28) become without other formality the employees of the company. The president and general manager and the other members of the board of directors of the said corporation become, without other formality until the expiry of their term, the president and managing director and the members of the board of directors of the company, respectively.

Dismissal,
etc.

36. The secretary and the other employees of the corporation who have been appointed permanent functionaries under the Civil Service Act (1965, 1st session, chapter 14) before 14 February 1979 shall not be dismissed or removed except under section 61 of the said act. They keep the right to become unattached civil servants or to be transferred, within the civil service, to a position requiring the same classification as that assigned to them on that date.

Provisions
not
applicable.

37. The Act respecting lotteries, racing, publicity contests and amusement machines (1978, chapter 36) does not apply to the activities of the company relating to any lottery scheme it conducts and administers.

Minister
responsible.

38. The Ministre des finances is entrusted with the application of this act.

Coming
into force
(14 Feb.
1979, *G.O.*,
p. 1895).

39. 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 any later date that may be fixed by proclamation of the Government.