



NATIONAL ASSEMBLY OF QUÉBEC

SECOND SESSION

FORTY-SECOND LEGISLATURE

Bill 37

**An Act to amend various legislative
provisions mainly with respect to
housing**

Introduction

**Introduced by
Madam Andrée Laforest
Minister of Municipal Affairs and Housing**

**Québec Official Publisher
2022**

EXPLANATORY NOTES

This bill amends the Civil Code to reduce from five years to three years the period during which an application to have the rent fixed or the conditions of the lease modified may not be filed before the Administrative Housing Tribunal with regard to a dwelling situated in a newly built immovable or an immovable whose use for rental purposes results from a change of destination. However, such a remedy is allowed in the case of a dwelling that has been the subject of a change of destination and that was previously intended for seniors.

The bill further amends the Code to prohibit the lessor, in the case of a dwelling that has been the subject of a change of destination and was previously intended for seniors, from evicting a lessee without first offering the lessee the possibility of remaining, on certain conditions, in the dwelling. In addition, it adds rules for the fixing of the rent payable under the first lease entered into following the change of destination.

A number of Acts in the municipal sector are amended to grant the municipalities, metropolitan communities, intermunicipal boards and public transit authorities the power to acquire immovables by means of a pre-emptive right.

The bill amends the Companies Act to subject a non-profit organization to certain requirements with respect to a housing immovable with a social or community destination that was financed by public funds, including the requirement to obtain the authorization of the minister responsible for housing before alienating the immovable. The bill prescribes penal sanctions for any failure to comply on the part of the organization.

The Cooperatives Act is amended so that the authorization a housing cooperative must obtain before alienating an immovable with a social or community destination that was financed by public funds is to be given jointly by the minister responsible for housing and the Minister of Economy and Innovation. Furthermore, the latter is empowered to designate a liquidator for a cooperative the Minister has dissolved.

The Act respecting the Société d'habitation du Québec is amended to allow the Société to determine, by regulation, the financial compensation that may be required from a lessee of a modest-rental dwelling whose revenue increases beyond the eligibility threshold for such a dwelling as well as the rules relating to such compensation.

Lastly, the bill contains transitional provisions and a final provision.

LEGISLATION AMENDED BY THIS BILL:

- Civil Code of Québec;
- Charter of Ville de Montréal, metropolis of Québec (chapter C-11.4);
- Cities and Towns Act (chapter C-19);
- Municipal Code of Québec (chapter C-27.1);
- Act respecting the Communauté métropolitaine de Montréal (chapter C-37.01);
- Act respecting the Communauté métropolitaine de Québec (chapter C-37.02);
- Companies Act (chapter C-38);
- Cooperatives Act (chapter C-67.2);
- Education Act (chapter I-13.3);
- Act respecting the Ministère des Affaires municipales, des Régions et de l'Occupation du territoire (chapter M-22.1);
- Act respecting the Société d'habitation du Québec (chapter S-8);
- Act respecting public transit authorities (chapter S-30.01).

Bill 37

AN ACT TO AMEND VARIOUS LEGISLATIVE PROVISIONS MAINLY WITH RESPECT TO HOUSING

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CIVIL CODE OF QUÉBEC

1. Article 1896 of the Civil Code of Québec is amended by replacing “and 1956” in the second paragraph by “to 1956”.

2. Article 1955 of the Code is amended

(1) by replacing “five” in the second paragraph by “three”;

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

“The above rules do not apply in the case of a dwelling whose destination has been changed under article 1955.1.”

3. The Code is amended by inserting the following article after article 1955:

“1955.1. Where a dwelling situated in a private seniors’ residence or in another lodging facility where services of a personal nature provided to the lessee are provided to seniors is the subject of a change of destination while remaining offered for dwelling purposes, the rent stipulated in the first lease entered into following the change must correspond to the rent that was charged under the previous lease, less the part of the rent relating to the cost of the services, including services of a personal nature provided to the lessee, accessories, dependencies and other benefits that will no longer be offered under the new lease. The lessor may nevertheless adjust the rent according to the criteria prescribed by the regulations concerning the fixing of rent.

The lessor must, upon entering into the first lease following the change of destination, give a new lessee a notice indicating the rent charged under the previous lease and the services, accessories, dependencies and other benefits provided under the previous lease that will no longer be provided, as well as the cost of each of them.

A new lessee who considers that the rent charged does not comply with the provisions of the first paragraph may, within one month after entering into the lease, file an application to have the rent fixed by the court. Such an application must be filed within two months after the beginning of the lease if the lessee

did not receive the notice referred to in the second paragraph; if the lessor gave a notice containing a misrepresentation, the lessee must file the application within two months after becoming aware of that fact.”

4. The Code is amended by inserting the following article after article 1959.1:

“1959.2. A lessor may not evict a lessee solely because of a change of destination referred to in article 1955.1, unless the lessor offered, not later than one month before sending the notice of eviction, to resiliate the lease and to enter into a new lease, without interruption and in accordance with the first paragraph of that article, and the lessee has refused that offer. The offer must indicate, in particular, the services, accessories, dependencies and other benefits provided under the previous lease that will no longer be provided, as well as the cost of each of them. It must also reproduce the content of article 1955.1 and of this article.

Within one month after receiving the lessor’s offer, the lessee is bound to inform the lessor of whether or not the lessee accepts the offer; the proposal is deemed to have been refused if the lessee fails to respond.

A lessor who accepts such an offer may nevertheless, within one month after entering into the lease, apply to the court to have the rent fixed in accordance with the first paragraph of article 1955.1 or, as applicable, for a ruling on any other modification in comparison with the resiliated lease.”

5. Article 1961 of the Code is amended by adding the following sentence at the end of the third paragraph: “In the case of a notice of eviction that concerns a dwelling situated in a private seniors’ residence or in another lodging facility where services of a personal nature provided to the lessee are provided to seniors, the notice must also reproduce the content of articles 1955.1 and 1959.2.”.

CHARTER OF VILLE DE MONTRÉAL, METROPOLIS OF QUÉBEC

6. Subdivision 15.1 of Division II of Chapter III of Schedule C to the Charter of Ville de Montréal, metropolis of Québec (chapter C-11.4), comprising sections 151.1 to 151.7, is repealed.

CITIES AND TOWNS ACT

7. Section 468.51 of the Cities and Towns Act (chapter C-19) is amended by replacing “572.1, 573” in the first paragraph by “572.0.1”.

8. The Act is amended by inserting the following subdivision after section 572:

“§32.1. — *Pre-emptive right*

“**572.0.1.** Any municipality may, in all or part of its territory as determined by the by-law provided for in section 572.0.2, exercise a pre-emptive right to acquire any immovable, excluding immovables owned by a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

The municipality’s pre-emptive right may only be exercised to acquire an immovable in respect of which a notice of the municipality’s pre-emptive right has been registered. The right is exercised subject to the pre-emptive right provided for in section 56 of the Cultural Heritage Act (chapter P-9.002) and that provided for in section 68.3 of the Act respecting the Société d’habitation du Québec (chapter S-8).

“**572.0.2.** The municipality shall determine, by by-law, the territory in which its pre-emptive right may be exercised and the municipal purposes for which immovables may be acquired in that manner.

“**572.0.3.** The notice of the municipality’s pre-emptive right must identify the immovable concerned and describe the purposes for which it may be acquired.

The notice must be notified to the owner of the immovable and takes effect on being registered in the land register. It is valid for a period of 10 years from the registration date.

No notice of pre-emptive right may be registered in respect of an immovable that is already the subject of such a notice under this Act, the Municipal Code of Québec (chapter C-27.1), the Act respecting the Communauté métropolitaine de Montréal (chapter C-37.01), the Act respecting the Communauté métropolitaine de Québec (chapter C-37.02) or the Act respecting public transit authorities (chapter S-30.01).

“**572.0.4.** The owner of an immovable in respect of which a notice of the municipality’s pre-emptive right has been issued may not, on pain of nullity, alienate the immovable if the owner has not notified a notice to the municipality of the owner’s intention to alienate the immovable.

The owner’s notice must state the price of the proposed alienation, the conditions to which it is subject, and the name of the person who intends to acquire the immovable. If the immovable is to be alienated, in whole or in part, for non-monetary consideration, the notice must include a reliable and objective estimate of the value of that consideration.

The first and second paragraphs do not apply to an alienation made for the benefit of a person related to the owner within the meaning of the Taxation Act (chapter I-3) or for the benefit of a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

“572.0.5. The municipality may, not later than 60 days following notification of the notice of intention to alienate, notify a notice to the owner of its intention to exercise its pre-emptive right and to acquire the immovable at the price and on the conditions stated in the notice of intention to alienate, subject to any modifications subsequently agreed on with the owner. If the notice of intention to alienate contains an estimate of the value of a non-monetary consideration, the price must be increased by an equal amount.

The municipality may, during that period, require from the owner any information allowing it to assess the condition of the immovable. It may also, after giving 48 hours’ prior notice, access the immovable to conduct, at its own expense, any study or analysis it considers useful.

If the municipality does not notify the notice provided for in the first paragraph to the owner within that 60-day period, it is deemed to have waived its pre-emptive right.

If the municipality waives its pre-emptive right and the proposed alienation occurs, it must have the notice of its pre-emptive right removed from the land register.

“572.0.6. If the municipality exercises its pre-emptive right, it must pay the price of the immovable within 60 days after notifying the notice of its intention to acquire the immovable. If the municipality cannot pay the amount to the owner, it may deposit it, on the owner’s behalf, at the office of the Superior Court.

Sections 53.15 to 53.17 of the Expropriation Act (chapter E-24) apply, with the necessary modifications.

In the absence of a notarial contract, the municipality becomes the owner of the immovable by registering a notice of transfer of ownership in the land register; the notice must include a description of the immovable, the price and conditions of its acquisition, and the date on which the municipality will take possession of the immovable.

The notice of transfer must be served on the owner at least 30 days before it is registered in the land register.

To be registered, the notice must be accompanied by documents confirming that the amount has been paid to the owner or deposited at the office of the Superior Court and proof that the notice has been served on the owner.

“572.0.7. If the municipality avails itself of its pre-emptive right, it must compensate the person who intended to acquire the immovable for reasonable expenses incurred during negotiation of the price and conditions of the proposed alienation.”

MUNICIPAL CODE OF QUÉBEC

9. Article 620 of the Municipal Code of Québec (chapter C-27.1) is amended by replacing “572.1, 573” in the first paragraph by “572.0.1”.

10. The Code is amended by inserting the following Title after section 1104.1:

“TITLE XXVIII.0.1

“PRE-EMPTIVE RIGHT

“1104.1.1. Any municipality may, in all or part of its territory as determined by the by-law provided for in article 1104.1.2, exercise a pre-emptive right to acquire any immovable, excluding immovables owned by a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

The municipality’s pre-emptive right may only be exercised to acquire an immovable in respect of which a notice of the municipality’s pre-emptive right has been registered. The right shall be exercised subject to the pre-emptive right provided for in section 56 of the Cultural Heritage Act (chapter P-9.002) and that provided for in section 68.3 of the Act respecting the Société d’habitation du Québec (chapter S-8).

“1104.1.2. The municipality shall determine, by by-law, the territory in which its pre-emptive right may be exercised and the municipal purposes for which immovables may be acquired in that manner.

“1104.1.3. The notice of the municipality’s pre-emptive right must identify the immovable concerned and describe the purposes for which it may be acquired.

The notice must be notified to the owner of the immovable and takes effect on being registered in the land register. It is valid for a period of 10 years from the registration date.

No notice of pre-emptive right may be registered in respect of an immovable that is already the subject of such a notice under this Act, the Cities and Towns Act (chapter C-19), the Act respecting the Communauté métropolitaine de Montréal (chapter C-37.01), the Act respecting the Communauté métropolitaine de Québec (chapter C-37.02) or the Act respecting public transit authorities (chapter S-30.01).

“1104.1.4. The owner of an immovable in respect of which a notice of the municipality’s pre-emptive right has been issued may not, on pain of nullity, alienate the immovable if the owner has not notified a notice to the municipality of the owner’s intention to alienate the immovable.

The owner’s notice must state the price of the proposed alienation, the conditions to which it is subject, and the name of the person who intends to acquire the immovable. If the immovable is to be alienated, in whole or in part, for non-monetary consideration, the notice must include a reliable and objective estimate of the value of that consideration.

The first and second paragraphs do not apply to an alienation made for the benefit of a person related to the owner within the meaning of the Taxation Act (chapter I-3) or for the benefit of a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

“1104.1.5. The municipality may, not later than 60 days following notification of the notice of intention to alienate, notify a notice to the owner of its intention to exercise its pre-emptive right and to acquire the immovable at the price and on the conditions stated in the notice of intention to alienate, subject to any modifications subsequently agreed on with the owner. If the notice of intention to alienate contains an estimate of the value of a non-monetary consideration, the price must be increased by an equal amount.

The municipality may, during that period, require from the owner any information allowing it to assess the condition of the immovable. It may also, after giving 48 hours’ prior notice, access the immovable to conduct, at its own expense, any study or analysis it considers useful.

If the municipality does not notify the notice provided for in the first paragraph to the owner within that 60-day period, it is deemed to have waived its pre-emptive right.

If the municipality decides to waive its pre-emptive right and the proposed alienation occurs, the municipality must have the notice of its pre-emptive right removed from the land register.

“1104.1.6. If the municipality exercises its pre-emptive right, it must pay the price of the immovable within 60 days after notifying the notice of its intention to acquire the immovable. If the municipality cannot pay the amount to the owner, it may deposit it, on the owner’s behalf, at the office of the Superior Court.

Sections 53.15 to 53.17 of the Expropriation Act (chapter E-24) apply, with the necessary modifications.

In the absence of a notarial contract, the municipality becomes the owner of the immovable by registering a notice of transfer of ownership in the land register; the notice must include a description of the immovable, the price and conditions of its acquisition, and the date on which the municipality will take possession of the immovable.

The notice of transfer must be served on the owner at least 30 days before it is registered in the land register.

To be registered, the notice must be accompanied by documents confirming that the amount has been paid to the owner or deposited at the office of the Superior Court and proof that the notice has been served on the owner.

“1104.1.7. If the municipality avails itself of its pre-emptive right, it must compensate the person who intended to acquire the immovable for reasonable expenses incurred during negotiation of the price and conditions of the proposed alienation.”

ACT RESPECTING THE COMMUNAUTÉ MÉTROPOLITAINE DE MONTRÉAL

II. The Act respecting the Communauté métropolitaine de Montréal (chapter C-37.01) is amended by inserting the following sections after section 104:

“104.1. The Community may, in all or part of its territory as determined by the by-law provided for in section 104.2, exercise a pre-emptive right to acquire any immovable, excluding immovables owned by a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

The Community’s pre-emptive right may only be exercised to acquire an immovable in respect of which a notice of the Community’s pre-emptive right has been registered. The right is exercised subject to the pre-emptive right provided for in section 56 of the Cultural Heritage Act (chapter P-9.002) and that provided for in section 68.3 of the Act respecting the Société d’habitation du Québec (chapter S-8).

“104.2. The Community shall determine, by by-law, the territory in which its pre-emptive right may be exercised and the purposes for which immovables may be acquired in that manner.

“104.3. The notice of the Community’s pre-emptive right must identify the immovable concerned and describe the purposes for which it may be acquired.

The notice must be notified to the owner of the immovable and takes effect on being registered in the land register. It is valid for a period of 10 years from the registration date.

No notice of pre-emptive right may be registered in respect of an immovable that is already the subject of such a notice under this Act, the Cities and Towns Act (chapter C-19), the Municipal Code of Québec (chapter C-27.1) or the Act respecting public transit authorities (chapter S-30.01).

“104.4. The owner of an immovable in respect of which a notice of the Community’s pre-emptive right has been issued may not, on pain of nullity, alienate the immovable if the owner has not notified a notice to the Community of the owner’s intention to alienate the immovable.

The owner’s notice must state the price of the proposed alienation, the conditions to which it is subject, and the name of the person who intends to acquire the immovable. If the immovable is to be alienated, in whole or in part, for non-monetary consideration, the notice must include a reliable and objective estimate of the value of that consideration.

The first and second paragraphs do not apply to an alienation made for the benefit of a person related to the owner within the meaning of the Taxation Act (chapter I-3) or for the benefit of a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

“104.5. The Community may, not later than 60 days following notification of the notice of intention to alienate, notify a notice to the owner of its intention to exercise its pre-emptive right and to acquire the immovable at the price and on the conditions stated in the notice of intention to alienate, subject to any modifications subsequently agreed on with the owner. If the notice of intention to alienate contains an estimate of the value of a non-monetary consideration, the price must be increased by an equal amount.

The Community may, during that period, require from the owner any information allowing it to assess the condition of the immovable. It may also, after giving 48 hours’ prior notice, access the immovable to conduct, at its own expense, any study or analysis it considers useful.

If the Community does not notify the notice provided for in the first paragraph to the owner within that 60-day period, it is deemed to have waived its pre-emptive right.

If the Community waives its pre-emptive right and the proposed alienation occurs, the Community must have the notice of its pre-emptive right removed from the land register.

“104.6. If the Community exercises its pre-emptive right, it must pay the price of the immovable within 60 days after notifying the notice of its intention to acquire the immovable. If the Community cannot pay the amount to the owner, it may deposit it, on the owner’s behalf, at the office of the Superior Court.

Sections 53.15 to 53.17 of the Expropriation Act (chapter E-24) apply, with the necessary modifications.

In the absence of a notarial contract, the Community becomes the owner of the immovable by registering a notice of transfer of ownership in the land register; the notice must include a description of the immovable, the price and conditions of its acquisition, and the date on which the Community will take possession of the immovable.

The notice of transfer must be served on the owner at least 30 days before it is registered in the land register.

To be registered, the notice must be accompanied by documents confirming that the amount has been paid to the owner or deposited at the office of the Superior Court and proof that the notice has been served on the owner.

“104.7. If the Community avails itself of its pre-emptive right, it must compensate the person who intended to acquire the immovable for reasonable expenses incurred during negotiation of the price and conditions of the proposed alienation.”

ACT RESPECTING THE COMMUNAUTÉ MÉTROPOLITAINE DE QUÉBEC

12. The Act respecting the Communauté métropolitaine de Québec (chapter C-37.02) is amended by inserting the following sections after section 97:

“97.1. The Community may, in all or part of its territory as determined by the by-law provided for in section 97.2, exercise a pre-emptive right to acquire any immovable, excluding immovables owned by a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

The Community’s pre-emptive right may only be exercised to acquire an immovable in respect of which a notice of the Community’s pre-emptive right has been registered. The right is exercised subject to the pre-emptive right provided for in section 56 of the Cultural Heritage Act (chapter P-9.002) and that provided for in section 68.3 of the Act respecting the Société d’habitation du Québec (chapter S-8).

“97.2. The Community shall determine, by by-law, the territory in which its pre-emptive right may be exercised and the purposes for which immovables may be acquired in that manner.

“97.3. The notice of the Community’s pre-emptive right must identify the immovable concerned and describe the purposes for which it may be acquired.

The notice must be notified to the owner of the immovable and takes effect on being registered in the land register. It is valid for a period of 10 years from the registration date.

No notice of pre-emptive right may be registered in respect of an immovable that is already the subject of such a notice under this Act, the Cities and Towns Act (chapter C-19), the Municipal Code of Québec (chapter C-27.1) or the Act respecting public transit authorities (chapter S-30.01).

“97.4. The owner of an immovable in respect of which a notice of the Community’s pre-emptive right has been issued may not, on pain of nullity, alienate the immovable if the owner has not notified a notice to the Community of the owner’s intention to alienate the immovable.

The owner’s notice must state the price of the proposed alienation, the conditions to which it is subject, and the name of the person who intends to acquire the immovable. If the immovable is to be alienated, in whole or in part, for non-monetary consideration, the notice must include a reliable and objective estimate of the value of that consideration.

The first and second paragraphs do not apply to an alienation made for the benefit of a person related to the owner within the meaning of the Taxation Act (chapter I-3) or for the benefit of a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

“97.5. The Community may, not later than 60 days following notification of the notice of intention to alienate, notify a notice to the owner of its intention to exercise its pre-emptive right and to acquire the immovable at the price and on the conditions stated in the notice of intention to alienate, subject to any modifications subsequently agreed on with the owner. If the notice of intention to alienate contains an estimate of the value of a non-monetary consideration, the price must be increased by an equal amount.

The Community may, during that period, require from the owner any information allowing it to assess the condition of the immovable. It may also, after giving 48 hours’ prior notice, access the immovable to conduct, at its own expense, any study or analysis it considers useful.

If the Community does not notify the notice provided for in the first paragraph to the owner within that 60-day period, it is deemed to have waived its pre-emptive right.

If the Community decides to waive its pre-emptive right and the proposed alienation occurs, the Community must have the notice of its pre-emptive right removed from the land register.

“97.6. If the Community exercises its pre-emptive right, it must pay the price of the immovable within 60 days after notifying the notice of its intention to acquire the immovable. If the Community cannot pay the amount to the owner, it may deposit it, on the owner’s behalf, at the office of the Superior Court.

Sections 53.15 to 53.17 of the Expropriation Act (chapter E-24) apply, with the necessary modifications.

In the absence of a notarial contract, the Community becomes the owner of the immovable by registering a notice of transfer of ownership in the land register; the notice must include a description of the immovable, the price and conditions of its acquisition, and the date on which the Community will take possession of the immovable.

The notice of transfer must be served on the owner at least 30 days before it is registered in the land register.

To be registered, the notice must be accompanied by documents confirming that the amount has been paid to the owner or deposited at the office of the Superior Court and proof that the notice has been served on the owner.

“97.7. If the Community avails itself of its pre-emptive right, it must compensate the person who intended to acquire the immovable for reasonable expenses incurred during negotiation of the price and conditions of the proposed alienation.”

COMPANIES ACT

13. Section 1 of the Companies Act (chapter C-38) is amended by inserting “the provisions of Division III.2 of Part III, which are administered by the Minister of Municipal Affairs, Regions and Land Occupancy, and” after “except”.

14. The Act is amended by inserting the following division after section 227.6:

“DIVISION III.2

“IMMOVABLE BUILT, ACQUIRED, RESTORED OR RENOVATED WITH THE HELP OF HOUSING ASSISTANCE

“227.7. This division applies to any legal person that is the owner of an immovable with a social or community destination that was built or acquired or has been restored or renovated with the help of housing assistance granted by the Government, the federal government or one of their departments, agencies or bodies.

“227.8. The legal person must

- (1) maintain the social or community destination of the immovable;
- (2) set up a reserve sufficient to ensure the sound and prudent management, maintenance and preservation of the immovable;
- (3) appoint an auditor, who must be a member of the Ordre professionnel des comptables professionnels agréés du Québec;
- (4) have the immovable inspected by an expert at least every five years and submit the expert’s report at the legal person’s meeting that follows the filing of the report;
- (5) prepare a five-year plan for the maintenance and preservation of the immovable and the related budgets; and
- (6) on its balance sheet, in addition to the requirements set out in subsection 3 of section 98, give the date of the last inspection of the immovable, and report on the maintenance and preservation work done and on the budgets related to the five-year plan.

“227.9. The alienation of the immovable, other than by expropriation or forced sale, the establishment of emphyteusis on it or a change of its destination must be authorized by the Minister, who may subject such authorization to the conditions the Minister determines.

The first paragraph does not apply to an immovable referred to in section 68.1 of the Act respecting the Société d’habitation du Québec (chapter S-8), or if an immovable is taken in payment or another hypothecary right relating to an immovable is exercised

- (1) by a hypothecary creditor whose business is making loans on real security; or
- (2) by the Government, the federal government or one of their departments, agencies or bodies, or by a legal person established in the public interest.

“227.10. The application for authorization must contain the name and domicile of the legal person, a description of the immovable, the total amount obtained under any assistance referred to in section 227.7 and a certified statement from the Land Registrar of the charges encumbering the immovable. In the case of an alienation or the establishment of emphyteusis, the application must also state the nature and conditions of the juridical act contemplated, the name of the future acquirer, assignee or beneficiary, and the sale price of the immovable; in the case of a change of destination, it must specify the proposed new destination.

On receiving an application for authorization, the Minister shall inform the Réseau québécois des organismes sans but lucratif d'habitation and, if applicable, the federation of non-profit housing organizations operating in the region where the immovable is located, which have 30 days to submit their observations.

In analyzing the application, in addition to the elements specified in the first paragraph, the Minister takes into account the impact of the act contemplated on the social or community destination of the immovable and the observations submitted by the community sector.

“227.11. The Minister may require the registration in the land register of a statement specifying that the immovable is subject to section 227.9. The registration is required by way of a notice sent to the Land Registry Office.

“227.12. Any act done in contravention of this division is absolutely null.

“227.13. The Attorney General may obtain from the Superior Court an order to stop any act or transaction undertaken or continued without the Minister's authorization.

The application of the Attorney General is heard and judged on an urgent basis.

“227.14. In the case of the winding-up of the legal person, any immovable referred to in section 227.7 is assigned, by the meeting of the members, to another legal person governed by this Part or, in the absence of a decision to that effect, to the Réseau québécois des organismes sans but lucratif d'habitation.

“227.15. The following commit an offence and are liable to a fine of not less than \$500 nor more than \$10,000:

- (1) whoever provides false or inaccurate information to the Minister;
- (2) whoever hinders or attempts to hinder a person performing an action that this division requires or authorizes the person to perform or that the person is authorized to perform within the scope of the person's verification powers relating to the carrying out of this division; and
- (3) whoever contravenes any of paragraphs 2 to 6 of section 227.8.

The fines are doubled for a subsequent offence.

“227.16. Whoever contravenes paragraph 1 of section 227.8, section 227.9 or section 227.14 commits an offence and is liable to a fine of not less than \$2,500 nor more than \$10,000. The fines are doubled for a subsequent offence.

On a finding of guilty, a judge may, in addition to imposing any other penalty and on an application by the prosecutor filed with the statement of offence, impose an additional fine equal to the value of the property involved in the offence, even if the maximum fine under the first paragraph has been imposed on the offender.

“227.17. Whoever, by an act or omission, helps or, by encouragement, advice, consent, authorization or order, induces a person to commit an offence under this division commits the same offence.

“227.18. Penal proceedings for an offence under this division are prescribed three years from the date on which the offence was committed.”

COOPERATIVES ACT

15. Section 191 of the Cooperatives Act (chapter C-67.2) is replaced by the following section:

“191. The Minister shall designate the liquidator of the cooperative.

If the Minister fails to designate a liquidator, the Minister of Revenue shall act as liquidator.

The Minister of Revenue or the designated liquidator, as the case may be, shall render an account to the Minister.”

16. Section 221.2.4 of the Act is amended by replacing “destination, in particular the social or community vocation,” by “social or community destination”.

17. Section 221.2.5 of the Act is amended

(1) by replacing “by the Minister, who may subject such authorization to the conditions the Minister determines” in the first paragraph by “jointly by the Minister and by the Minister of Municipal Affairs, Regions and Land Occupancy, who may each subject their authorization to the conditions they determine”;

(2) by replacing “if the building is taken in payment or” in the second paragraph by “to an immovable referred to in section 68.1 of the Act respecting the Société d’habitation du Québec (chapter S-8), or if the building is taken in payment or”.

18. Section 221.2.6 of the Act is amended

(1) by replacing “acquirer, assignee or future beneficiary” in the first paragraph by “future acquirer, assignee or beneficiary”;

(2) in the third paragraph,

(a) by replacing “the Minister takes into account” by “the ministers shall take into account”;

(b) by replacing “destination, in particular the social or community vocation,” by “social or community destination”;

(3) by replacing “the Minister must” in the fourth paragraph by “the ministers must”.

19. Section 221.2.9 of the Act is amended by replacing “the Minister’s authorization” in the first paragraph by “the joint authorization of the Minister and of the Minister of Municipal Affairs, Regions and Land Occupancy”.

EDUCATION ACT

20. Sections 272.17 to 272.22 of the Education Act (chapter I-13.3) are repealed.

ACT RESPECTING THE MINISTÈRE DES AFFAIRES MUNICIPALES, DES RÉGIONS ET DE L’OCCUPATION DU TERRITOIRE

21. Section 15 of the Act respecting the Ministère des Affaires municipales, des Régions et de l’Occupation du territoire (chapter M-22.1) is amended by adding the following paragraph at the end:

“In the case of a person designated to conduct a verification to ascertain that Division III.2 of Part III of the Companies Act (chapter C-38) is being properly enforced, this section applies in respect of the legal person referred to in that division, with the necessary modifications.”

22. Section 17 of the Act is amended by replacing “member of the council or of an officer or employee of the visited municipal body,” by “council member, officer or employee of the municipal body, or of the legal person referred to in Division III.2 of Part III of the Companies Act (chapter C-38), that the person visits,”.

ACT RESPECTING THE SOCIÉTÉ D’HABITATION DU QUÉBEC

23. Section 86 of the Act respecting the Société d’habitation du Québec (chapter S-8) is amended by replacing subparagraph g.1 of the first paragraph by the following subparagraph:

“(g.1) establish the categories of modest-rental housing dwellings, the terms governing the allocation of such dwellings and the conditions upon which leases for such dwellings may be taken or granted, and prescribe any compensation that may be exigible from lessees who cease to be eligible for such dwellings as well as the rules relating to such compensation;”.

ACT RESPECTING PUBLIC TRANSIT AUTHORITIES

24. The Act respecting public transit authorities (chapter S-30.01) is amended by inserting the following sections after section 92:

“92.0.1. A transit authority may, in all or part of its territory as determined by the by-law provided for in section 92.0.2, exercise a pre-emptive right to acquire any immovable, excluding immovables owned by a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

A transit authority’s pre-emptive right may only be exercised to acquire an immovable in respect of which a notice of the transit authority’s pre-emptive right has been registered. The right is exercised subject to the pre-emptive right provided for in section 56 of the Cultural Heritage Act (chapter P-9.002) and that provided for in section 68.3 of the Act respecting the Société d’habitation du Québec (chapter S-8).

“92.0.2. The transit authority shall determine, by by-law, the territory in which its pre-emptive right may be exercised and the purposes for which immovables may be acquired in that manner.

“92.0.3. The notice of the transit authority’s pre-emptive right must identify the immovable concerned and describe the purposes for which it may be acquired.

The notice must be notified to the owner of the immovable and takes effect on being registered in the land register. It is valid for a period of 10 years from the registration date.

No notice of pre-emptive right may be registered in respect of an immovable that is already the subject of such a notice under this Act, the Cities and Towns Act (chapter C-19), the Municipal Code of Québec (chapter C-27.1), the Act respecting the Communauté métropolitaine de Montréal (chapter C-37.01) or the Act respecting the Communauté métropolitaine de Québec (chapter C-37.02).

“92.0.4. The owner of an immovable in respect of which a notice of the transit authority’s pre-emptive right has been issued may not, on pain of nullity, alienate the immovable if the owner has not notified a notice to the transit authority of the owner’s intention to alienate the immovable.

The owner’s notice must state the price of the proposed alienation, the conditions to which it is subject, and the name of the person who intends to acquire the immovable. If the immovable is to be alienated, in whole or in part, for non-monetary consideration, the notice must include a reliable and objective estimate of the value of that consideration.

The first and second paragraphs do not apply to an alienation made for the benefit of a person related to the owner within the meaning of the Taxation Act (chapter I-3) or for the benefit of a public body within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

“92.0.5. The transit authority may, not later than 60 days following notification of the notice of intention to alienate, notify a notice to the owner of its intention to exercise its pre-emptive right and to acquire the immovable at the price and on the conditions stated in the notice of intention to alienate, subject to any modifications subsequently agreed on with the owner. If the notice of intention to alienate contains an estimate of the value of a non-monetary consideration, the price must be increased by an equal amount.

The transit authority may, during that period, require from the owner any information allowing it to assess the condition of the immovable. It may also, after giving 48 hours’ prior notice, access the immovable to conduct, at its own expense, any study or analysis it considers useful.

If the transit authority does not notify the notice provided for in the first paragraph to the owner within that 60-day period, it is deemed to have waived its pre-emptive right.

If the transit authority decides to waive its pre-emptive right and the proposed alienation occurs, the transit authority must have the notice of its pre-emptive right removed from the land register.

“92.0.6. If the transit authority exercises its pre-emptive right, it must pay the price of the immovable within 60 days after notifying the notice of its intention to acquire the immovable. If the transit authority cannot pay the amount to the owner, it may deposit it, on the owner’s behalf, at the office of the Superior Court.

Sections 53.15 to 53.17 of the Expropriation Act (chapter E-24) apply, with the necessary modifications.

In the absence of a notarial contract, the transit authority becomes the owner of the immovable by registering a notice of transfer of ownership in the land register; the notice must include a description of the immovable, the price and conditions of its acquisition, and the date on which the transit authority will take possession of the immovable.

The notice of transfer must be served on the owner at least 30 days before it is registered in the land register.

To be registered, the notice must be accompanied by documents confirming that the amount has been paid to the owner or deposited at the office of the Superior Court and proof that the notice has been served on the owner.

“92.0.7. If the transit authority avails itself of its pre-emptive right, it must compensate the person who intended to acquire the immovable for reasonable expenses incurred during negotiation of the price and conditions of the proposed alienation.”

TRANSITIONAL AND FINAL PROVISIONS

25. Article 1955 of the Civil Code, as it reads on (*insert the date before the date of assent to this Act*), continues to apply in respect of a dwelling situated in an immovable ready for its intended use before (*insert the date of assent to this Act*).

26. Article 1959.2 of the Code, enacted by section 4, does not apply to an eviction process for which the notice of eviction was given before (*insert the date of assent to this Act*).

27. Any act performed under sections 151.1 to 151.7 of Schedule C to the Charter of Ville de Montréal, metropolis of Québec (chapter C-11.4), or under sections 272.17 to 272.22 of the Education Act (chapter I-13.3), repealed by, respectively, sections 6 and 20 is considered to have been performed under sections 572.0.1 to 572.0.7 of the Cities and Towns Act (chapter C-19) or under articles 1104.1.1 to 1104.1.7 of the Municipal Code of Québec (chapter C-27.1), enacted by sections 8 and 10, respectively, depending on the Act governing the municipality concerned.

In the case of a notice of intention to alienate referred to in section 272.20 of the Education Act and received by the municipality before (*insert the date of assent to this Act*), the municipality may, not later than the 90th day following notification of the notice, notify a notice to the owner of its intention to exercise its pre-emptive right.

28. Paragraphs 2 to 6 of section 227.8 of the Companies Act (chapter C-38), enacted by section 14, apply to legal persons constituted before (*insert the date of assent to this Act*) only from the end of their fiscal year in progress on that date.

Such legal persons must have the inspection required under paragraph 4 of section 227.8 of the Companies Act, enacted by section 14, carried out for the first time before the later of the following dates:

(1) the date of the end of the fiscal year that follows the fiscal year in progress on (*insert the date of assent to this Act*); and

(2) the date that is five years after the filing date of an expert’s report relating to the inspection of the immovable, where such a report was filed before (*insert the date of assent to this Act*).

29. The first regulation amending the Regulation respecting mandatory lease forms and the particulars of a notice to a new lessee (chapter T-15.01, r. 3) is not subject to sections 8 to 14 of the Regulations Act (chapter R-18.1), to the extent that the amendments it contains are required by the amendments made to the Civil Code by sections 1 to 4.

Until that first regulation is made, any lease governed by the Regulation respecting mandatory lease forms and the particulars of a notice to a new lessee and entered into after (*insert the date preceding the date of assent to this Act*) must be read with the modifications required by the amendments made to the Civil Code by sections 1 to 4.

30. This Act comes into force on (*insert the date of assent to this Act*).

